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Global Fleet and MRO Market Forecast 2026-2036



Foreword

Oliver Wyman's Global Fleet and MRO Market Forecast 2026-2036 is our firm's 26th annual assessment of the 10-year outlook for the global commercial airline fleet and the maintenance, repair, and overhaul (MRO) market. This year, we present our research in a redesigned format to better showcase our data and the key points of our forecast. This redesign is coupled with updates to our models and methodology that allow us to leverage machine learning and implement more advanced analytics.

In the report that follows, we focus on the record-setting year of 2025 and detail the status of the fleet at a time of global and industry turmoil. Demand for travel has reached new heights and driven up revenues. At the same time, supply chain, workforce, and quality challenges cascading through the aviation ecosystem have limited its expansion and tested its resilience.

In the year ahead, industry leaders will need vigilance and creativity to manage fast-changing circumstances and fly a safe, efficient fleet. Oliver Wyman's Aviation and Aerospace partners and vice presidents are available to discuss any questions about this forecast.

We look forward to collaborating with you.



Brian Prentice
Partner and Study Leader
Oliver Wyman



Paul Harper
Vice President
Oliver Wyman Vector

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Executive summary

01

For the first time, global passenger revenues for the airline industry are expected to top \$1 trillion in 2025. Demand reached a new high, with a record 5.2 billion people traveling by air. Revenue passenger kilometers (RPKs) rose 9% above its pre-pandemic peak in 2019.

Those passengers, however, flew on increasingly aging aircraft, as manufacturing capacity could not keep up with this robust demand. At the start of 2026, about 17,000 unfilled aircraft orders were on the books, a backlog that is expected to take over 12 years to clear at current rates of production.

In response to the shortfall, airlines are keeping planes in service longer and flying them more. In 2025, the average age of the global fleet was just short of 13 years, about a year and a half more than in 2024. Average flight hours per aircraft increased 2% year-over-year, with utilization projected to continue growing until deliveries catch up later in our forecast period.

The gap between supply and demand leaves the industry unable to fully capture the financial benefits of soaring demand. Increases in manufacturing, maintenance, workforce, and other costs were offset by a 16% decline in jet fuel prices, and the industry was more profitable in all regions other than North America, where growth was flat. While the industry is committed to net zero emissions by 2050, the production lag means it is jeopardizing sustainability targets and missing out on improved fuel efficiency from the enhanced design and technology of newer aircraft. In 2025, fuel efficiency increased by about 1% — an improvement over 2024 but short of the annual 1.5% to 2% gains of prior years.

Supply chain tensions throttle expansion

A thriving aviation industry depends on a robust supply chain, but tensions throughout the system have slowed the industry's post-pandemic recovery. Raw material shortages, geopolitical volatility including tariffs, ramp-up challenges, and growing demand for military and defense aircraft led to delays in production and deliveries of commercial planes.

The fragile supply chain was not the only disruptor last year. Weather and technology-related delays, labor unrest in several markets, the US government shutdown, and shortages of air traffic controllers impacted schedules and costs. Another factor affecting fleet expansion was a wave of retirements of skilled workers. As the last of the baby boom generation leaves the workforce, taking their expertise with them, the industry is struggling to attract and retain younger generations of well-trained workers. About 41% of certified mechanics in the US are over 60 years old, and about 45,000 mechanics will retire in the next decade. Air traffic staffing is also a concern, with the pace of hiring unable to close the retirement gap. In 2025, both North America and Europe experienced flight delays and cancellations because of air traffic controller shortages.

Retirements are affecting management as well, and the leadership gap is an emerging concern. A slowdown in hiring in the 2000s and 2010s has resulted in fewer middle managers with the expertise and industry knowledge to take over from the older generation.

Production lags force industry to rely on an aging fleet

As of early 2026, the global commercial in-service aircraft fleet (excluding Russia) totaled about 30,000 aircraft. By the end of our forecast period, we expect the fleet to number about 41,000 aircraft — a compound annual growth rate (CAGR) of 3.2%. That growth lags our pre-pandemic forecast by six years. Supply chain issues will limit annual aircraft production worldwide until at least 2030, representing more than 6,000 new aircraft that would have been produced otherwise. In the second half of the forecast period, a faster pace of deliveries will bring retirement ages back to their historical norms.

Fleet replacement versus growth, 2026-2036



Note: Current fleet as of 1/1/2026

Sources: Aviation Week Intelligence Network's Fleet Discovery, Oliver Wyman analysis

Both Airbus and Boeing, the industry's leading manufacturers, have been unable to meet their ambitious production targets. Airbus holds 49% of the order book, with Boeing at 38%. Narrowbody aircraft orders dominate, reflecting the desire to increase efficiency. Airbus aims to produce 75 A320 aircraft per month by 2027, but that seems unlikely: It produced only 54 per month at the end of 2025. Boeing faces a similar shortfall. It targeted 57 monthly 737 units in 2026, but at the end of 2025 the FAA approved a production rate increase to 42 a month.

Looking across the globe, China will add the most aircraft over the next decade. India will experience the highest growth rate, at 7.1% CAGR, followed by the Middle East, with a CAGR of 5%.

The MRO supercycle pushes up revenues as well as costs and delays

An older fleet needs more maintenance and more replacement parts. That demand has pumped up prices for both parts and labor, extending the supercycle that began following the pandemic in the maintenance, repair, and overhaul (MRO) segment of the market. Global MRO demand was \$136 billion in 2025, an 8% increase from \$126 billion in 2024. By the end of the decade ahead, we expect spending will reach almost \$193 billion — about double the amount in 2019. In regions with older fleets — North America, Western Europe, and Africa — maintenance spend will outpace fleet growth.

Not all news is good in the MRO market. Technical challenges with engines and broader supply chain constraints, including shortages of materials such as composites and titanium, are tying up schedules. Delayed maintenance from the pandemic and the 737 grounding between 2019 and 2023 have converged in a “bow wave” effect that is contributing to capacity bottlenecks, longer turnaround times, and fluctuating pricing. Large component systems have been hit the hardest, particularly the engines that represent the biggest segment of the MRO market.

To counter these ongoing headwinds, airlines are strategically managing their fleets and searching for operational efficiency. With cost containment essential, we expect more partnerships and acquisitions between operators and maintenance providers. Consumers will also see higher ticket prices due to increased costs through the system as well as from supply and demand trends. Without question, meaningful investment — from upgrading technology to hiring a replacement workforce to strategic capital investments in parts — is required to ensure the aviation industry can capture growth while manufacturing efficient aircraft.

Fleet and MRO Forecast Summary

Region	North America	Western Europe	Middle East	China	Latam & Caribbean	Eastern Europe	Africa	India	Asia	Oceania	World
2026 Fleet											
Narrowbody	5,132	3,914	754	3,773	1,355	512	550	673	1,855	379	18,897
Widebody	1,486	1,181	842	765	185	65	186	58	1,107	110	5,985
Regional jet	1,670	374	61	260	207	84	208	8	87	130	3,089
Turboprop	544	334	28	0	173	65	304	73	312	242	2,075
TOTAL	8,832	5,803	1,685	4,798	1,920	726	1,248	812	3,361	861	30,046
2036 Fleet											
Narrowbody	7,128	5,228	1,243	5,845	2,151	826	1,128	1,433	2,926	556	28,464
Widebody	1,594	1,387	1,436	990	254	81	298	98	1,437	143	7,718
Regional jet	1,614	224	76	453	236	125	174	0	79	113	3,094
Turboprop	413	275	53	0	191	84	322	74	272	175	1,859
TOTAL	10,749	7,114	2,808	7,288	2,832	1,116	1,922	1,605	4,714	987	41,135
Fleet growth rates											
2026–2031	2.2%	1.8%	5.0%	4.2%	3.6%	4.1%	3.1%	7.3%	4.1%	-0.4%	3.1%
2031–2036	1.8%	2.3%	5.4%	4.4%	4.4%	4.7%	5.7%	6.8%	2.8%	3.2%	3.3%
2026–2036	2.0%	2.1%	5.2%	4.3%	4.0%	4.4%	4.4%	7.1%	3.4%	1.4%	3.2%
2026 MRO (US\$ in billions)											
Airframe	6.1	5.7	3.4	4.3	1.2	0.5	0.7	0.5	4.6	0.7	27.8
Component	6.6	4.8	1.8	3.8	1.4	0.5	0.8	0.6	3.2	0.6	24.0
Engine	14.8	12.8	12.1	9.1	3.8	1.2	1.9	1.5	11.8	1.2	70.1
Line	4.4	4.7	1.3	2.6	1.0	0.4	0.4	0.5	2.2	0.4	17.7
TOTAL	31.8	28.0	18.6	19.8	7.4	2.6	3.8	3.1	21.7	2.8	139.6
2036 MRO (US\$ in billions)											
Airframe	7.7	6.8	3.4	5.0	1.7	0.6	1.1	0.8	4.6	0.6	32.4
Component	8.4	6.3	2.8	5.4	2.2	0.7	1.2	1.3	4.3	0.6	33.3
Engine	20.3	18.1	19.4	12.6	5.6	1.6	3.2	3.9	15.9	1.9	102.6
Line	5.5	5.9	2.1	4.0	1.6	0.6	0.8	0.9	3.1	0.5	24.9
TOTAL	42.0	37.1	27.7	27.0	11.0	3.6	6.3	6.9	28.0	3.6	193.1
MRO growth rates											
2026–2031	2.6%	1.8%	3.1%	3.8%	3.9%	4.3%	3.2%	9.8%	1.3%	1.2%	2.8%
2031–2036	3.0%	3.9%	5.0%	2.5%	4.3%	2.4%	7.3%	6.9%	3.8%	3.5%	3.8%
2026–2036	2.8%	2.8%	4.1%	3.2%	4.1%	3.3%	5.2%	8.4%	2.5%	2.3%	3.3%



