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Longevity Expected In Thriving USM Market

As commercial aircraft remain in service longer, market for USM expected to remain strong.

James Pozzi | Aug 29, 2018 | [MRO-Network](#) | Printed headline: **Parts Promise**

The market for mature airframe and engine repairs is robust, which has ensured healthy demand for used serviceable materials (USM). Analysts forecast that second-hand parts, typically cheaper than OEM-factory versions, are expected to remain in high demand for some time. ICF International anticipates that by 2026, the segment will be valued at around \$7.7 billion, rising from a \$4.5 billion estimate in 2016.

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While in the near term the segment shows no signs of slowing down, there are concerns that once more new-generation engines enter service, demand for used parts could fall off. But some component specialists see plenty of opportunities for USM in the long term.

Paul Richardson, vice president of sales at parts specialist AAR, admits that the emergence of new aircraft types and engines will eventually have an effect. But he also anticipates healthy demand on some of the more mature engine types. “The market is vibrant, with many shops servicing the mature engines, driven by longer-than-expected utilization of current-generation assets,” he says.

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Given demand is strong for older engine parts, Richardson believes the challenge for vendors lies in satisfying demand for narrowbody engines such as the CFM56-5B and -7B and the V2500. “There’s unpredictability with respect to availability of parts on certain platforms,” he says. Richardson also believes that the MRO requirements for engines like the CFM56 are starting to change as newer models enter service. “We anticipate a shift toward tailored work scopes on the legacy CFMs as operators and lessors work with us to maximize savings,” he says.

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Bo Lump, vice president of sales at parts specialist ITS, also sees the USM marketplace shifting. “As airlines are looking for solutions to support their USM demand, the suppliers must be creative in how the material is supplied,” he says. He also finds that operators are demanding more mature and financially stable suppliers to ensure long-term support. Like Richardson, he identifies challenges for the USM segment, but around supply.

“Newer models such as the 787, A350 and even the A380 pose challenges to the supply of USM, as there have been no teardown events to be able to offer these options,” Lump says. But he believes that despite this limitation, “MRO shops have done well with creating repairs along with the OEM manufacturers of the material to offer repair solutions.”

Taking advantage of the benefits associated with used parts while meeting some of their market challenges has led providers to set up dedicated businesses or grow their USM scope. Recent examples include Delta Material Services, established in 2015 by the airline’s Delta TechOps affiliate to provide USM for its airline and third-party customers. Liebherr Aerospace is also getting into the USM market this year, initially distributing Airbus line-replaceable units to its service centers worldwide from a centrally managed location in Dubai.

Satair also has ambitions in the USM segment. Sylvain Gorse, project manager for strategy and portfolio management, is overseeing the growth of the company’s USM division. He says Satair has so far focused on covering Airbus airframe parts and components but is ultimately targeting multiplatforms as well as regional jets and engines.

Gorse believes the future of the USM segment is promising. “One reason why demand will always remain high for USM, even with introduction of newer fleets, is the high commonality between new and older fleets,” he says.