



Navigating uncertain skies

Commercial Aerospace Insight Report



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Accenture's latest commercial aerospace analysis finds the industry is on track for recovery despite uncertainty. Rising deliveries and a growing aftermarket are helping balance recent disruptions as supply chains begin to stabilize.

Contents

Executive summary

Note: We recognize the recent macroeconomic environment has created elevated uncertainty since the time of our executive survey.

Despite recent geopolitical disruptions, the outlook for commercial aerospace recovery remains intact. Resilient fundamentals—such as long-term order backlogs and aftermarket momentum—continue to signal a gradual return to growth, while early signs of supply chain easing are beginning to emerge.

Projections for 2025 reflect measured optimism. Global aerospace company revenues are expected to grow 12% year-on-year (YoY). Original equipment manufacturers (OEMs) are likely to drive much of this growth, with deliveries forecasted to rise 23%. However, the ongoing uncertainty in the macroeconomic and trade environment, labor constraints and quality issues could still disrupt progress.

The maintenance, repair and overhaul (MRO) sector continues to grow as airlines extend fleet lifespans amid OEM production delays. MRO spending is expected to rise 14% in 2025, though capacity constraints and labor shortages are straining operations.¹ Leading MRO players are investing in predictive maintenance, workflow automation and supplier partnerships to ease these pressures.

Regionally, Asia-Pacific is expected to lead with 14% revenue growth, driven by rising air travel demand and MRO investments in countries such as India, South Korea and Australia. North America could see up to 10% growth, supported by Boeing's production recovery. Europe is likely to extend its post-pandemic recovery with 7% growth.

Supply chain sentiment is showing signs of improvement—85% of executives are now confident in deliveries, up from 77% in August 2024—but operational uncertainties persist. Boeing's 737 MAX 2025 production targets were already challenging—and the recent China delivery pause has added a fresh layer of geopolitical complexity. Recovery momentum no longer depends solely on resolving internal execution issues. Rival Airbus, meanwhile, has pushed back its A320 ramp-up to 2027 due to supplier bottlenecks.

While challenges remain, some companies are pulling ahead. Embraer has strengthened supplier ties and optimized production using AI-driven tools, while Safran is ramping up LEAP engine deliveries through localized de-risking strategies. Air France-KLM's AI partnership with Google Cloud has slashed predictive maintenance data analysis time from hours to minutes, enhancing utilization and operational efficiency.

Amid macroeconomic uncertainty, executives are cautiously optimistic: 61% expect revenue growth in six months and 76% within a year. However, building on that early confidence will require targeted action. Managing volatility and turning adversity into opportunity will demand focused execution—resilient supply chains, better cost control, AI-driven efficiencies and strategic planning.



Findings in brief





Global aerospace market on the road to recovery

The commercial aerospace market is showing signs of recovery in 2025, with global aerospace company revenues projected to grow 12% YoY. Sustained demand for new and replacement aircraft is expected to be a key driver of this growth, alongside rising MRO activity as commercial flight operations expand. Industry sentiment is cautiously optimistic: 61% of executives expect revenue growth over the next six months and 76% see an increase over the next year.

However, sustaining this momentum will test the industry's ability to navigate a more volatile global context—broader trade-related uncertainty, labor shortages, persistent supply chain bottlenecks and quality control challenges.

Despite these risks, aircraft deliveries are expected to rise 23%—the highest annual increase since 2021. Eighty-three percent of executives anticipate narrow-body deliveries to match or exceed first half of 2024 (1H24) levels, while 88% expect the same for wide-body aircraft. This signals growing confidence in supply chain stabilization and in OEMs' ability to scale production despite lingering constraints.

Labor, supply chain constraints test aftermarket growth

The aftermarket sector continues to grow, with 49% of MRO executives expecting higher spending in the next six months (up from 42% in the previous survey), as airlines extend fleet lifespans. However, capacity constraints and long maintenance turnaround times—worsened by labor shortages—are straining operations. Supply chain pressures persist, with 85% of executives struggling to meet aftermarket demand.

To enhance resilience, OEMs and MROs are deepening supplier collaboration through long-term agreements and integrated platforms. Streamlining operations—from cost control and workforce training to parts availability—remains a top priority. Digital transformation is picking up the pace, with predictive maintenance, cloud-based platforms and automation emerging as key investment areas.