State of the industry

02

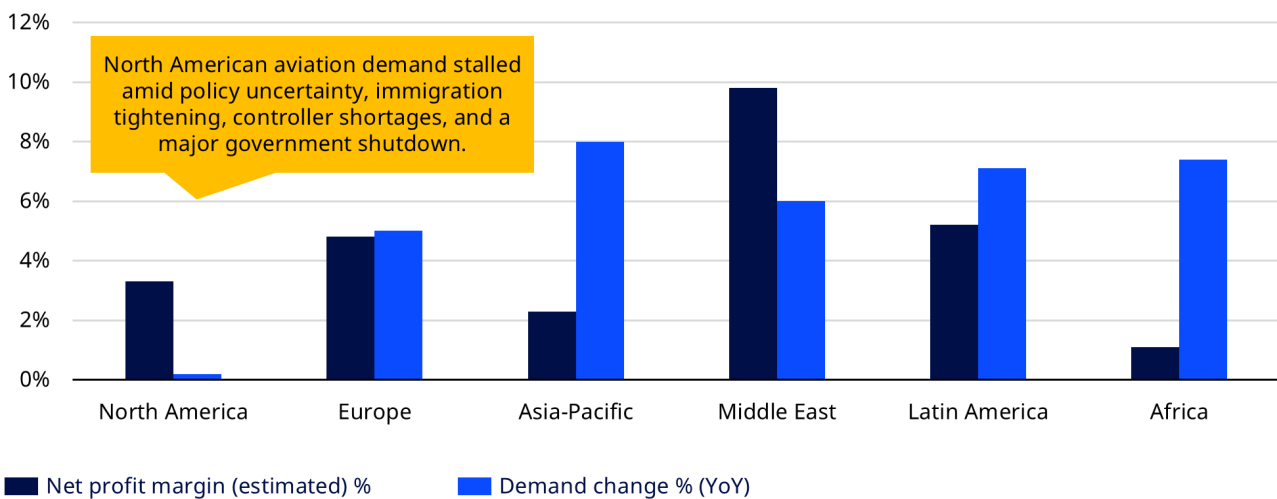
The global aviation and aerospace industry is scrambling to keep up with unprecedented demand for travel. Demand broke records last year, particularly in Asia and on transatlantic routes, with over 5.2 billion people traveling by air. Global revenues are expected to surpass \$1 trillion for the first time, and RPKs rose about 9% above the 2019 pre-pandemic peak. Profitability modestly strengthened in 2025. Global net profits reached \$39.5 billion — a 3.9% net profit margin, up from a 2.9% margin in 2024.

Meanwhile, supply chain, labor, and structural constraints throttled aircraft manufacturing. The industry had over 17,000 unfilled aircraft orders last year, compared with 13,000 in 2024 and just 6,000 on average prior to 2019. By the end of 2025, global aircraft production was 24% below 2019. With deliveries stalling, airlines are dependent on an increasingly aging fleet. Aircraft are flying more hours, and utilization and passenger load factor reached new highs in 2025.

In North America, the world’s largest market, the US government shutdown, disruptions in staffing of air traffic controllers, weather and technology-related delays, and labor unrest among flight attendants, pilots, and other staff created more headwinds. While global economic growth is expected at 3.2% in 2025 and 3.1% in 2026, ongoing geopolitical and supply chain tensions add uncertainty to the forecast. RPK growth is expected to track more closely to global GDP than in recent decades and is projected to grow 4.3% in 2026.

Regionally, Europe will see the highest net profit in 2025, while the Middle East will post the highest profit margins. Latin America’s growth domestically, particularly in Brazil, as well as higher international demand resulted in a CAGR of 7.1%. Inflation and falling consumer sentiment in the region have most strongly impacted lower-fare customers and low-cost carriers (LCCs). However, limited capacity has resulted in pricing power, particularly for premium products, as higher-income customers continued to spend.

Exhibit 1: Global regional financial and passenger traffic performance, 2025



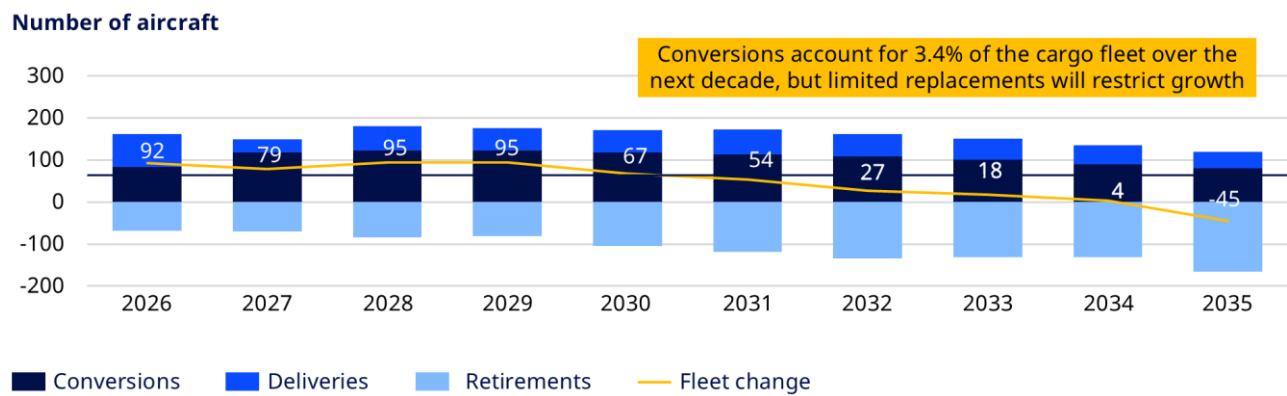
Source: International Air Transport Association Global Outlook for Air Transport December 2025

A fragile supply chain has contributed to limited production and delayed deliveries. Despite ambitious production targets, the industry's dominant manufacturers, Airbus and Boeing, have faced production limitations due to supply bottlenecks and workforce deficits that are expected to continue for years to come.

Reliance on an aging fleet has pumped up maintenance costs. Maintenance and operational costs are increasing due to aging fleets and higher wages. Together, these issues have triggered a supercycle in the MRO sector. In 2025, MRO spending reached a record high of almost \$136 billion, 30% above 2019.

Airlines must navigate longer wait times for aircraft, engines, and parts, as suppliers face many of the same capacity and labor challenges. Engine reliability issues and certification delays are exacerbating the backlog. Together, these pressures result in too few aircraft to capture healthy passenger demand growth in the sector, and more aircraft parked waiting for service. Fleet operators are also challenged by delays. Changing delivery dates and variability in forward bookings has made it imperative that networks can flex capacity by season, resulting in continuously shifting fleet and maintenance plans in a system where there are too few aircraft and maintenance capacity is constrained.

Exhibit 2: Projected global passenger-to-freighter conversions and cargo fleet change, 2026-2036



Source: Oliver Wyman analysis

Further, a generational workforce transition, accelerated by retirements during the COVID-19 pandemic, reduced institutional expertise and increased labor shortages globally. Following production issues, the US Federal Aviation Administration (FAA) imposed production caps that led to further delays at Boeing. While those caps have recently begun to lift, certification delays on new platforms, including the 737 MAX 7 and 10 along with the 777X, are contributing to the order book backlog. Boeing is not the only manufacturer impacted: Production challenges impacted Airbus' ability to deliver A320s toward the end of 2025 and the certification of the A350 freighter variant is also experiencing delays.

