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Air Nostrum-CityJet

A meeting of minds

Flybe

Purple on parade



Cheryl Jackson, senior vice-president of global business development at AAR, looks at the African market's growing MRO opportunities and challenges, and how the company is responding.

... AAR

With the signing earlier this year by the African Union for the Single African Air Transport Market (SAATM), how does Africa get its MRO capabilities ready for the liberalisation of its skies?

The challenge is that the MROs that exist in Africa are owned by airlines that are only there to service their own fleet. For instance, Ethiopian Airlines has a very capable MRO but they only maintain their own fleet. The continent needs an independent provider in sub-Saharan Africa that can serve airlines in East, West and Central Africa. Currently, there is an MRO provider in southern Africa – but that is eight to 10 hours from some countries in East and West Africa.

Too many of the airlines that can least afford it are forced to send their aircraft to Europe and Asia for repair service. Africa and its airlines are at a grave disadvantage due to the challenges with African currencies such as the Nigerian Naira that are weak compared to currencies in Europe and Asia. When you think about what makes for a successful airline, the top three factors are safety, speed and cost. It takes an already costly activity and makes it that much costlier. Without enough MRO providers in Africa, it really compromises the airlines' ability to turnaround aircraft quickly and keep aircraft in the air safely and more often.

With around 1,050 new aircraft deliveries forecast for Africa over the next 20 years, what are the challenges it faces in preparing its MRO services? How can AAR help to overcome these?

The good news is that there has been increased interest in building additional maintenance capacity in Africa from government leaders, OEMs and independent

MRO providers, including AAR. Increasing maintenance capacity on the continent could be a real game-changer in terms of job creation and economic upward mobility in the region. For the past two years, aviation and transportation ministries in Africa have more aggressively reached out to MRO partners like AAR to stand up an MRO operation, and those discussions are continuing.

The African Union's support for a Single African Air Transport Market (SAATM) is certainly a step in the right direction to bolster tourism and increase connectivity on the continent. The challenge of establishing an independent MRO in Africa is having a large enough base-load customer to build a profitable MRO facility around. The number of new aircraft forecast over the next 20 years is great news but that number does not exist today. A public-private partnership is needed to bridge the gap between current and future capacity and provide the funding required to establish an independent MRO for today's smaller fleet as it grows into the much larger fleet size of tomorrow.

What about the human resources aspect? The global shortage of maintenance technicians is well known, but how is AAR and the industry generally laying the groundwork to find and train the skilled workforce needed to meet the demand?

The labour shortage of maintenance technicians is a problem the world over. AAR and the industry as a whole is focused on educating young people to spark interest in aviation and to have awareness of the careers available. AAR is also creating its own training programmes and apprenticeships to supplement those offered by traditional training schools.

And finally, AAR is looking at recruiting from other industries that rely on similar technical skills as the aviation industry, such as the automotive industry.

What MRO-related agreements does AAR currently have in place in Africa?

AAR has three MRO-related agreements in Africa, starting with Kenya Airways back in 2014. AAR was the first aviation services company to land a multi-year deal under the Obama administration's "Doing Business in Africa" initiative. Under the agreement we provide power-by-the-hour component support for Kenya Airways' fleet of Boeing 737NG aircraft.

In May 2016, we signed a deal with fastjet to provide cost-per-flight-hour component inventory management and repair services.

Later that year, we announced a five-year agreement with South African Airways Technical (SAAT) Ltd., to provide nose-to-tail component inventory management and repair services, as well as on-the-ground account management and technical support.

Can you give us any MRO market segment figures that show the size of the potential prize in Africa, and any market segments of particular note?

Africa has a fleet size of about 1,300 aircraft. More than 70% of those are narrow-body jets and turboprops. Just 28 operators in Africa command more than 10 aircraft, led by Ethiopian Airways, which has more than 70. Wide-body jets represent just 14% of the African fleet, so for now MRO expansion should focus on narrow-body and regional jets, which will bolster intra-continental travel between African countries and major cities. ■