For example, Rolls-Royce is leveraging AI-powered digital twins through its partnership with Aerogility, allowing it to model environmental impact, optimize energy use and enhance operational efficiency at its MRO facilities. Going ahead, AI-driven efficiencies, streamlined workflows and robust supplier networks will be essential to both sustaining operational readiness and capitalizing on strong demand.²

AI gains ground in airlines' efficiency drive

Global air travel demand is expected to continue rising, with passenger numbers projected to reach 5.2 billion in 2025—a 4.4% YoY increase. Industry revenues are climbing, and airline net profits are projected to hit \$36.6 billion. However, this growth won't come easy amid macroeconomic and trade-related risks, alongside challenges like MRO supply disruptions, aircraft shortages and constrained profitability. The industry's return on invested capital (ROIC) is projected at just 6.8%, below its weighted average cost of capital—underscoring the need for operational efficiency gains.³

AI-driven improvements are emerging as a key strategy to counter these pressures. For example, Alaska Airlines has deployed the Flyways AI platform to optimize flight routes, saving 1.2 million gallons of fuel and slashing carbon dioxide emissions by about 12,000 metric tons.⁴ As AI continues to reshape airline operations, broader industry adoption will be essential for efficiency gains, on-time performance and enhanced travel experiences.⁵

Supply chain struggles persist, but confidence is improving

The industry is still grappling with supply constraints, particularly in engine and aerostructure deliveries, with quality issues compounding delays. These challenges continue to limit production stability for both OEMs and suppliers.

Despite ongoing pressures, industry leaders see signs of progress. “They’re not exactly where we’d want them to be, but they’re making good progress to get there,” Boeing CEO Kelly Ortberg said, referring to 787 production ramp-up efforts.⁶ Safran plans to increase LEAP engine deliveries by 15-20% in 2025 through localized de-risking initiatives while Embraer and smaller French suppliers are leveraging digital solutions to streamline supply chain management.⁷

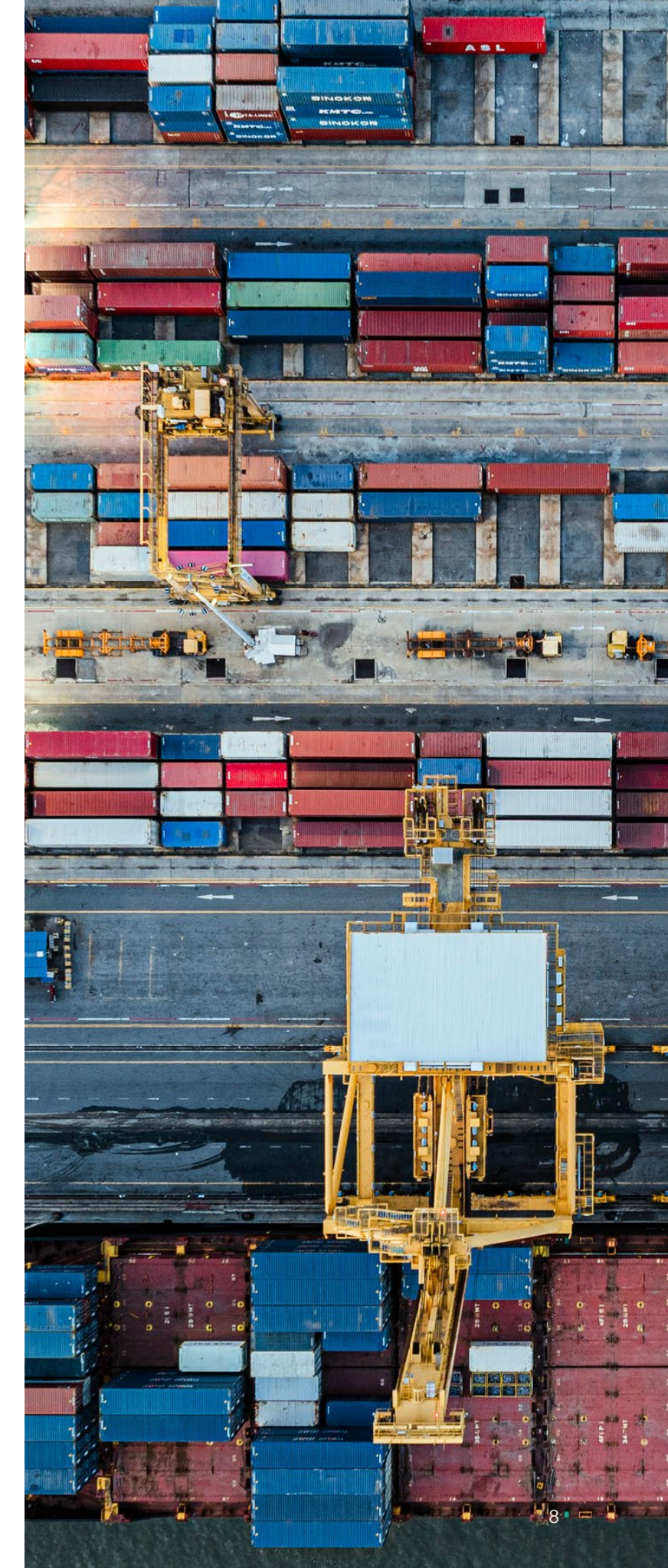
Confidence in supplier reliability is showing signs of improvement. Eighty-five percent of executives now trust their supply chains to deliver on time and at quality standards over the next six months—up from 77% in August.⁸

Geopolitical risks top executive concerns

Executives remain cautious about macroeconomic and geopolitical risks, with political instability—fueled by renewed US trade protectionism—now adding a fresh layer of volatility to an already uncertain outlook. The US announced sweeping tariffs, then paused them for most countries shortly before they were set to take effect—reinforcing concerns about trade policy unpredictability and the risk of future escalation. Although recession fears had eased in late 2024, concerns about slowing growth in major markets are resurfacing.