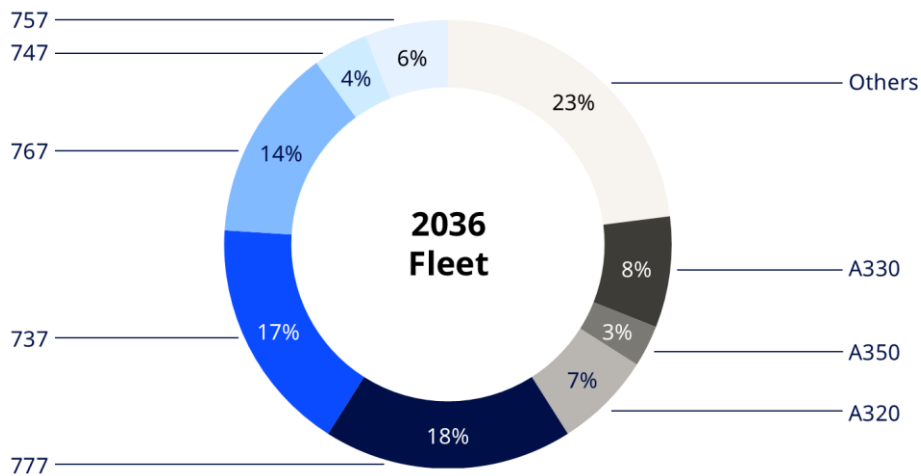
When will the supply chain recover? Whether shortages and delays are here to stay remains to be seen, but they are unlikely to abate before 2030. Challenges were hitting the system before the pandemic and have continued despite a wider recovery in the years since. Over the next few years, scarcity will give parts suppliers more pricing power. With higher costs for materials, operators and lessors will use more Parts Manufacturer Approval (PMA) components and owner-operator-produced parts (OOPPs). Operators will need to hold more inventory to ride out shortages, adding to storage costs.

Industry turmoil further opens the market to emerging players such as China’s COMAC, with its C919 narrowbody. However, COMAC remains dependent on the same Western parts suppliers caught up with export controls and tariff changes. The C919 is also limited by a lack of certification outside of China, although the EU Aviation Safety Agency (EASA) has begun flight evaluations and some countries in Africa and Asia are exploring certification. Even so, EASA certifications are expected to take another three to six years.

Cargo aircraft demand was strong in 2025, in part because the industry responded to potential tariffs by increasing trade. Available cargo tonne-kilometers (ACTKs), which measure total cargo capacity, increased by approximately 3.4% year-over-year, while actual cargo tonne-kilometers (CTKs), reflecting demand and cargo volume, rose about 3.7%, according to IATA. The stabilization of belly cargo capacity drove this growth, as passenger flights, particularly long-haul widebodies, continued to recover and operate on key trade routes.

Despite robust demand, an aging cargo fleet and low production constrain growth and require ongoing reliance on dedicated freighter aircraft and passenger-to-freighter conversions. Even so, belly cargo capacity remains a critical factor constraining full capacity potential on some routes. Over the forecast period, belly capacity will remain insufficient to support the expected strong cargo volume. To address this gap, we forecast about 1,100 passenger-to-freighter conversions by 2036, about 3.4% of the global cargo fleet.

Exhibit 3: Projected global cargo aircraft fleet by platform, 2036



Source: Oliver Wyman analysis

“The industry faces restricted supply of parts despite strong airline demand, keeping MRO assets attractive to investors amid increasing prices. The aging global fleet, driven by production delays, combined with record-high utilization, is increasing maintenance demands into a supercycle. This creates a complex environment where effective maintenance management and strategic investment are essential to sustain operations and drive growth.”

Brian Prentice
Partner



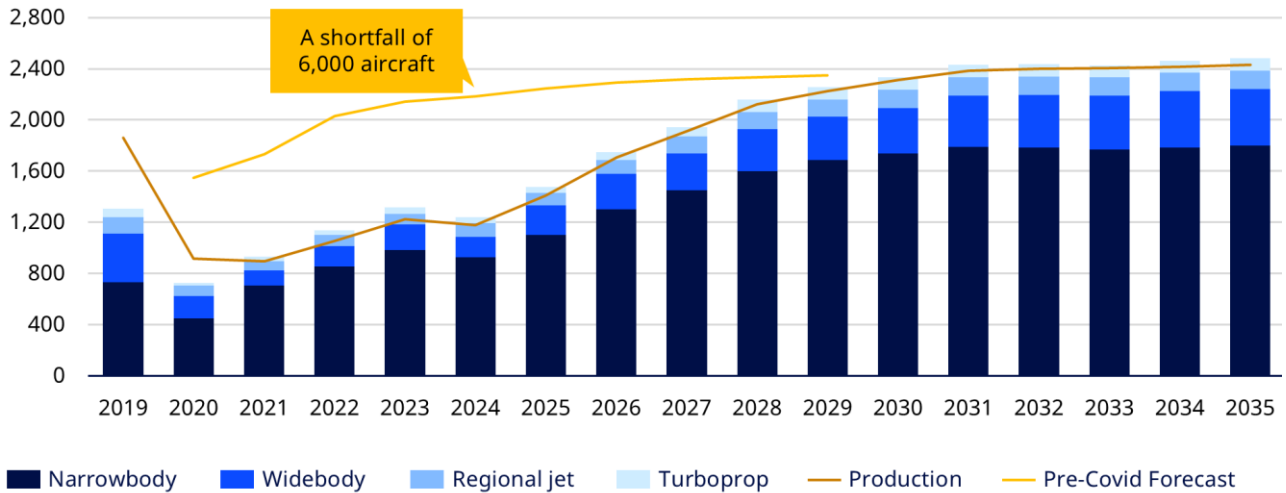
Global trends

03

Supply chain and industry challenges slow delivery despite ambitious targets

The industry’s major manufacturers began 2026 with impressive growth targets. Airbus holds a leading position with 49% of the total aircraft order book, while Boeing holds 38%. Airbus dominates narrowbody aircraft orders, with over 7,600 units compared with Boeing’s 4,900.

Exhibit 4: Global aircraft production and deliveries, 2019-2035

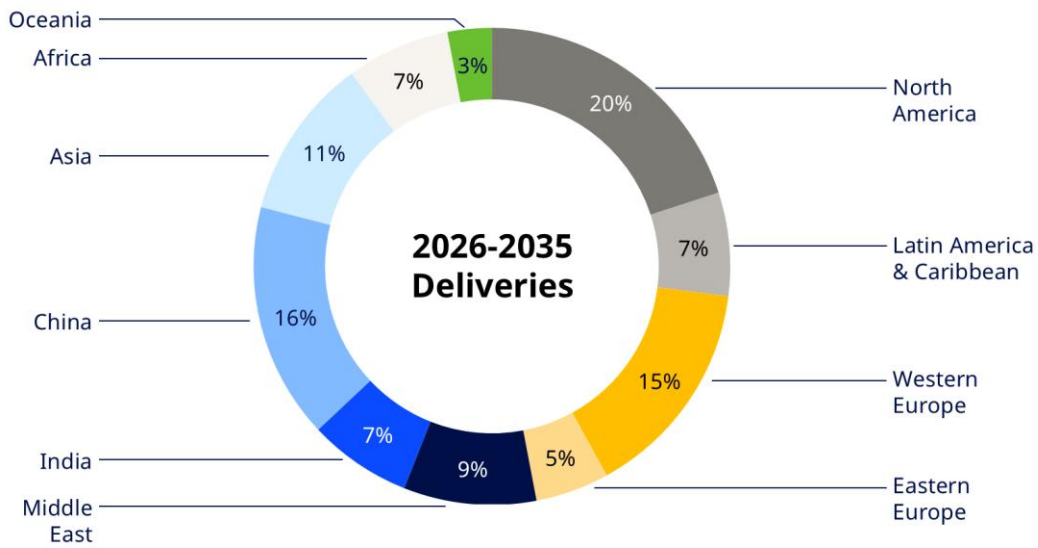


Source: Oliver Wyman analysis, Aviation Week Intelligence Network

Delivering these aircraft will not be easy. Supply chain challenges are impacting the entire aerospace ecosystem by slowing delivery timelines and increasing manufacturing costs and complexity. In 2025, both Airbus and Boeing attempted to ramp up production across their platforms but were throttled by supply chain constraints and production hiccups. While Airbus aims to produce 75 A320 aircraft per month by 2027, it produced only 54 per month by the end of 2025 and delays are expected to continue. Boeing targets 57 monthly 737 units in 2026, but a production rate increase to 42 a month was just approved by the FAA in the fourth quarter of 2025.

