IATA MRO SMARTHUB LAUNCHED AS A SOLUTION TO COSTLY AIRLINE PARTS CHALLENGES

News / Airlines

IATA announced the launch of IATA MRO SmartHub, an online tool that brings much needed transparency to the market for aircraft components and parts. It will enable subscribing airlines and maintenance, repair and overhaul (MRO) providers to transparently list items to buy or sell on the new platform and will reduce over-payments by making the assessment of fair market value (FMV) more accurate.

The total MRO market is estimated to be $81.9 billion annually*, a significant portion of which is attributed to material costs. IATA MRO SmartHub is expected to shave 10-15% of these material costs through efficiency gains in the supply chain and more accurate assessments of FMV. Additionally, the IATA MRO SmartHub will:

- Enable the accurate valuation of parts inventories at any point in time
- Increase confidence in planning, procuring or selling aircraft components and parts
- Allow better-informed decisions on which aircraft components and parts to procure and use
- Enhance trust in buyer/vendor relationships

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Currently, there is no single central reference for the value of surplus aircraft parts, nor upfront visibility of a part's cost or timely availability. This leads to higher costs by making it challenging to accurately valuate inventories, resell surplus material or calculate the cost and timing of repairs.

''This new service will make the supply chain for aircraft components and parts more efficient. Greater transparency will enable airlines and MRO companies to buy and sell the right components and parts at the right price. This is a major modernization that will lead to significant and much-needed cost savings for airlines,'' said Gilberto Lopez Meyer, IATA's Senior Vice President, Safety and Flight Operations.

"The IATA MRO SmartHub is a global platform that is useful for all players in the MRO sector. The market really needs this. By creating greater transparency, it will generate real fair market values. It will rebalance the aviation value chain and help airlines save money," said Fabricio La-Banca, Lufthansa Technik's Head of Group Purchasing Surplus, one of the launch customers for this new platform.

23 SEPTEMBER 2019

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