Meanwhile, some macro indicators—such as exchange rates and interest rates—have stabilized, providing short-term relief.

However, supply chain disruptions continue to drive up production costs, particularly energy and labor expenses, squeezing profitability. As the industry navigates these uncertainties, strategic planning, supply chain resilience and cost efficiency remain top imperatives—especially with recession risk re-entering the conversation in an already fragile global economy.



Global outlook



After a challenging 2024, the global commercial aerospace market is expected to see a double-digit recovery in 2025, supported by increasing aircraft deliveries and rising aftermarket demand.

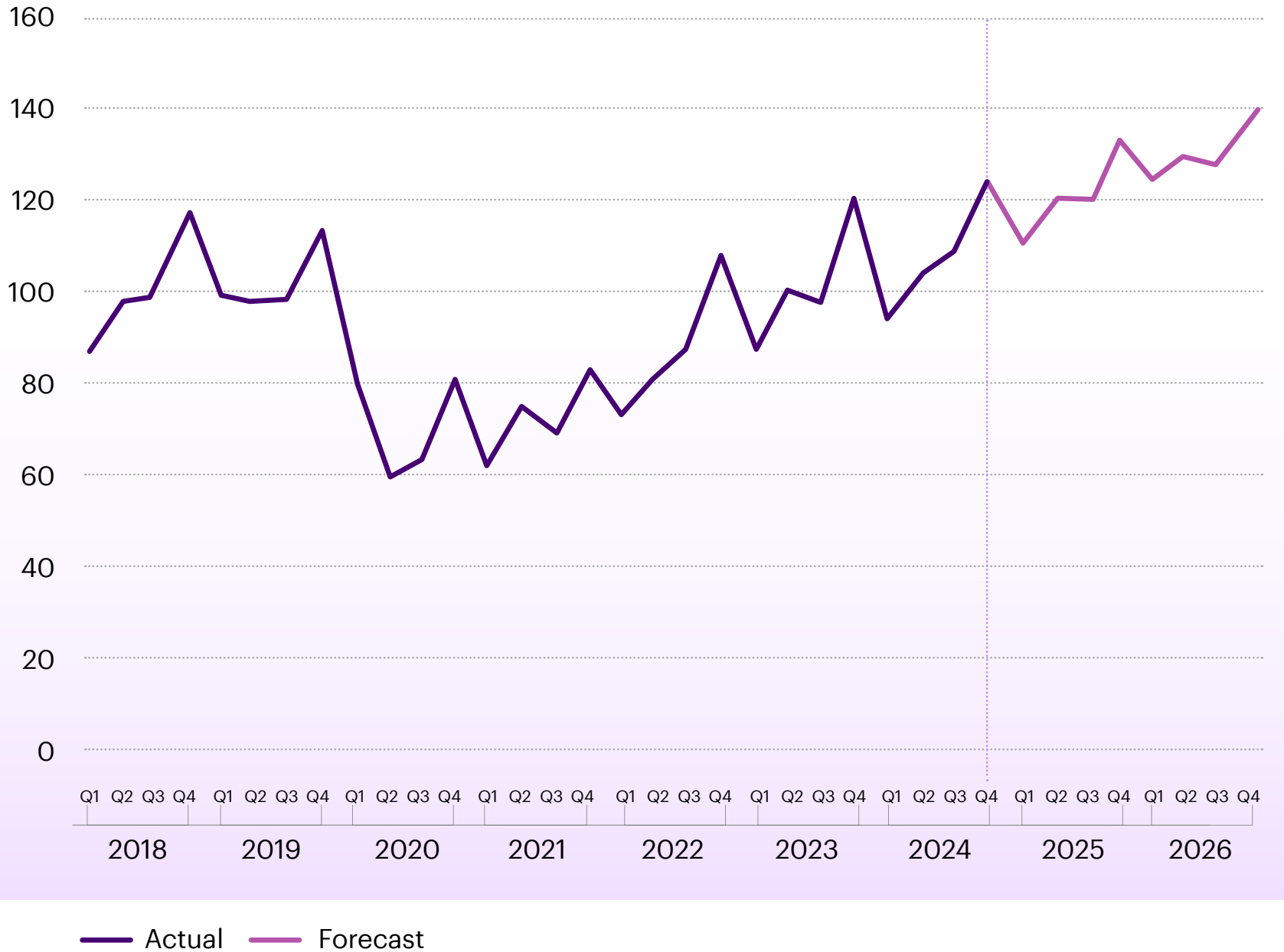
Global aerospace company revenues are projected to grow 12% YoY in 2025 (Figure 1), fueled by sustained demand for new and replacement aircraft from airlines and lessors, as well as increased MRO activity.