North American and Western European deliveries will mostly replace aging aircraft while those in India, China, and Asia will drive fleet growth

Exhibit 5: Projected global share of regional aircraft deliveries, 2026-2035

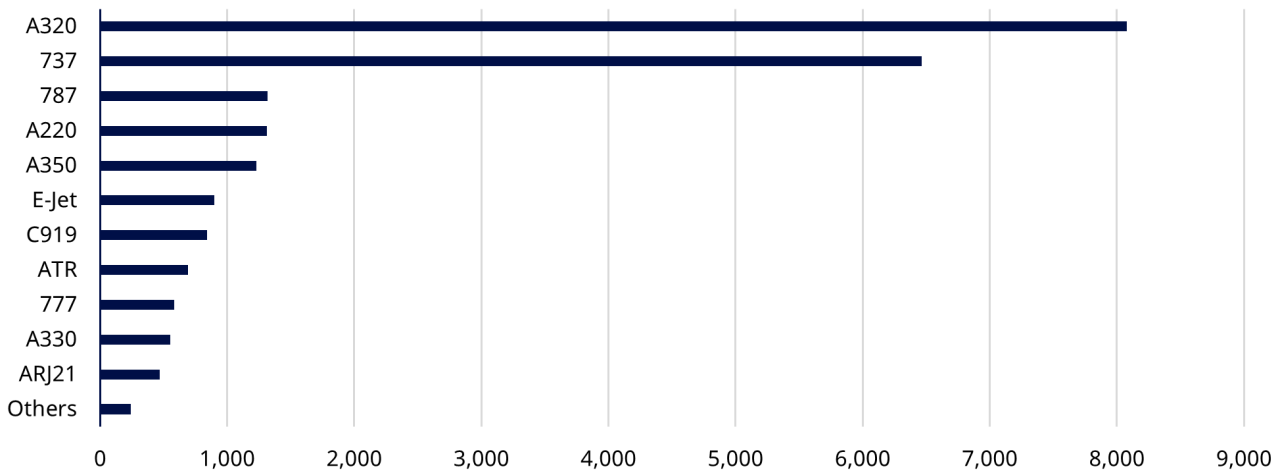


Source: Oliver Wyman analysis, Aviation Week Intelligence Network

Production and delivery have been further slowed by intensified regulatory scrutiny after safety incidents and an extended schedule of aircraft inspections due to engine component defects, notably in the Airbus A320neos and Boeing 737 MAXs. Widebody orders are rising, led by the Middle East and Asia. Regional jets and turboprops face operational and replacement challenges exacerbated by labor restrictions.

Exhibit 6: Projected global aircraft deliveries by platform, 2026-2035

Number of aircraft

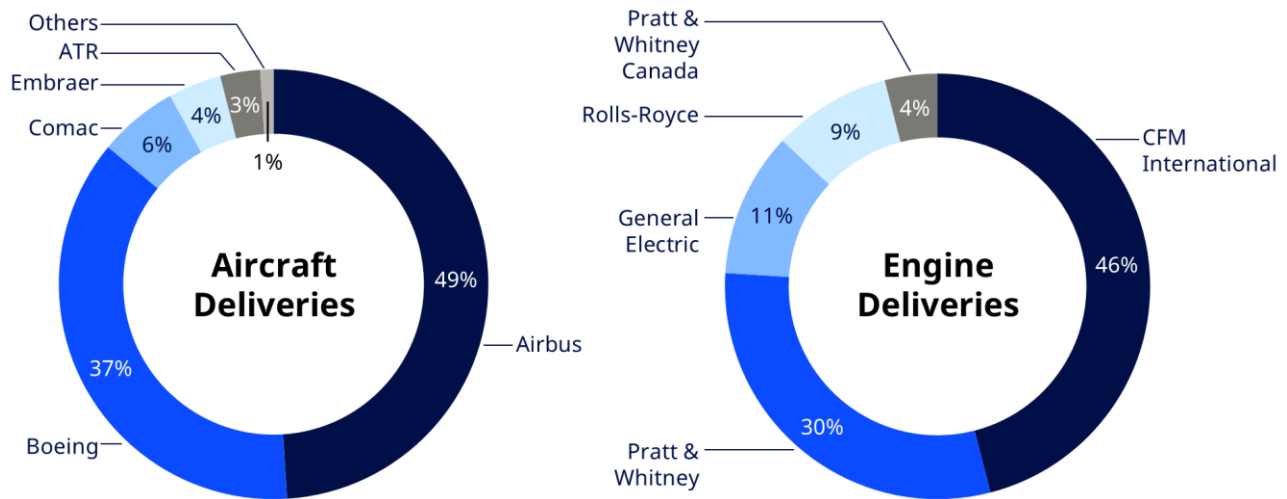


Source: Oliver Wyman analysis

The A320 and 737 will dominate commercial jet deliveries over the next decade, representing 65% of total deliveries

Suppliers need to expand manufacturing rapidly, but may hesitate to avoid being stranded with excess inventory if manufacturers miss their delivery targets. In addition, manufacturers' reliance on shared suppliers for critical engine parts will create additional bottlenecks. Suppliers face limited capacity for casting and forgings needed for essential engine components, with delays in availability of raw materials such as powdered metals and titanium. Original equipment manufacturers (OEMs) also face delays of other elements such as interiors and, at times, critical structural components.

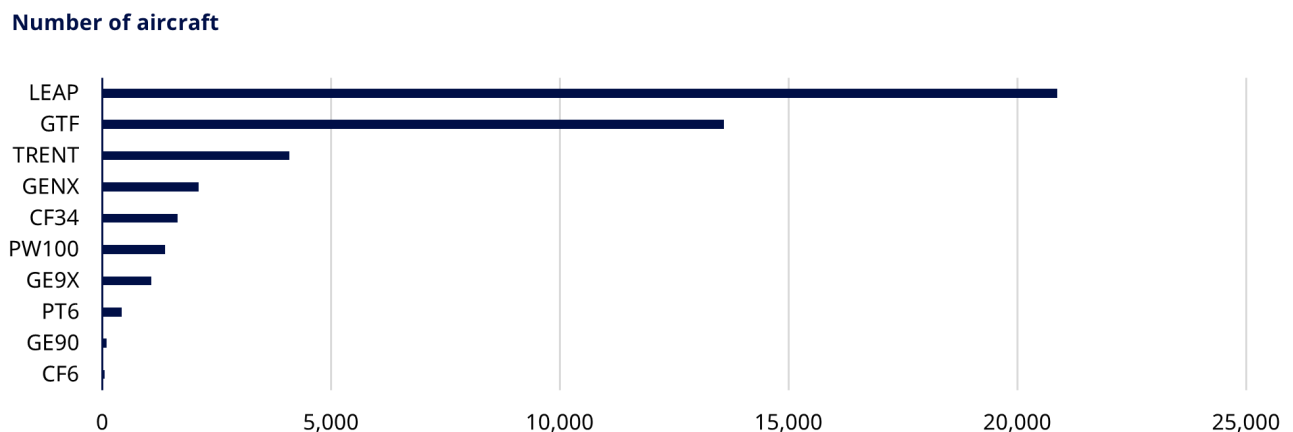
Exhibit 7: Projected global share of deliveries by manufacturer, 2026-2035



Source: Oliver Wyman analysis

To improve the odds of meeting their targets, Airbus has expanded assembly lines globally and Boeing has been consolidating and adding production facilities. Nevertheless, the interplay of factors across the supply chain and within the industry will mean ongoing pressure. Looking at the decade ahead, production is expected to lag in the next year and likely through the first half of the decade to come.

Exhibit 8: Project global engine deliveries by platform, 2026-2035



Source: Oliver Wyman analysis

Powered by the LEAP and GTF platforms, CFMI and Pratt & Whitney will deliver over 75% of engines over the next 10 years

“While production shortages have constrained aircraft supply in the North American market, they have also aided airlines by creating capacity limits that help strengthen pricing power and raise barriers for potential new entrants. An increase in capacity would have weakened that pricing power by risking market oversaturation and forcing airlines to change their revenue strategies.”

Paul Harper
Vice President

An aging fleet creates turbulence as narrowbodies dominate

As of early 2026, the global commercial in-service aircraft fleet (excluding Russia) totaled about 30,000 aircraft. Projected growth by 2036 is 37%, reaching approximately 41,000 aircraft — a CAGR of 3.2%. That growth lags pre-pandemic forecasts by around six years and represents a shortfall of over 6,000 aircraft. The gap is due largely to ongoing pandemic impacts and industry challenges, notably along the supply chain and in the workforce.

