

25 August 2016 No. 1031

**MRO** 

## **AVIATION MAINTENANCE NEWS**

Estonia headquartered Magnetic MRO has signed a long-term exclusive partnership agreement with Component OH Services in the US in order to provide landing gear overhaul and repair services for its customers in Europe, Africa, Russia, and Asia. Component OH Services is a landing gear shop that Magnetic MRO has been using to overhaul landing gear sets from tear downs as well as its repair services for Magnetic MRO base maintenance customers. As a result of the company's positive experience regarding the high quality, TAT and their process management, Magnetic MRO has decided to upgrade its existing relationship with Component OH Services into a longterm partnership. Instead of investing in its own landing gear shop, Magnetic MRO followed a more synergic way of expanding its business and became exclusive partners with a highly professional team. "On account of their proper equipment and highly developed service process, we believe that this partnership will create additional values for both Magnetic MRO and its customers." says Simona Verbienė, Head of Spare Parts at Magnetic MRO. "Magnetic MRO is perfectly matching Component OH Service's needs." said Julio Medina, General Manager of Component OH Service. "We want to grow together with Magnetic MRO in Europe, Africa, Russia and Asia. Through a wide capability for landing gear overhaul and repair for Boeing 737 classic and NG, B757, B767, B767, B747, Airbus A320 family, Bombardier CRJ 200/700/900, Lockheed C-130, and McDonnell Douglas MD80/90, we should cover main needs of Magnetic MRO customers in the region." #1031.MRO1

Asky Airlines is planning to establish a training and aircraft MRO facility in West Africa in partnership with its shareholder, Ethiopian Airlines. In an interview, Ethiopian Airlines' CEO, Tewolde Gebremariam, said that talks with ASKY management and the Government of Togo were currently ongoing and that, if approved, the MRO facility would cater to Boeing and Bombardier aircraft. Asky's fleet currently consists of three Boeing 737-700s, one B737-800, and four Bombardier Dash 8-400s - all of which are leased from Ethiopian and all of which must head to Addis Ababa for their respective maintenance requirements. "Our main MRO hub remains in Addis Ababa and will have regional MRO hubs in Lomé, Lilongwe, and Kigali. Our planned Lomé MRO hub will maintain aircraft operating in Nigeria, Ghana, Côte d'Ivoire, and Senegal," he said.

West Africa does not currently have any facilities capable of providing aircraft heavy maintenance and overhauls. Aside from the Asky initiative, Nigeria-based Arik Air has been looking at the idea of setting up its own large-scale MRO hangars in Nigeria in conjunction with its partner, Lufthansa Technik. #1031.MRO2

Nigeria's aviation industry may remain perpetually stagnant and incapable of contributing significantly to the nation's Gross Domestic Product (GDP) unless there is a concerted effort to have aircraft MRO facilities, the country's airline stakeholders have said. They blamed the Nigerian Government for failing to come up with a policy on the establishment of a suitable facility where airlines could carry out maintenance checks. The stakeholders, who include among others the CEO of Bi-Courtney Aviation Services, Jari Williams, the chairman of Airline Operators of Nigeria (AON), Noggie Meggison, and the CEO of Aero Contractors, Fola Akinkuotu, spoke at the quarterly discussion forum of an aviation roundtable and safety initiative held recently in Lagos. The session focused on the subjects: 'First Class Maintenance Facility (MRO) for Nigeria - How viable?', and 'Dollar scarcity: A Challenge for Airlines'. But while the stakeholders blamed government for non-availability of the facility, the Minister of State for Aviation, Hadi Sirika, replied that government was ready to provide an "enabling environment and the requisite support for anyone wishing to establish MRO facility in the country". Jari Williams for Bi-



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Courtney Aviation Services stated that for any organisation to establish a viable MRO in the country, the Federal Government must give it subvention, tax waivers, pioneer status, and a Free Trade Zone (FTZ), as well as dedicated power supply and adequate housing. According to Williams: "The government has no MRO policy, even the Federal Ministry of Aviation will come and inspect and nothing happens." Meanwhile, Meggison lamented that while aviation contributed 32% to the GDP of Ethiopia, more than 20% to Kenya's GDP, in Nigeria the sector contributed just 4% to GDP. He said: "We should look at MRO not just to sustain the airline industry but in creating employment for our teeming youths and contributing to our dwindling resources. It is a very sad situation. MRO is the basis for any aviation." #1031.MRO3

