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Increasing aircraft production rates are exerting pressure on training providers

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As the global aviation industry is steadily recovering, more and more operators tend to switch to new generation aircraft due to its performance and cost related benefits. In turn, reacting to the continuously rising demand, aircraft manufacturers are increasing the production rates thus artificially pushing the currently operated generation of aircraft into retirement. While this process is certainly affecting OEMs and other aftermarket players, training providers may be the ones to face the biggest challenge.

The production rates of the two major aircraft manufacturers – Aircraft and Boeing - reflect the recovery of the global aviation industry quite accurately. Solid discounts offered to operators have allowed both manufacturers to considerably enlarge the amount of orders: for example, an Irish low-cost carrier Ryanair, which has ordered 175 brand new B737-800s, was tempted by a discount of almost 50%. In the meantime, in May Airbus reported about delivering up to 55 aircraft a month, and its main competitor is aiming to reach a manufacturing rate of up to 65 aircraft per month in 2014.

“Both, Airbus and Boeing, are currently facing probably the largest demand in a long time, with a record amount of orders. For example, Indonesian Lion Air alone has recently placed an order for 230 B737s and 234 Airbus narrow-bodies. No wonder that aircraft manufacturers are in struggle to deliver the aircraft fast enough,” says Kestutis Volungevicius, the Head of FL Technics Training. “If the demand continues to rise at the current pace the production of Boeing’s 737s may hit 50 or more per month. But while the effect of the ever increasing production rates on the aftermarket has been thoroughly discussed, the industry may have overlooked the human labour related element.”

Lately a lot of MRO segment players have been concerned with the fact that the emergence and financial affordability of the new generation aircraft has created an early retirement wave of the current generation ones. The prices on the aftermarket have been significantly affected by the fact that owners have noticed the financial benefits of parting out fairly new aircraft (such as B737NGs). As a result, the useful life of these aircraft models has become shorter and the spending on their maintenance has slowed down.

“While manufacturers seem to be among those who choose to refute the notion that the useful economic life of aircraft is shrinking, the current situation in the industry seems to suggest the contrary,” shares Kestutis Volungevicius. “Thus, as the rates of the new generation aircraft replacing the older one have artificially increased, we have to ask ourselves about the implications of this trend on the MRO services. Of course, the new aircraft require less maintenance, but at the same time it becomes more expensive and difficult.”

For instance, the examination of composite components widely used in new generation aircraft requires more sophisticated methods and higher qualified maintenance personnel. No doubt, new techniques can be taught, but learning them takes time, and it seems that the aviation industry in its current state just cannot afford to waste it: “If you add up the retirement

of the current generation of technicians, the fact that the new generation isn't being trained at a preferable rate, the necessity to retrain the current generation and the overall deficiency of the technical personnel, the picture isn't very cheerful. Whether or not the shrinking aircraft retirement age is a viable trend, the situation itself has to be taken into consideration and addressed as fast as possible by both, training providers and manufacturers. We don't want to be chopping the branch we're sitting on."

Source and Photo: FL Technics Training