

How will the situation be for the stored / parked aircraft over the next 5 years?

1. Factual Information:

Since the Covid-19 “exploded” in March, we have seen a dramatic decrease in air transport worldwide. The airlines has stored / parked a very high number of their aircraft fleet for unforeseeable time, hoping for better time. But the fact is that many of this aircraft will never fly with passenger again. Some of them will be converted to freighter, but that will only be a low number of this aircraft. Many of them therefore end their days as salvage for parts / components or broken up for metal scrap.

2. Retrospective view:

Since the finance crisis in 2008/2009, the aviation industry has been growing with 5-6 % per year, measured on the number of passengers.

This has resulted in a number of new airlines emerging on the market worldwide.
The fuel cost became considerable cheaper and a large number of parked/stored (older) aircraft were put into service, to facilitate the growing passenger numbers.

Many of these aircraft were between 10-20 years old and would probably have been send for scrapping, if not the boost of traffic had taken place.

The manufacturing and ordering of new aircraft were put on a fast track. Especially Boeing and Airbus received a large order of new aircraft. However, some of them were less attractive, due to size or flight performance and were subsequently to be stored /parked after only 8-10 years of duty. Many of those will never get into the air again and will be scrapped for recycling of metal or salvage of spare parts. The same will likely happen to many of the re-instated aircrafts from the expansive period.

3. The New Situation:

Since the Covid-19 outbreak the situation has changed radically. The air traffic has gone from 100% to nearly 0% within a very short time, and only slowly recovers again.

Full recovery is not expected until 2024-2025, depending on the development of how the Cowid19 will be handled worldwide. Until such time a high number of narrow body aircraft, mostly older aircraft types will likely be stored / parked and might subsequently end up for scrapping / salvage.

A large number of 747 and A380 aircraft has now a day entre storage and potentially being permanently retired from their present owner. Nobody can predict how many will find a new owner / operator instead of being scrapped.

Further the second hand market will not be able to absorb many of the aircraft, factual only one A380 has shifted owner, others has gone directly for scrap or long time storage /parking. We have also seen that many airlines Have made an early retirement of the 747 aircraft, and the same for many Airbus 4 engine aircraft. But only time will show how many of the parked/ stored aircraft will come in to the air again.

Even the production of new aircraft has consequently suffered from the crisis and many orders have been cancelled or postponed for some unforeseeable time.

The demand for handling the stored / parked aircraft is rather expensive for the owners and therefore a natural solution would be to save as much money as possible.

Scrapping for salvage of spare parts will probably be rather limited due to the lower number of older aircraft in service and therefore the need for actual spare parts will also be reduced.
The only solution might be scrapping the aircrafts for metal and only salvage of some very special spare parts.

4. The Future:

The new situation calls for new and creative thinking from the companies who normally handle scrapping / salvage of aircrafts. It is to be expected, that a higher number of aircraft will be send for scrapping / salvage, even though they still remain serviceable flying condition. This means that it will be easier to plan where the aircraft shall end up, rather than a non-airworthy aircraft (accident/damage) in an isolated part of the world.

As the current situation might last for the next 5-6 years, the existing companies completing the task mentioned has to either expand or find other solution. They should not invest with the risk of a negative return of the invested capital. A possible way of dealing with this, is to find companies to have a synergy with each other and who lives up to the expectation for quality.

5. Next step:

The focus is on how a cooperation between companies could be established.

It is obvious that at the present situation, the bigger salvage company is the leader in their field and subsequently they might be interested in a possible coorporation with minor companies who have the capacity.

The advantage for the established companies, is that in a peak period (which is expected) can direct some of the work to minor companies, rather than rejections of work due to the peak situation. In this way companies - both way, will benefit without having to invest for new capacity and at the same time keep productivity at an economically attractive level.

There is no doubt that new thinking of how the situation shall be handle needs to be revised as the situation will not change for the next 5-6 years. We have already seen that many "parked / stored" airfield have reached their capacity and without a solution of a sensible use of the aircraft, a **NO PARKING** sign will be actual.

The question is which solutions can solve this problem?

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