OEMs are expected to drive this recovery, with aircraft deliveries expected to grow 23%—the highest annual increase since 2021—as production ramps up.⁹ Boeing and Airbus are beginning to regain momentum after a difficult 2024, when Airbus’s commercial revenue grew just 6% YoY while Boeing’s plunged 33% YoY.¹⁰ Those trajectories are expected to shift in 2025, with Boeing likely posting high double-digit growth and Airbus seeing a more measured improvement.

However, the environment remains fluid. Macroeconomic uncertainty and geopolitical tensions suggest the recovery may not follow a straight line. Navigating this volatility, while addressing supply chain strain and quality challenges, will be critical to sustaining momentum.

Meanwhile, the continued expansion of commercial flight operations is driving MRO demand, further pressuring already strained supply chains. To meet rising demand for both new aircraft and aftermarket services, suppliers must scale up deliveries rapidly—an effort that remains constrained by ongoing disruptions.

Figure 1: Global commercial aerospace index (USD, 2018 = 100)



Delivering new aircraft

Aircraft deliveries fell in 2024 due to supply chain disruptions and production setbacks. Amid pent-up demand and trade policy uncertainty, the focus is now shifting to supply chain resilience.

Confidence in aircraft deliveries is improving: 83% of executives expect narrow-body and 88% expect wide-body deliveries in first half of 2025 (1H25) to match or exceed 1H24 levels. Optimism is higher for the full year, with 92% projecting growth in narrow-body and 93% in wide-body deliveries (Figures 2 and 3).

Figure 2: Narrow-body aircraft delivery outlook (unit deliveries shipped to customers)

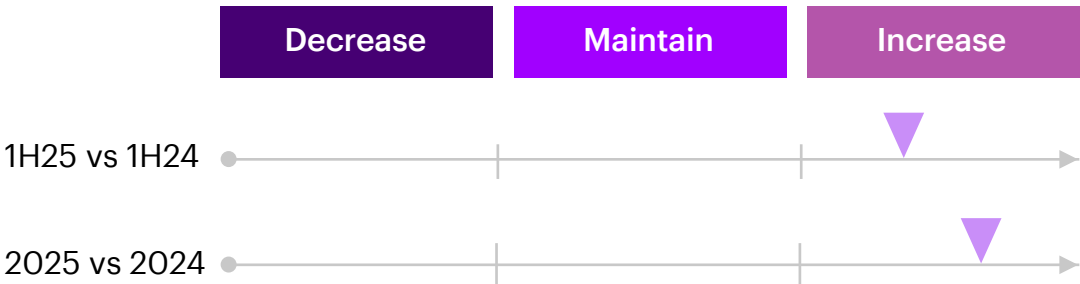
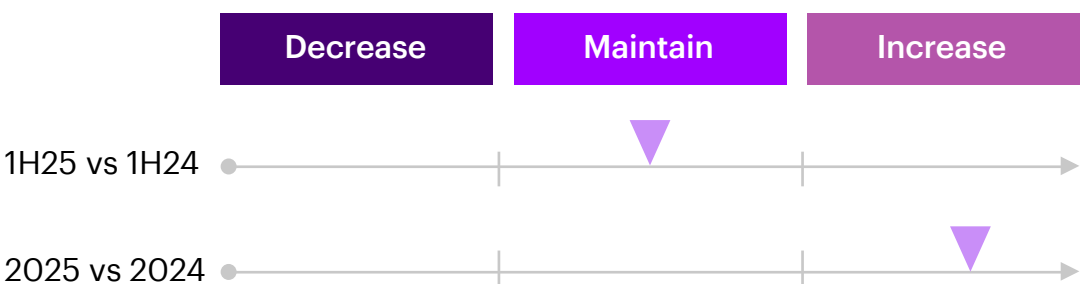


Figure 3: Wide-body aircraft delivery outlook (unit deliveries shipped to customers)