The team at Jet Center at Santa Fe, NM, has opened its new 23,000-ft² hangar. The hangar features 28-ft by 130-ft doors and can accommodate aircraft up to the size of a Bombardier Global 6000. The hangar opening marks the completion of the operation's second stage of construction after the renovation of its terminal building. Jet Center at Santa Fe now turns its attention to constructing a new terminal building to be completed in early 2017 to accommodate the FBO's ever-increasing traffic. "We welcome our new base tenants and transient customers to the home of Jet Center at Santa Fe with the completion of our new state-of-the-art hangar," said John Marchman, president of Jet Center at Santa Fe. "From day one, our operation has grown exponentially," he said, "a testament to our constant focus on customer attention and superb service. This hangar will allow us to better accommodate increasing traffic at JCSF, as will our highly-anticipated new terminal building." #1031.MRO4

The AirAsia Group is currently holding direct negotiations with Airbus Group SE to purchase its wholly-owned Sepang Aircraft Engineering Sdn Bhd (SAE). The deal is worth between USD 14 million and US D20 million, people close to the talks have said. Analysts see this as a positive development for the MRO sector and the growth of the aviation-based industry in Malaysia. AirAsia and Airbus are committed to formalising the purchase agreement by January 2017, according to reports. SAE, an Airbus SAS subsidiary company and part of the Airbus Group, is EASA approved. If the deal materialises, AirAsia is expected to bring its aircraft fleet to SAE and also to service third-party carriers. "AirAsia's volume would be enough for SAE to sustain financially, but third-party MRO is where the profit margin is captured," sources said. An analyst said that there was "a vacuum" in the MRO market as Malaysia Airlines Bhd had yet to restart its MRO business while another local MRO player, Airod Sdn Bhd, was unable to bridge the gap. "Slots are the most important aspect in MRO and completing the deal as soon as possible would create better business prospects for SAE and also help to pull foreign investments into this country through MRO spending," the analyst said, adding: "Malaysia can compete directly with China in attracting MRO, as labour and capital expenditure costs remain competitive, unlike the rising costs seen in Singapore." #1031.MRO5

## **MRO Contracts**

**HAECO Xiamen has completed its first Boeing 777 freighter maintenance check for Lufthansa Cargo AG.** HAECO Xiamen has worked with Lufthansa Cargo AG for over a decade, providing `C'-checks and `D'-checks for its McDonnell Douglas MD-11 freighter fleet, to establish a successful business relationship. In the following months, HAECO Xiamen will undertake additional maintenance checks for freighters operated by Lufthansa Cargo. HAECO Xiamen has redelivered more than 100 aircraft to the Lufthansa Group, handling multiple aircraft types, including MD-11s, Boeing 747-400s and B747-8s. #1031.MRO6



repair station's processes, personnel, training and facilities.

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Vector Aerospace has entered into exclusive Pratt & Whitney Canada (P&WC) PT6A engine service agreements with four leading agricultural aviation and aerial fire-fighting operators in Australia. The four affiliated operators entrusting Vector with their PT6A support are Aerotech Australasia, based in Kent Town, South Australia; Aerotech Northern Territory, based in Batchelor, Northern Territory; Pays Air Service, based in Scone, New South Wales; and Dunn Aviation, based in Ballidu, Western Australia. Under the terms of the three-year agreements, Vector will provide comprehensive engine MRO services in support of the combined fleet of Aerotech Australasia, Aerotech Northern Territory, Pays Air Service, and Dunn Aviation PT6A turboprop applications, which currently numbers 44 aircraft. #1031.MRO7

**Mjets Ltd, a leading business aviation facility in Thailand, has won US certification to conduct maintenance on a broad spectrum of US-registered private jets**. The licence extended by the US Federal Aviation Administration (FAA) to Mjets means Thailand is one of a handful of places in Southeast Asia authorised to provide services under the new International Part 145. With the FAA Repair Station Certificate, Mjets can raise the bar of its maintenance capabilities for business jets. It is allowed to provide full-service activities up to and including full base-level and heavy scheduled maintenance for both private and commercial business jets registered in the US. Harold Stoddard, director for quality & safety at Mjets, told the Bangkok Post the certification followed from the firm's compliance with the FAA's rigorous standards through comprehensive inspections of the

Mjets cooperated with Western Jet Aviation, billed as the world's largest independently owned maintenance facility specialising in Gulfstream-type aircraft, and spent millions of baht to meet the FAA requirements, he said.

Prior to certification, Mjets could only provide minor support for private jets registered in the US to an individual engineer holding an FAA licence. The company can now deal with most Gulfstream and Cessna business jet series as well as Airbus, Boeing, Bombardier, Dassault, Embraer and Hawker Beechcraft models. #1031.MRO8

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