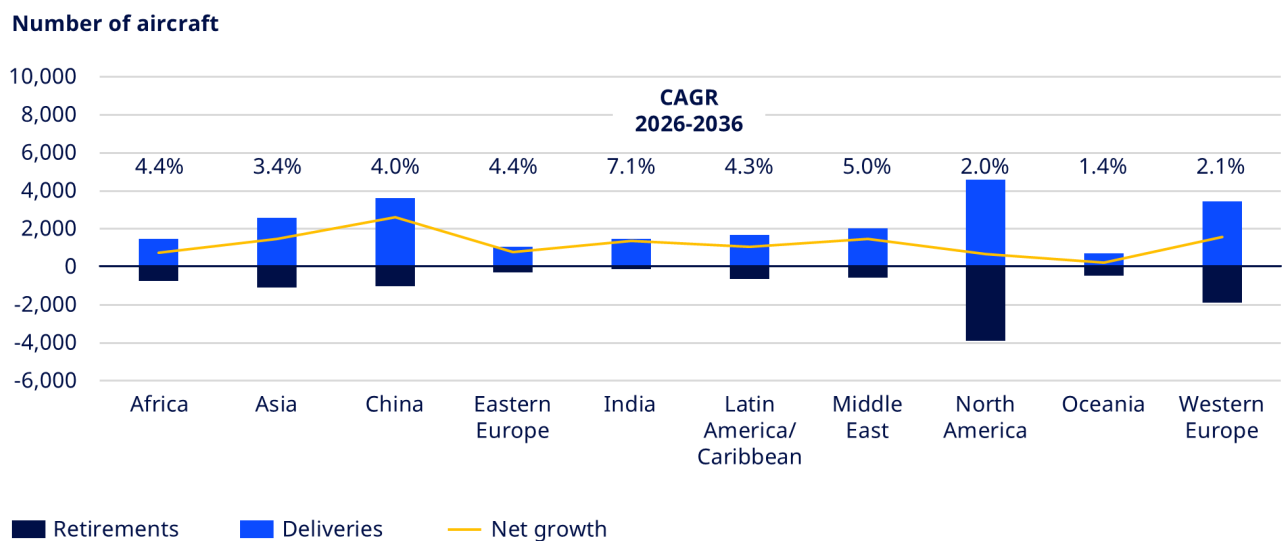
The global aircraft fleet is evolving, with China, the Middle East, and India all increasing market share. Growth is steady but moderate, as many aircraft are replacement orders. North America’s fleet growth was modest, focused on replacing older planes with new-generation models. Over 4,500 new deliveries are planned, but the region’s global share is declining due to faster growth elsewhere. Narrowbody jets are the leaders, while growth in regional jets remains flat.

Western Europe is steadily adding a mix of narrowbody and regional jets. High-speed rail competes on short routes, while budget airlines serve longer trips. Regulations to limit short-haul flights support rail and encourage more efficient aircraft use. Eastern Europe's fast-expanding market is driven by low-cost carriers and large narrowbody orders. In Latin America, domestic travel was strong, especially in Brazil, but aircraft and pilot shortages slowed regional jet recovery.

An expanding middle class and low-cost carriers are contributing to growth in Asia-Pacific, excluding China and India. India’s market remains small but growing and will require extensive infrastructure investments in support. China focuses on fleet maintenance amid economic challenges, investing in airports and domestic aircraft production. Oceania’s fleet expands through tourism-driven demand and infrastructure upgrades, especially in Australia and New Zealand.

The Middle East experiences robust growth, with narrowbody jets gaining ground alongside widebodies. Saudi Arabia focuses on domestic flights, the United Arab Emirates on international travel, and Qatar continues rapid expansion amid market competition. Africa’s aviation is rapidly transforming with rising passenger and cargo traffic. Despite challenges, investments in airlines and infrastructure are accelerating growth, supported heavily by used aircraft inflows.

Exhibit 9: Global fleet growth by region, 2026-2036

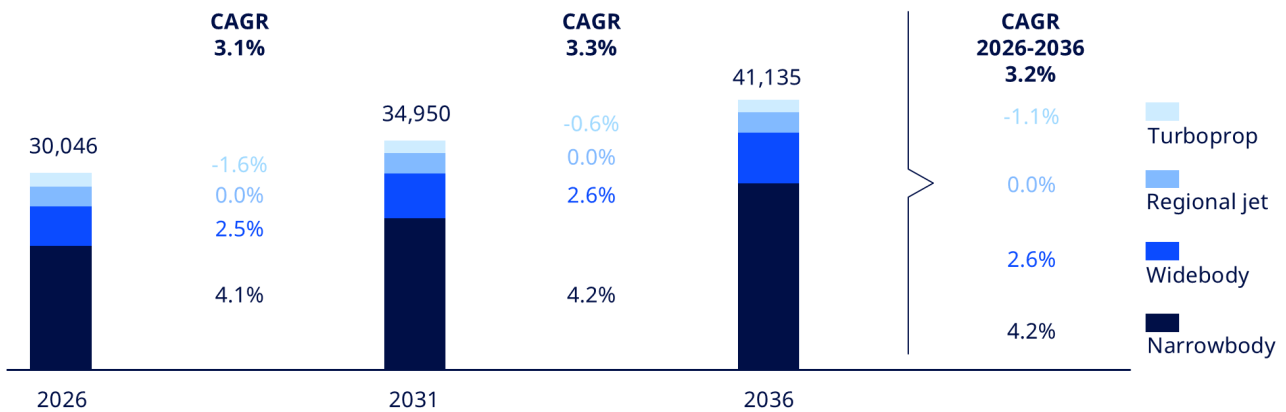


Source: Oliver Wyman analysis

In the years ahead, narrowbody aircraft dominance is expected to increase, growing from 63% in 2025 to 69% by 2036. That growth reflects a strategic preference for efficient, smaller aircraft amid rising passenger demand. The large delivery numbers forecast for the latter half of the decade could lead to an oversupply in the market without the expected increase in retirements.

Production constraints and supply limitations, among other factors, have led to delays in fleet renewals and extensions in the service of existing aircraft. Through the forecast period, the industry expects an average of about 1,070 retirements annually, about 3.1% of the fleet. Narrowbody aircraft average retirement age is expected to slightly decrease from 26 to 25 years by 2036, while widebody average retirement age declines from 27 to 25. Regional jets and turboprops face accelerated retirements with fewer replacements. Later in the decade, global retirements are expected to accelerate as production issues are resolved and airlines are finally able to park aging aircraft. The current slowing of retirements continues to limit aircraft available for cargo conversion or part-out, impacting the amount of used serviceable materials (USMs) available in the marketplace to offset high costs.

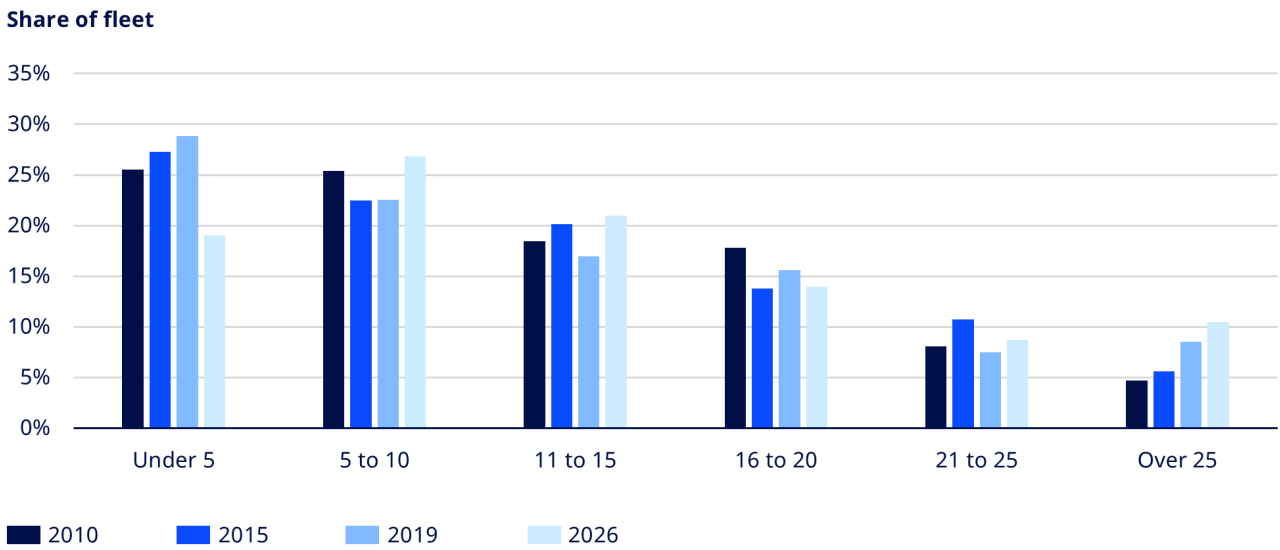
Exhibit 10: Global fleet growth by aircraft class, 2026-2036



Source: Oliver Wyman analysis

Fleet growth will accelerate in the second half of the decade as manufacturers hit target capacity; regional jets stay flat while narrowbodies drive most growth

