

COMMERCIAL AIRCRAFT MARKET TO FOCUS ON INNOVATIVE DIGITAL SOLUTIONS AND LEASING

News / Airlines, Finance



Frost & Sullivan’s recent analysis, **Post-pandemic Growth Opportunity Analysis of the Global Commercial Aircraft Market**, presents updates to the 2020 outlook and growth opportunities for original equipment manufacturers (OEMs), the supply chain, and aftermarket suppliers. Under the conservative forecast scenario, the market is estimated to witness a dramatic drop in revenues, reaching \$149.24 billion in 2020 and garnering a revenue of \$271.67 billion by 2025. However, the aspirational forecast scenario reflects a faster rebound, estimating that the market could hit \$411.63 billion by 2025, at a compound annual growth rate (CAGR) of 6.2%.

“The COVID-19 pandemic has swept the globe, impacting every industry in every country. Few other industries have been disrupted to the magnitude of the global commercial aerospace market,” said Timothy Kuder, Aerospace & Defense Industry Analyst at Frost & Sullivan. “2020 was going to be a year of reconfiguration that would not only affect Boeing because of its 737 MAX grounding saga, but the whole industry, it has now turned into a year of survival.”

Kuder added: “Airbus and Boeing each had strong order books stretching into the late 2020s, and production had been ramped up to fill orders. This expected reduction in backlog will exceed missed deliveries in the short term. Further, the lessor structure of purchasing aircraft will be

adjusted due to COVID-19. In this context, some aerospace companies, especially suppliers, will be positioned to experience extreme growth as some competitors may cease to exist.”

Despite looming challenges, the study identifies growth opportunities directly related to the current disrupting crisis for aerospace segments:

- Aerospace companies should invest in digital platforms for every aspect of aircraft production as customers look for turnkey solutions.
- Market players can leverage emerging digital technologies such as blockchain to help comply with regulator-mandated traceability requirements of many aerospace digital services.
- Aftermarket suppliers, OEMs, and airlines need to continue investing in the research and development of technologies such as additive manufacturing, robotics, and artificial intelligence.
- Premature and the overabundance of lease returns offer opportunities for OEMs, airlines, suppliers, and the aftermarket.

Post-pandemic Growth Opportunity Analysis of the Global Commercial Aircraft Market is the latest addition to Frost & Sullivan’s Aerospace research and analyses available through the Frost & Sullivan Leadership Council, which helps organizations identify a continuous flow of growth opportunities to succeed in an unpredictable future.



02 JUNE 2020

ARTICLE LINK:

<https://to.50skyshades.com/news/airlines/commercial-aircraft-market-to-focus-on-innovative-digital-solutions-and-leasing>