



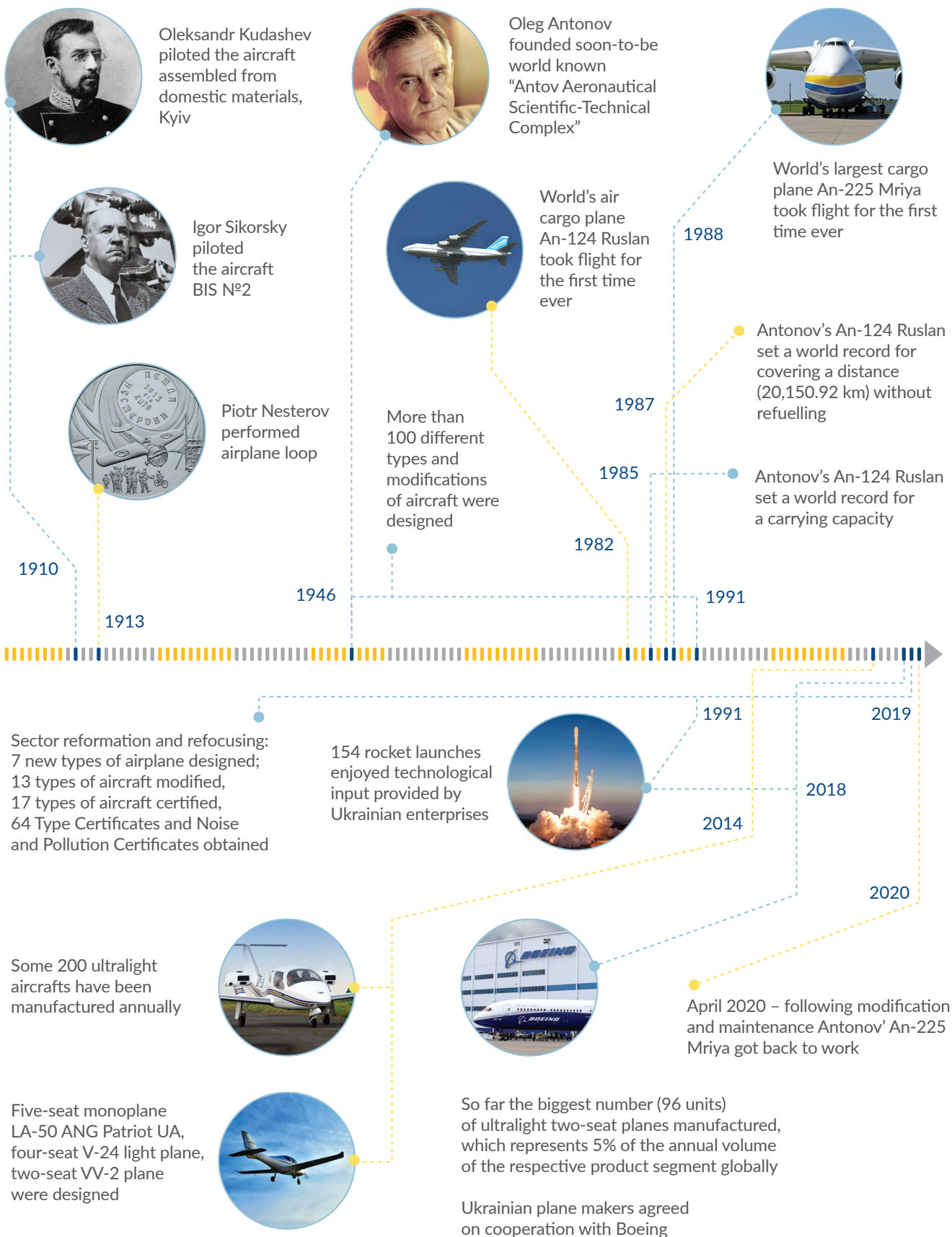
MINISTRY FOR DEVELOPMENT OF
ECONOMY, TRADE AND AGRICULTURE
OF UKRAINE

#ЕКСПОРТУЙ
EXPORT STRATEGY TEAM



Ukraine's Aircraft Repair and Maintenance Sector

UKRAINE'S AIRCRAFT REPAIR AND MAINTENANCE SECTOR OVERVIEW



UKRAINE'S AIRCRAFT REPAIR AND MAINTENANCE SECTOR OVERVIEW, 2019



WHY UKRAINE?