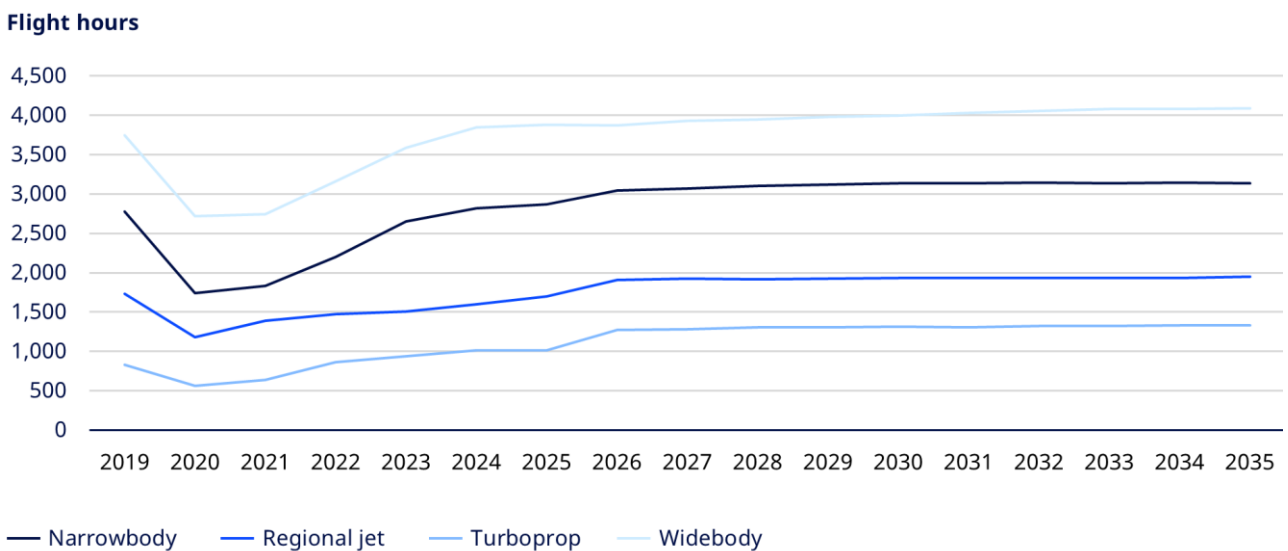
Exhibit 11: The average age of global in-service fleet at five-year intervals, 2010-2026



Source: Oliver Wyman analysis

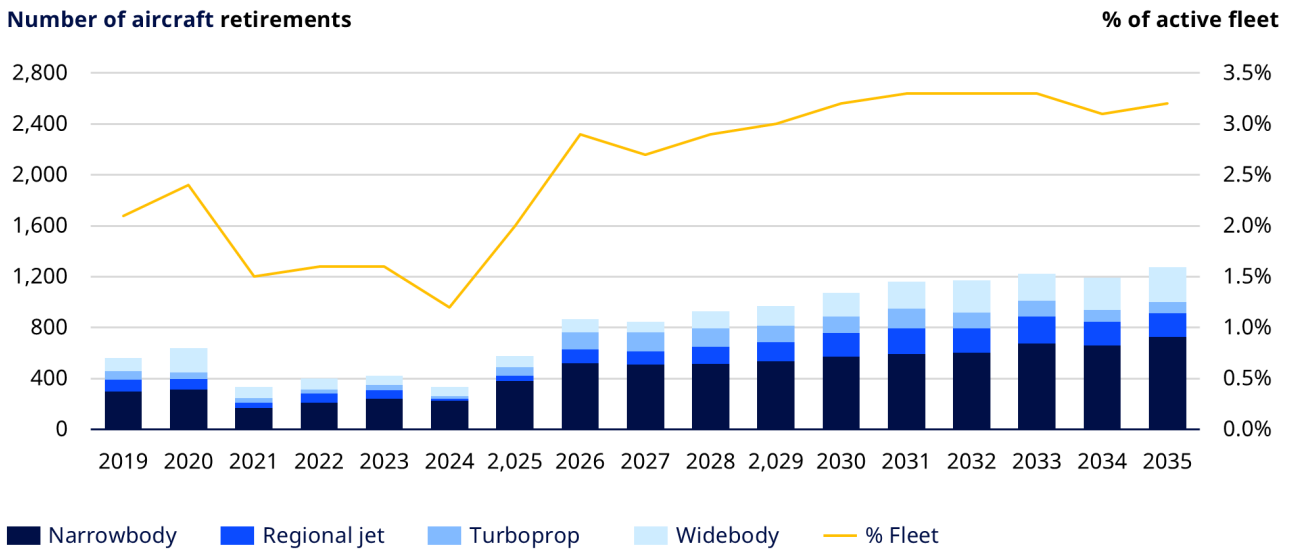
Limited deliveries have resulted in an increase in the average global fleet age of about a year and a half and utilization per aircraft by 2%

Exhibit 12: Average global flight hours per aircraft, 2019-2035



Source: Oliver Wyman analysis, Aviation Week Intelligence Network

Exhibit 13: Global annual retirements, 2019-2035



Source: Oliver Wyman analysis, Aviation Week Intelligence Network

Retirements as a share of global fleet will increase through the decade as the supply chain recovers and production increases



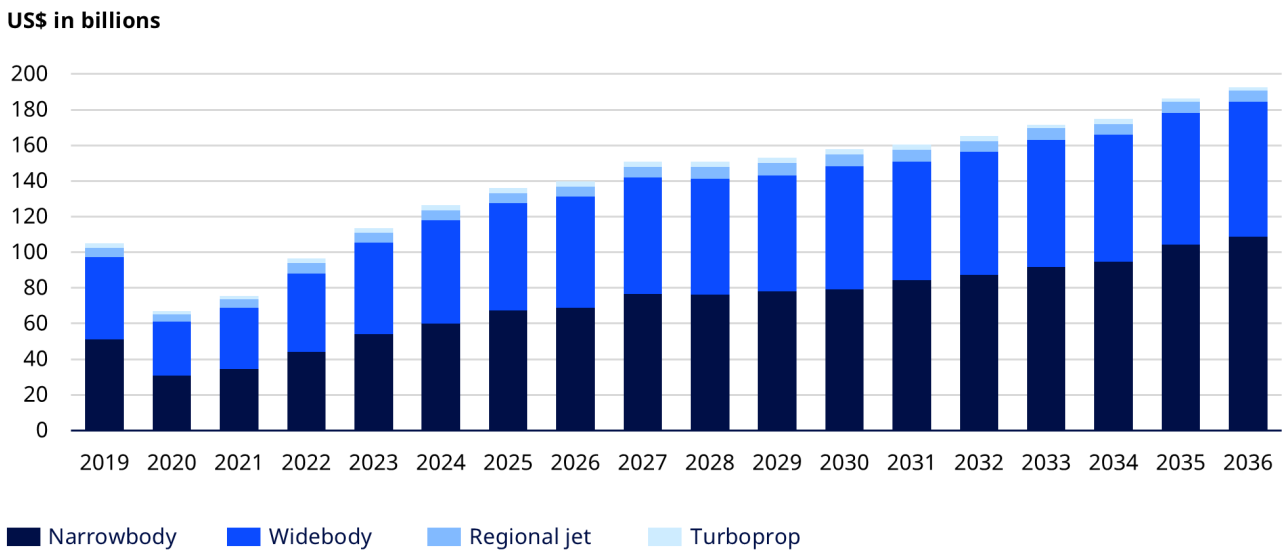
The MRO supercycle

04

An aging global fleet translates into higher demand for service, continuing the MRO supercycle of the past few years. The supercycle drives upward pressure on MRO pricing, especially for urgent or complex repairs. In 2025, demand in the MRO market was almost \$136 billion, and we expect it to reach about \$140 billion in 2026. The MRO supercycle is expected to drive sustained market growth and increased operational complexity well into the next decade.

Delayed maintenance from the COVID-19 pandemic and the 737 MAX grounding between 2019 and 2023 have converged, creating simultaneous peaks and troughs in workloads and expenditures. This “bow wave” effect contributes to capacity bottlenecks, longer turnaround times, and fluctuating pricing dynamics, particularly in engine and airframe maintenance.

Exhibit 14: Global MRO demand, 2019-2036



Source: Oliver Wyman analysis, Aviation Week Intelligence Network

Component maintenance employs a mixed strategy combining different maintenance triggers. For example, some components like landing gear are maintained based on calendar intervals, with newer aircraft benefiting from extended maintenance-free periods. In contrast, other parts such as auxiliary power units are maintained based on usage levels and tend to incur maintenance costs earlier in an aircraft's lifespan. As a result, component maintenance is expected to grow at a slightly slower pace than engine maintenance, with an annual growth of 3.2%, reaching an estimated \$33 billion by the end of the forecast.