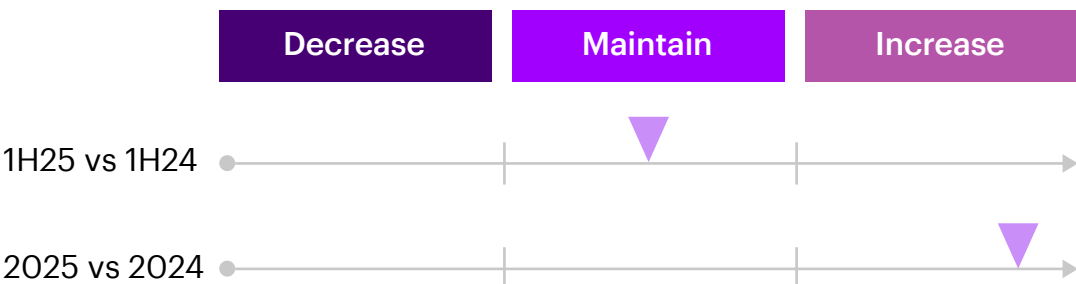
OEMs navigated a turbulent 2024. Production slowdowns at Boeing resulted in a 34% YoY decline in deliveries, while Airbus managed a modest 4% increase despite supply chain pressures. Together, the two companies delivered 1,114 aircraft.¹¹ In contrast, Embraer saw a 14% YoY increase in commercial aircraft deliveries.¹² Looking ahead, Airbus and Boeing are expected to deliver 1,367 aircraft in 2025, a 23% increase, driven mainly by Boeing’s ramp-up after a challenging year (Figure 10).¹³

Suppliers are adapting to Airbus and Boeing’s production plans. Airbus has delayed its A320 family ramp-up to 75 aircraft per month from 2026 to 2027, giving suppliers more time to meet production targets.¹⁴ Spirit AeroSystems, which delivered 27 fuselages for the 737 in Q2 2024, increased production to 31 per month in early 2025, with higher-quality inventory ready for shipment.¹⁵

With supply chain adjustments and production ramp-ups underway, 98% of suppliers expect similar or higher product deliveries in 2025.

Executives share this optimism, with 90% of them foreseeing similar or higher deliveries in the first half of the year and a stronger rebound later in the year (Figure 4). Rolls-Royce, Collins Aerospace and Pratt & Whitney are expanding sourcing in emerging markets like India to enhance regional stability and reduce reliance on existing hubs.¹⁶ GE Aerospace expects demand for new engines to outpace aftermarket services in 2025, reflecting expectations of fleet expansion.¹⁷

Figure 4: Commercial aerospace products delivery outlook

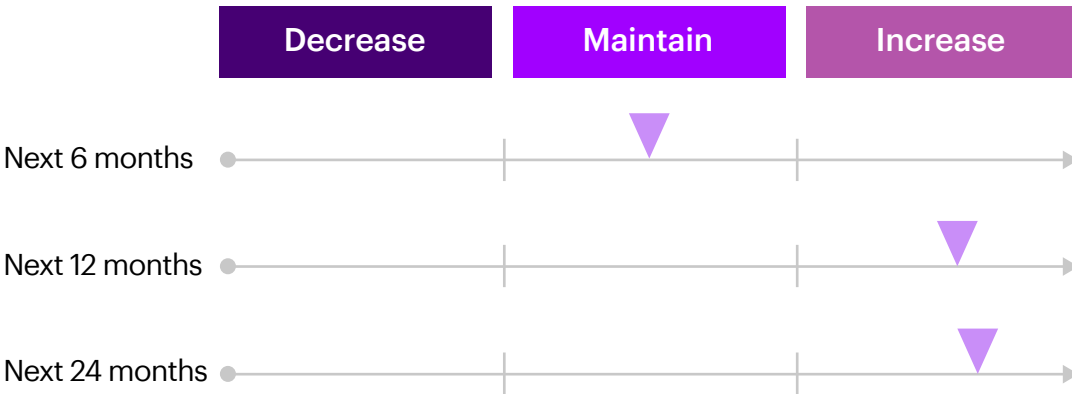


Supporting in-service fleets

Leading MRO providers are scaling capacity, upskilling workers and adopting digital tools to meet rising demand while navigating labor and supply chain constraints.

MRO executives remain cautiously optimistic, with 49% expecting higher spending in the next six months—up from 42% in the previous survey—and the rest anticipating stability. As airlines extend fleet lifespans, the long-term outlook is steadier: 66% of executives expect spending to rise within a year, climbing to 68% over two years (Figure 5).

Figure 5: MRO activity outlook



Commercial MRO spending is projected to exceed \$126 billion in 2025, up 14% YoY, driven by escalating labor, parts and production costs.¹⁸ Capacity constraint remains a challenge, with longer maintenance turnaround times for key components forcing airlines to adjust schedules, reallocate parts and lease temporary equipment. Malaysia Airlines CEO, Izham Ismail, highlighted that servicing times have more than doubled since pre-pandemic levels, intensifying pressure on suppliers and MRO providers.¹⁹

Supply chain disruptions persist, with 85% of executives reporting difficulties in meeting aftermarket demand and 54% expecting these issues to last more than six months. Strengthening supplier partnerships, boosting workflow efficiencies and accelerating digital adoption will be critical to maintaining operational readiness and controlling rising costs—especially as macroeconomic and trade-related uncertainty adds another layer of complexity.