AIRCRAFT REPAIR AND MAINTENANCE MARKET

Ukraine belongs to the selective club of countries that have managed to develop a full cycle of aviation technology. This refers to aircraft manufacturing, aircraft engineering, key aviation components such as aircraft engines, and provision of aftermarket services – maintenance, repair and overhaul (MRO).



5 segments of the MRO market



Engine maintenance represents more than **30%** of the market and is expected to grow faster than the overall MRO growth. The Engine Maintenance market is dominated by the Engine Original Equipment Manufacturers (OEMs) and the large airlines that have Engine Overhaul shops.



The Component Repair market is somewhat around **20%**, and is estimated to grow at nearly the same pace as the total MRO market. It is a fragmented market that may provide an opportunity for engagement based on specific component families under consideration.



The Line Maintenance market is quite localized; it needs to be carried away at stations (airports) that an aircraft flies to. As the Ukrainian Aviation market keeps growing, more aircraft will be using Ukrainian airports' opening opportunities for the Line Maintenance.



The Aircraft Heavy Maintenance market is labor-intensive as many aircraft parts have to be removed, structures need to be opened up and inspected while significant rectification has to be done once findings are recorded. Heavy Maintenance requires appropriate airport facilities with hangars and easy access by aircrafts.

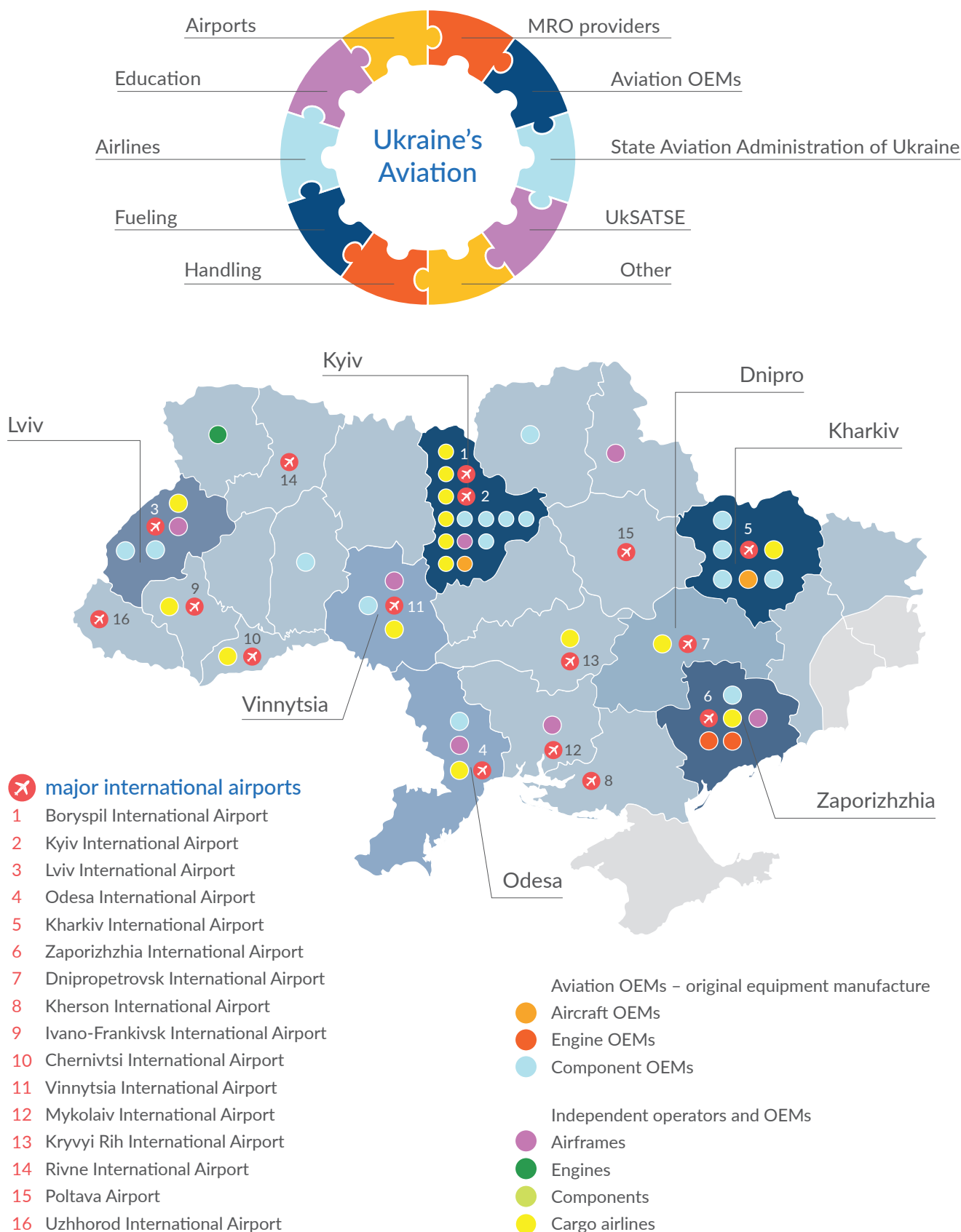


The Modifications market is linked to the Heavy Maintenance. These modifications include services ranging from cabin replacements to new avionics and painting.