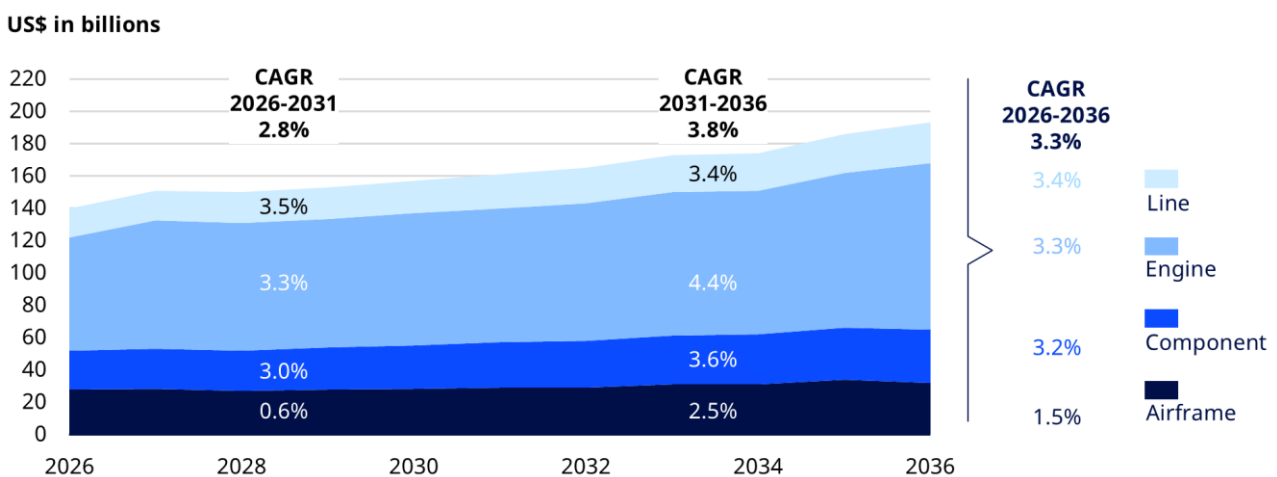
Airframe maintenance is scheduled based on calendar intervals, allowing airlines operating newer fleets to benefit from maintenance holidays before heavier checks become necessary. Many new aircraft are entering service while older fleets are being retired, so base maintenance volumes are expected to remain relatively stable. The first heavy maintenance check for the Boeing 737 MAX is predicted around 2028, while the Airbus A320neo family had its first heavy check in 2021. The Airbus A350 saw its initial significant maintenance visit in 2023, and the 787s in 2025. Across all these platforms, subsequent heavy maintenance visits are expected to follow a cycle of peaks and valleys every 8 to 12 years. Consequently, major airframe maintenance for these newer fleets is typically scheduled beyond the current forecast period.

Engine maintenance — the largest share of the MRO market, growing at an annual rate of 3.3% — also faces ongoing pricing and capacity pressures, in part due to issues with the Pratt & Whitney GTF, CFM LEAP, General Electric GEnx, and Rolls-Royce Trent 1000 engines. These engines are experiencing peaked maintenance demand due to the interval-based nature of their service visits and special visits linked to durability issues.

These technical delays combined with new aircraft certification challenges have created ripples through the MRO market. When engines are grounded or underutilized, maintenance visits can be delayed, causing clustered spikes in demand for these engines. Durability and contamination problems lead to extensive inspections and repairs, limiting fleet availability and fueling demand for maintenance. High demand coupled with material shortages in turn boosts demand for alternative material sources, such as Designated Engineering Representative (DER) repairs, USMs, and PMA parts. For example, in late 2025 the first PMA CFM56 high-pressure turbine blade received certification, currently the only alternative to the OEM part.

Line maintenance growth closely follows aircraft utilization, with a similar development arc as engine maintenance. Unlike airframe maintenance, which can benefit from extended intervals for new fleet additions, line maintenance requires more frequent servicing regardless of aircraft age. The segment is projected to grow robustly at a rate of 3.4%, in line with increasing fleet size.

Exhibit 15: MRO demand forecast by segment, 2026-2036



Source: Oliver Wyman analysis

Adding to the pile of issues impacting the MRO market: Raw material shortages and skilled labor deficits have pushed costs higher. An aging workforce is another threat: 41% of certificated mechanics in the US civil commercial aviation workforce, for example, are over 60 years old, and 45,000 mechanics — about 2% of the entire technician population — are likely to retire in the next decade.

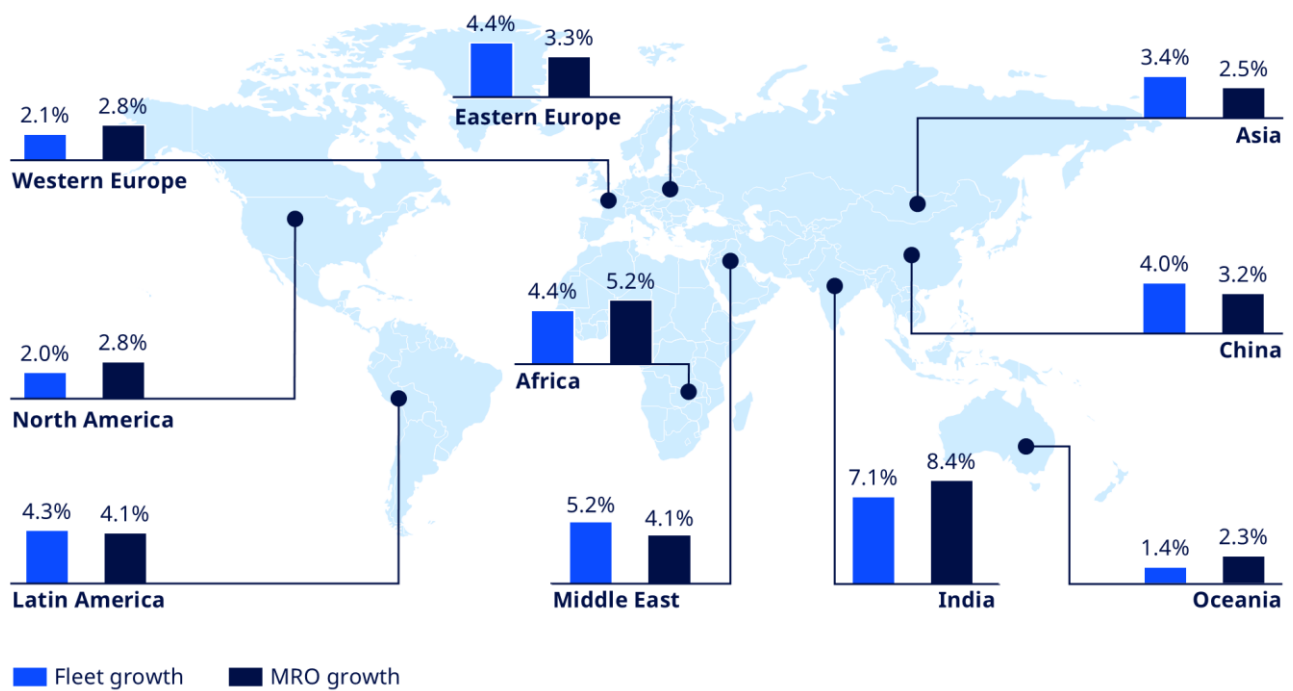
In the second half of the forecast engine spend will accelerate due to increasing shop visit costs associated with advanced materials on new engine types

In response to the resulting loss of flexibility, airlines are pursuing several strategies to lock in capacity. The trend toward vertical integration of maintenance and forming collaborative partnerships, such as Lufthansa Technik's joint ventures, Delta TechOps' expanded in-house capabilities, and EasyJet's acquisition of airframe maintenance capabilities, will continue. Further, the MRO supercycle has spurred M&A activity, with EBITDA multiples up to 15 times, from historical averages of 10 to 12 times. Advanced technology, vertical integration, and diversification, as well as repair capabilities and access to intellectual property, will be critical for success and a robust return on investment.

Organizations can also leverage maintenance downtime to conduct thorough checks and improve aircraft availability after post-repair. However, the practice of "slot hoarding," in which airlines and MROs reserve maintenance slots far ahead to secure access amid capacity constraints, will exacerbate bottlenecks for smaller players and reduce overall operational flexibility in the market.

Effectively leveraging technology will also be critical to mitigate labor and capacity tensions. From using AI in the back office to address skills gaps or deploying drones and paperless solutions to improve efficiencies, organizations will increasingly look to technology for solutions to challenges across the aviation industry.