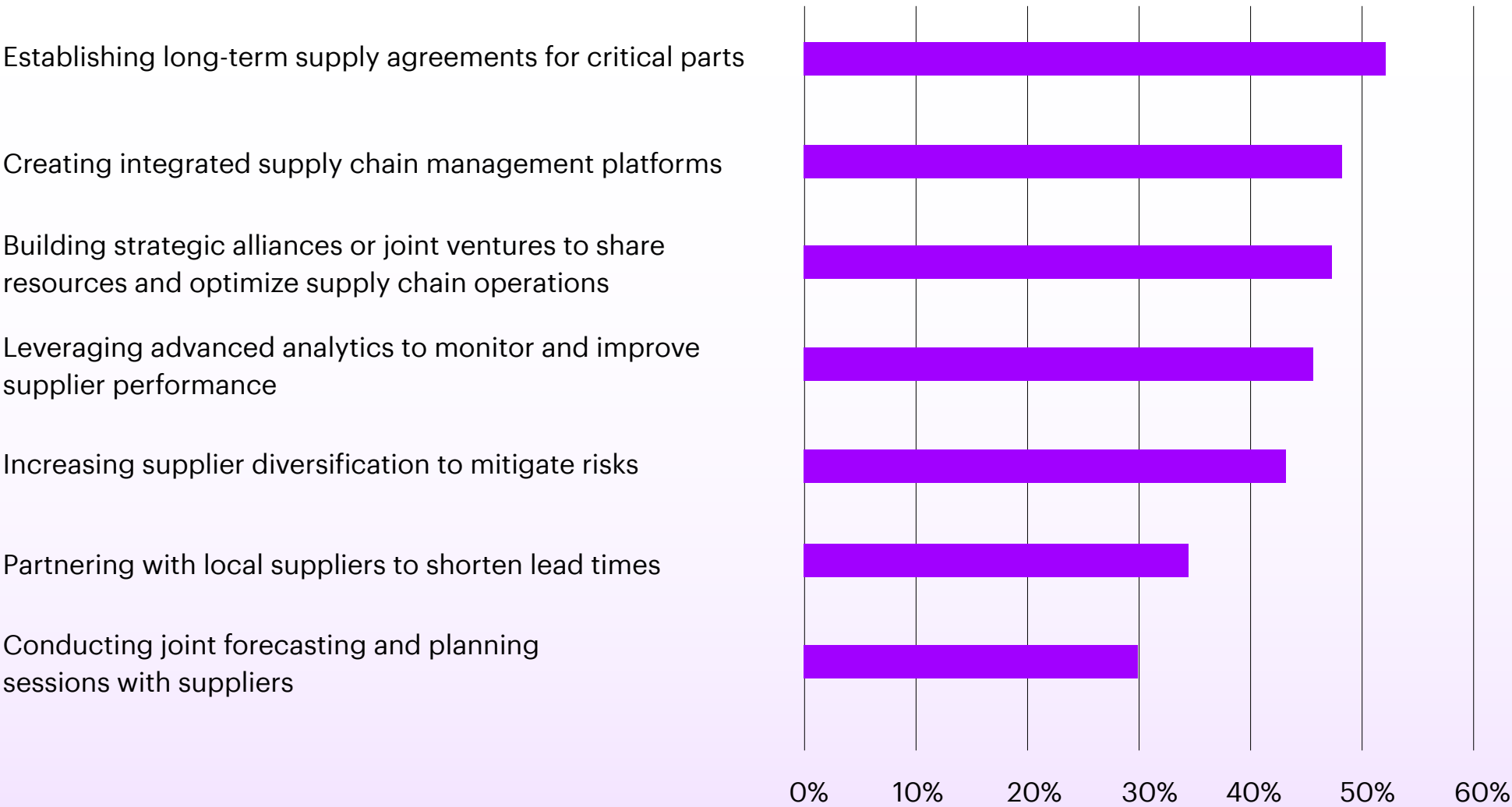


Collaborate for supply chain resilience

Both OEMs and MRO players are deepening supplier partnerships by focusing on long-term agreements, integrated supply chain platforms and strategic alliances for collaboration (Figure 6).

In 2024, Airbus, Boeing, GE Aerospace and Safran launched the Aviation Supply Chain Integrity Coalition to enhance transparency and prevent unapproved parts from entering the supply chain. GE Aerospace and StandardAero are tightening vendor controls in coordination with the Federal Aviation Administration (FAA) and the European Union Aviation Safety Agency (EASA).²⁰

Figure 6: Measures to strengthen the aftermarket supply chain (Top 3 mentions)

