ME airlines fleet to expand 5.1pc yearly

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Dhaka: The Middle East's commercial airline fleet is expected to grow at a compound annual growth rate (CAGR) of 5.1pc over the next decade, according to a new report.

The Global Fleet and MRO Market Forecast, 2025-2035, from Oliver Wyman, a global management consulting firm, highlights that this growth rate is nearly double the 2.8pc annual growth projected for the global fleet over the same period, underscoring the region's increasing demand for air travel.

The Middle East's share of the global fleet is also expected to increase from 5.3 per cent to 6.7 per cent by 2035, as its fleet expands to close to 2,600 of the world's more than 38,000 aircraft by 2035.

Reflecting the increase in aircraft, the spending on maintenance, repair, and overhaul in the region will also trend upward, topping US$20 billion in 2035. The MRO spend in 2025 is expected to reach $16 billion.

The Middle East commercial aviation market is on a growth trajectory, supported by strong demand for air travel, from both full-service airlines and low-cost carriers entering the market," said André Martins, Oliver Wyman's Head of the Transportation, Services, and Operations Practices for India, the Middle East, and Africa.

As the report highlights, the region's fleet expansion will be driven primarily by the addition of narrowbodies that will cater to the growth in domestic and shorter-haul flights. In a region where widebodies have long dominated, narrowbodies will climb from 43 per cent to 47 per cent of the regional fleet over the decade.

There is a significant opportunity for different countries in the Middle East to capture the large market potential across the entire value chain, while simultaneously enhancing the productivity and efficiency of operations. It will be imperative that there is close collaboration across the entire sector and strong investment in the expansion of local capabilities, including MRO services. By leveraging global insights and best practices, the aviation sector can adapt their strategies to address local challenges while driving substantial improvements," he added.

Air travel demand is soaring, with the number of passengers worldwide hitting an all-time high of close to 4.9 billion in 2024 and heading to well over five billion this year. Global revenue passenger kilometres (RPK), a measure of passenger traffic calculated by multiplying the number of paying passengers by the distance traveled, are up nearly four per cent from 2019. Yet, despite the demand, aircraft production is not able to keep up with airline needs, with a record 17,000 unfilled aircraft orders projected through the next 10 years. At current rates of production, this order backlog is expected to take 14 years to clear – twice as long as airlines had to wait prior to 2019.

Over the next decade, the regional composition of the global fleet is expected to shift, with China, the Middle East, and India capturing a larger share. North America's fleet will grow at a modest 1.3 per cent CAGR, while India and the Middle East will see significant CAGR gains at 8.5 per cent and 5.1 per cent, respectively.

The Middle East's aviation market is benefiting from significant aircraft orders and growing demand for air travel. Saudi Arabia and the UAE are leaders of this growth, representing just over 60 per cent of the market, with carriers in each serving the market differently. In Saudi Arabia, domestic flying makes up 45 per cent of seats whereas UAE air travel is solely based on international traffic.

André Martins, Oliver Wyman’s Head of the Transportation, Services, and Operations Practices for India, the Middle East, and Africa André Martins, Oliver Wyman’s Head of the Transportation, Services, and Operations Practices for India, the Middle East, and Africa.

Every year since 2018, when the global aerospace industry set an all-time high production record, the sector has failed to manufacture enough aircraft to satisfy demand. In 2024, the industry produced just over 1,300 aircraft, close to 30 per cent below 2018’s peak of over 1,800 aircraft. In 2025, it is expected to repeat that level of production. This number is expected to rise to about 2,200 in 2029, and just above 2,400 by 2035. By 2029, production is projected to rise to about 2,200. It is expected to top 2,400 by 2035.

The global fleet is projected to exceed 38,300 aircraft by 2035, with production challenges prompting airlines to delay retiring older planes, pushing up the average age of the fleet. Narrowbody aircraft will continue to dominate the future fleet, with the share increasing from 62 per cent to 68 per cent by 2035. North America will continue to remain the largest market, but emerging regions like China, India, and the Middle East are expected to capture a larger share, highlighting the shifting dynamics in the global aviation sector.

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