Exhibit 16: 10-year growth forecast for fleet and MRO demand, 2026-2036



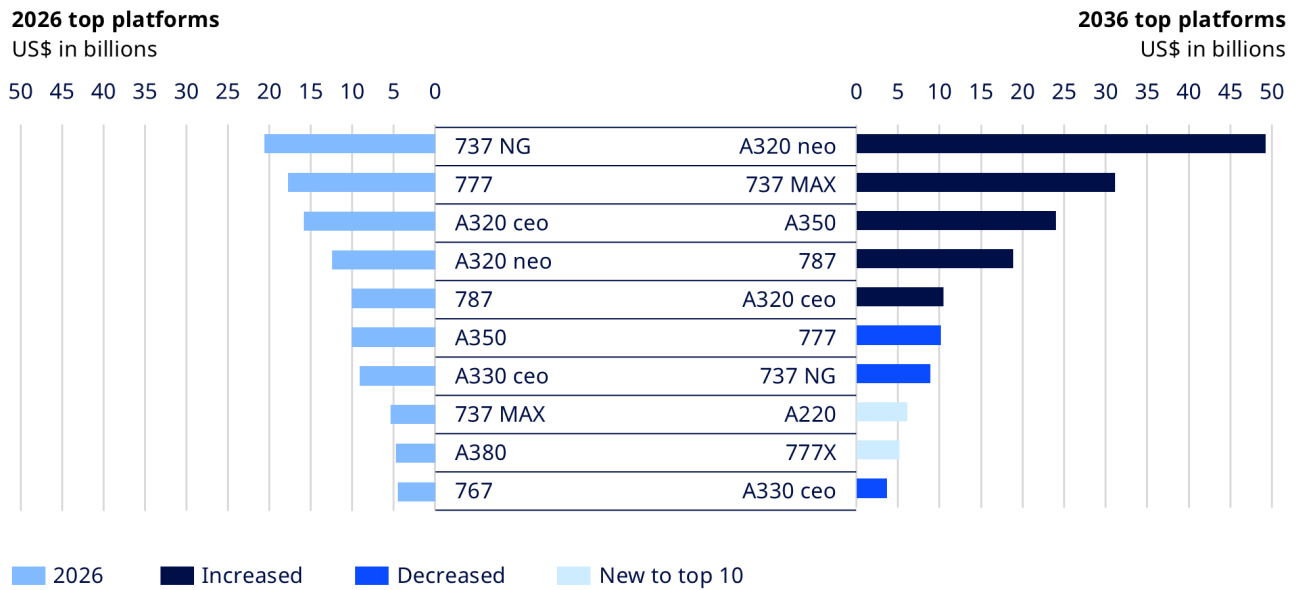
Source: Oliver Wyman analysis

Maintenance spend will outpace fleet growth in regions with older fleets including North America, Western Europe, and Africa

“We’ve seen strategics and airlines increasing interest in expanding their MRO footprint over the past few years as a way of getting closer to customers, filling capability gaps, attracting more margin accretive third-party work, and aligning with an overarching trend of vendor rationalization.”

Andrei Grskovic
Partner

Exhibit 17: MRO demand by aircraft platform, 2026-2036



Source: Oliver Wyman analysis

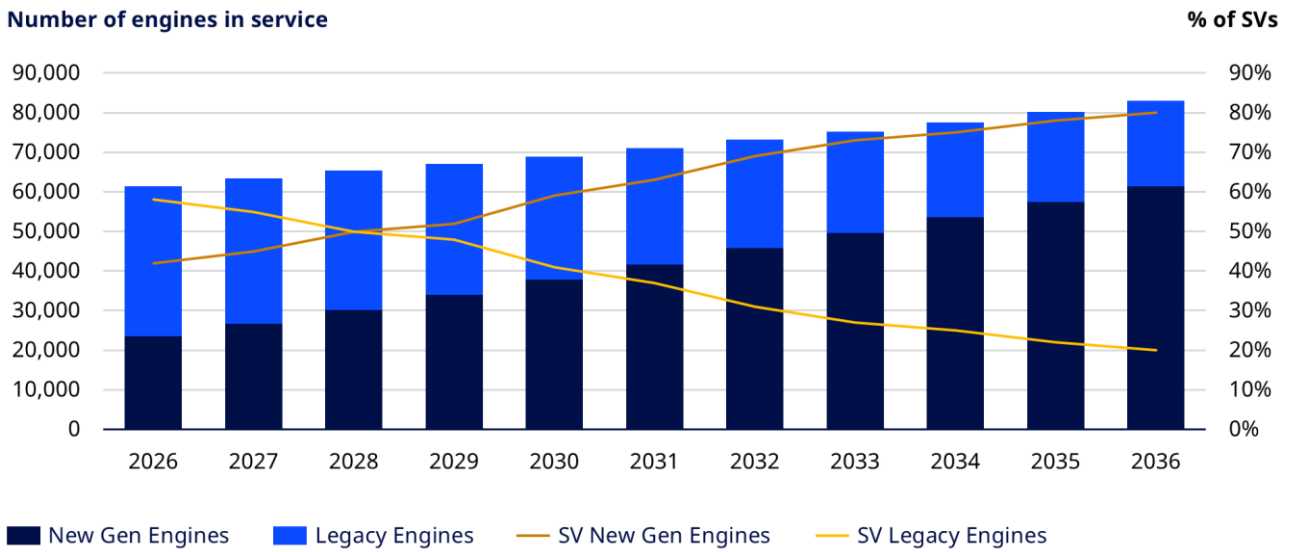
New platforms and engines will drive MRO growth, more than doubling demand over the next 10 years

Exhibit 18: MRO demand by engine platform, 2026-2036



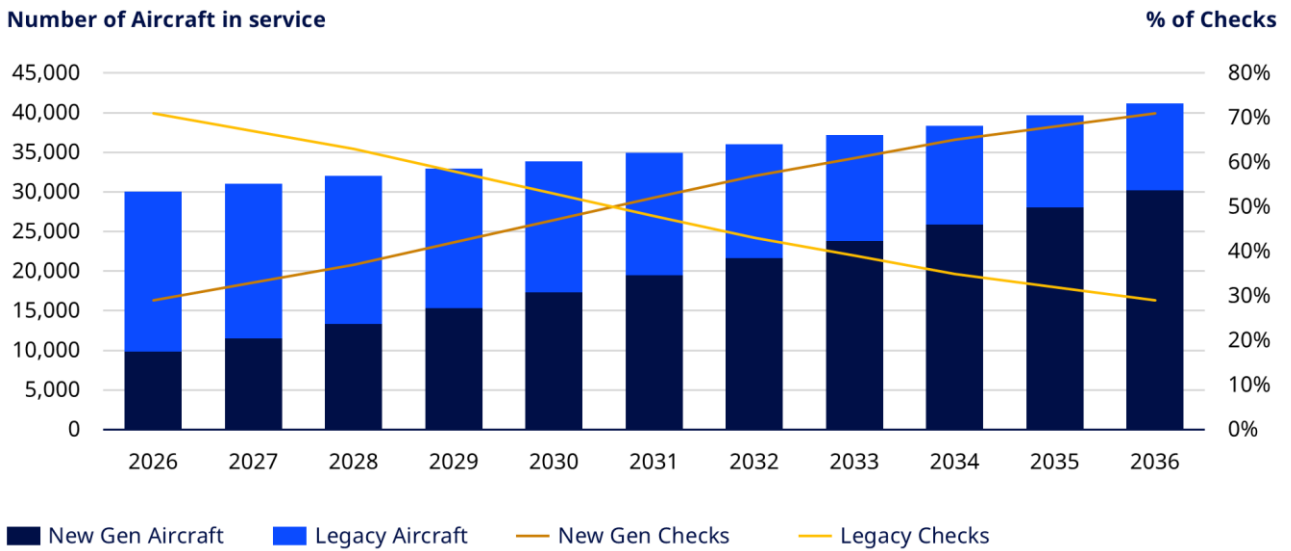
Source: Oliver Wyman analysis

Exhibit 19: Number of engines versus share of shop visits, 2026-2036



Source: Oliver Wyman analysis

Exhibit 20: Number of aircraft versus share of airframe checks, 2026-2036



Source: Oliver Wyman analysis

By 2030, new generation aircraft and engines will represent a majority of airframe checks and engine visits

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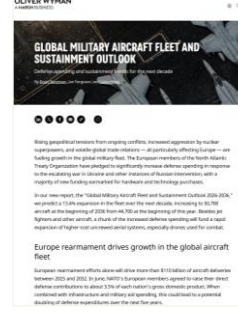
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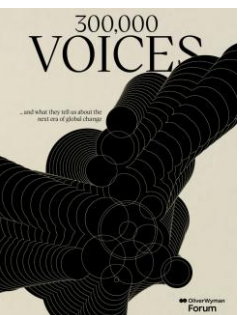
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