EU INVESTIGATES ANTI-COMPETITIVE MRO CONTRACTS

News / Maintenance / Trainings

The European Commission has written to airlines and aircraft component manufacturers, asking for information whether airlines are being forced to enter **anti-competitive contracts** to keep their 24,000 aircraft flying.

According to **EU** regulators, aircraft maintenance contracts are allegedly having terms that could restrict choice when servicing everything from engines to WiFi networks, as equipment makers seek a slice of the $60 billion a year maintenance market.

“They are looking at the third parties that manufacturers licence for maintenance and at the data and information they share with those third parties,” said one airline preferred to stay unknown, which recently received a detailed questionnaire from Brussels.

In addition, Rolls-Royce Holdings, which provides the only engine for Airbus's new wide-body, the A350 XWB, has also been approached by the commission.

Honeywell, whose power units are widely used to keep the lights on when an aircraft is on the ground, confirmed it too had received a questionnaire. “Honeywell ... is working to respond. We will co-operate,” the group said in a statement.

Over the next 10 years, the global fleet is expected to grow from 23,927 in 2015 to more than 34,000.

However, as stated by FT, carriers have complained openly about increasingly restrictive service

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contracts and constraints on the choice of equipment that goes on an aircraft.

The maintenance, repair and overhaul market is set for robust growth over the next decade thanks to the unprecedented number of new generation aircraft coming into service. Aerospace consultancies such as ICF International and Technavio estimate the market will grow from $60bn this year to more than $80bn by 2025.

Willie Walsh, chief executive of airline group IAG, this summer warned of possible legal action after expressing concern that limited competition might be keeping prices for aircraft, engines and maintenance services high.

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