REGIONAL BREAKDOWN OF UKRAINE'S AVIATION SECTOR

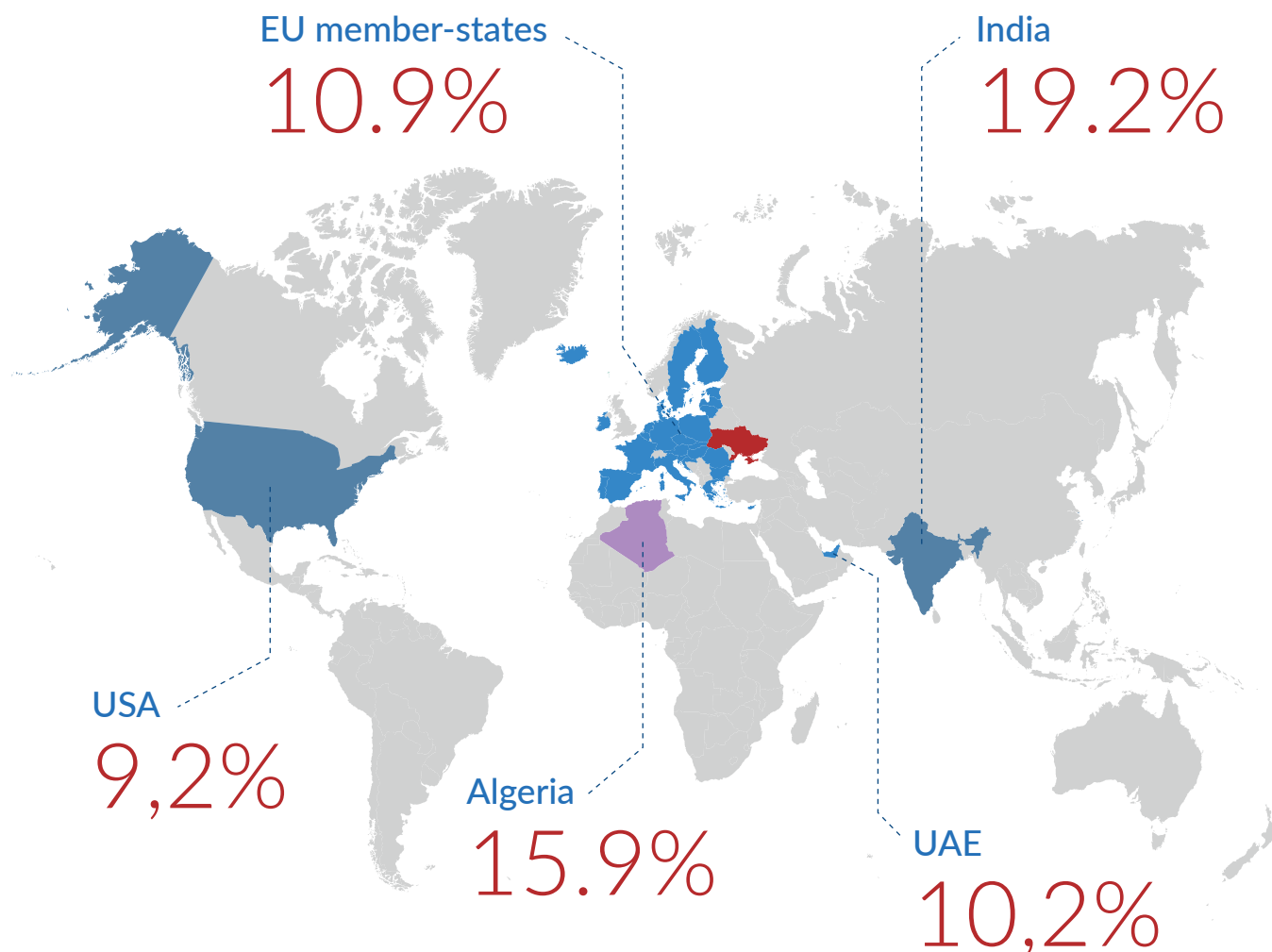
The MRO sector is quite diversified across Ukraine's regions. The main hub is based in Kyiv; there are important clusters in the East, as well.



GLOBAL RECOGNITION OF UKRAINE'S AIRCRAFT REPAIR AND MAINTENANCE SECTOR

Top-5

largest customers of the Ukrainian MRO sector, % of the total volume of services



Leading Ukraine's MRO customers,
whose share increased in 2018

USA

USD **+5,6** million

Bangladesh

USD **+1,7** million

British Virgin Islands

USD **+1,4** million

India

USD **+2,9** million

Ethiopia

USD **+1,6** million

Peru

USD **+1,3** million

Republic of Korea

USD **+2,4** million

Egypt

USD **+1,5** million

Uzbekistan

USD **+1,1** million

Positive dynamics was ensured by **49** countries worldwide.



EXPORT STRATEGY FOR AIRCRAFT REPAIR AND MAINTENANCE SECTOR

Vision

Export for sustainable development and success on global markets

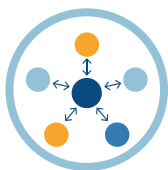
Strategic objectives



To harmonize Ukrainian MRO regulations with respective EU acquis and to adapt existing trade regulations to the needs of the sector



- Harmonization of Ukrainian MRO regulations with the EU ones
- Reducing regulatory burden on MRO enterprises and investors



To develop a strong reputation for affordable, high-quality MRO services and a conducive business environment



- Providing value-adding services and infrastructure to MRO enterprises and investors
- Attracting financing, knowledge and capacity through enhancing foreign direct investment in the aviation and MRO sectors
- Developing a strong brand for high-quality MRO services at a competitive price



To train and retain skills and competencies required in MRO sector



- Improving the quality of training in aviation-related fields
- Promoting aviation-related educational programmes for young people, as well as developing opportunities for expatriated Ukrainian talent





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