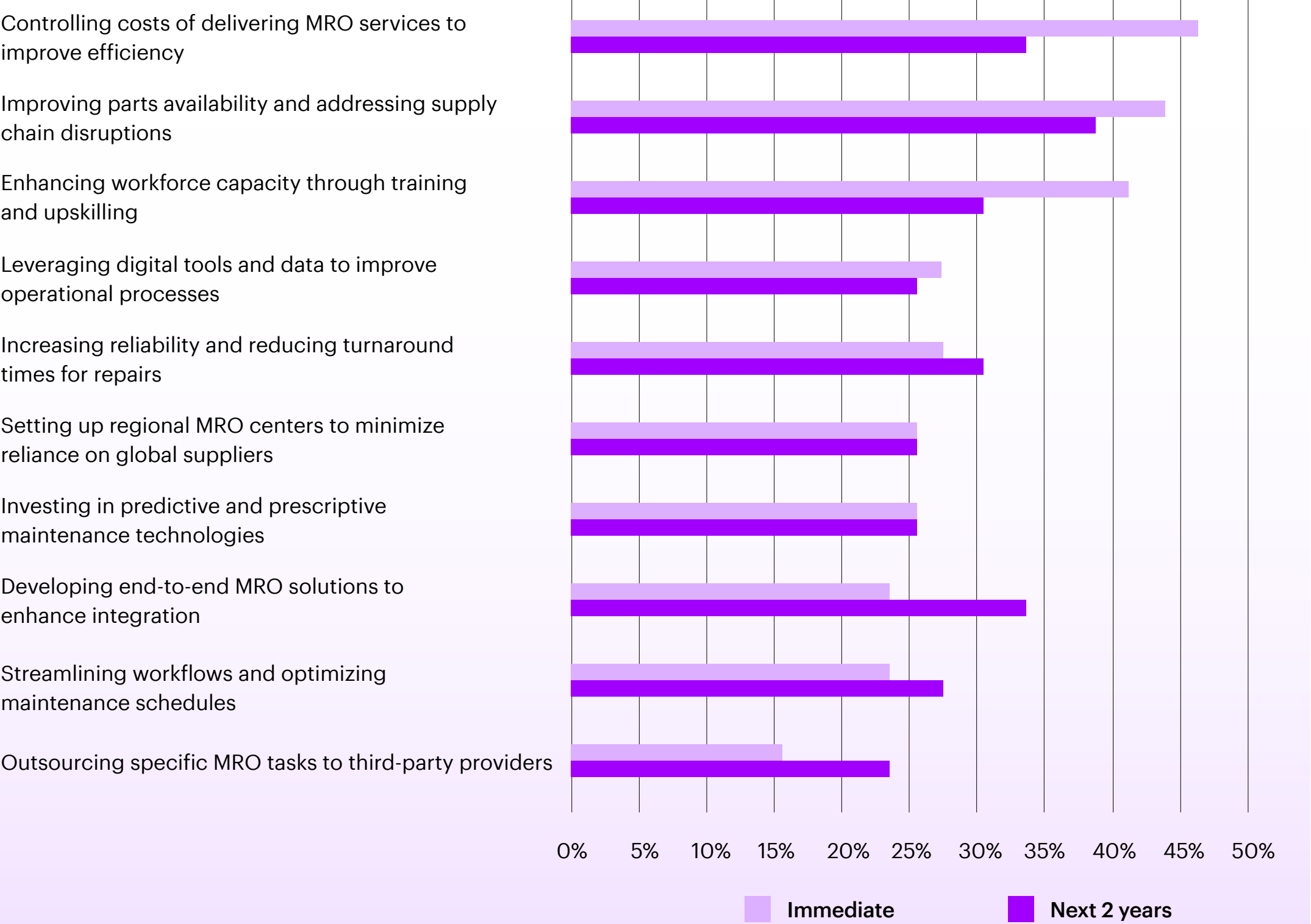


Rethink operations for agility and cost control

Companies with MRO operations are prioritizing cost control, parts availability, workforce upskilling and end-to-end solutions over the next two years (Figure 7). FTAI Aviation is integrating engine leasing with in-house maintenance, emphasizing module swaps, heavy maintenance and piece parts repairs.²¹

Airbus and Rolls-Royce are increasing sourcing from India to diversify supply chains and enhance resilience.²² GE Aerospace is leveraging its AI-powered tool, AI Wingmate, to boost workforce productivity while Turkish Technic is offering Part 147 training and technical programs to address labor shortages.²³

Figure 7: Top priorities for enhancing operational efficiency (Top 3 mentions, Immediate/2 years)

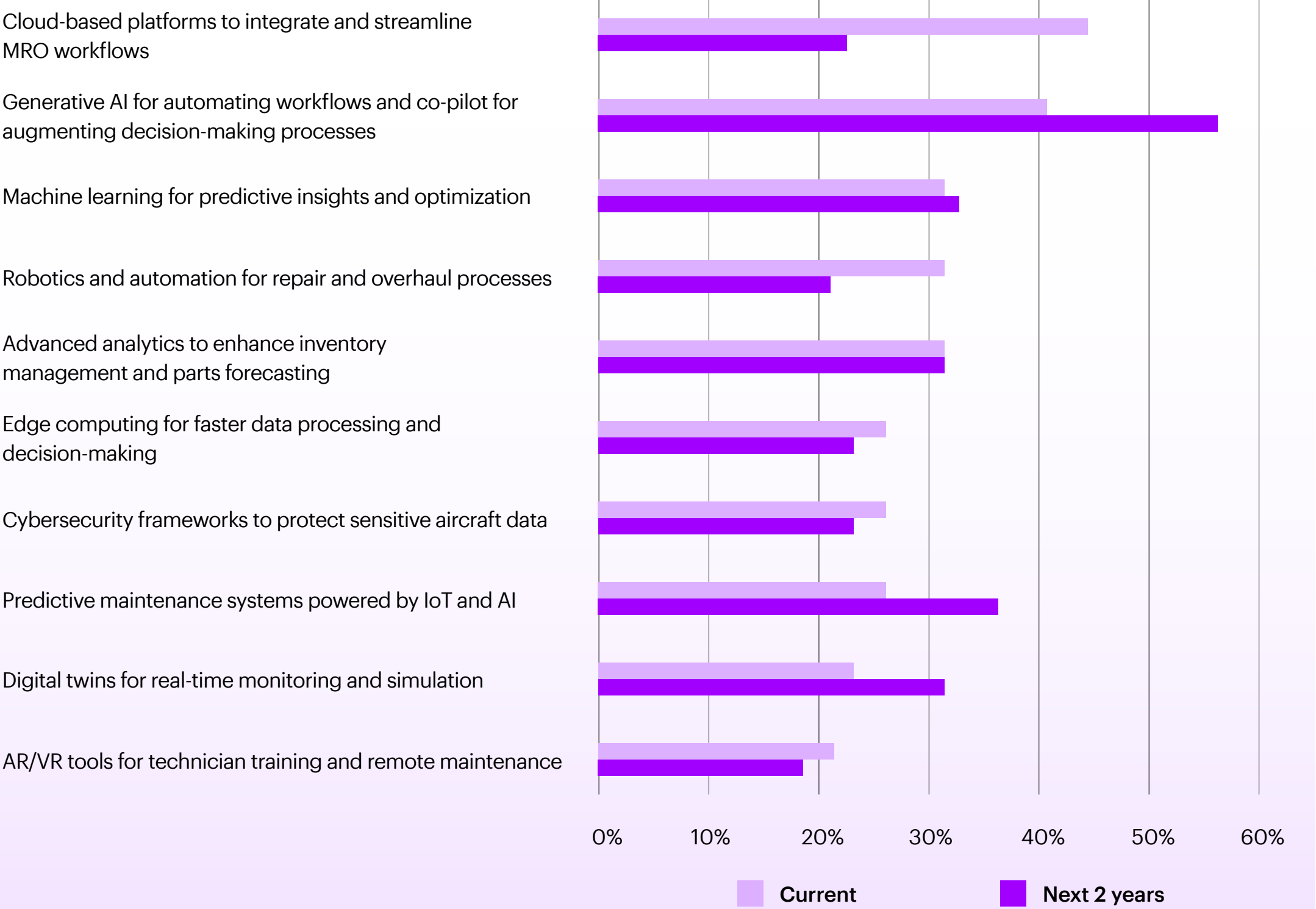


Accelerate digital adoption to unlock efficiency

Cloud-based platforms and generative AI-driven automation are top priorities for executives looking to streamline operations. For example, AI powered-predictive maintenance is an area where adoption is expected to surge over the next two years (Figure 8). This is where a strong digital core can be a differentiator: It not only optimizes workflows but also accelerates the adoption of new technologies.

Industry leaders are already moving forward. Rolls-Royce, in partnership with Aerogility, is leveraging digital twins to model environmental impact and drive both sustainability and operational improvements.²⁴ GE Aerospace, Microsoft and Accenture have developed a generative AI assistant, cutting maintenance records retrieval time from hours to minutes.²⁵

Figure 8: Digital priorities for MRO optimization (Top 3 mentions, Current/2 years)



Airline performance

Amid rising passenger demand and ongoing margin pressure, AI is emerging as a key lever for efficiency in an increasingly competitive market.

The global airline industry is expected to grow in 2025, with total revenue predicted to surpass \$1 trillion. This will be driven by a steady 4.4% rise in passenger demand, which will push volumes beyond pre-pandemic levels.²⁶ Cumulative net profits are projected to reach \$36.6 billion in 2025, up 16.2% YoY, with European airlines leading the way (Figure 9).²⁷

Figure 9: Regional airline profits
(2024 estimated vs 2025 forecasted)

Region	2024 profit (E)	2025 profit (F)	YoY change
North America	\$12B	\$14B	17%
Europe	\$10B	\$12B	19%
Middle East	\$5B	\$6B	11%
Asia-Pacific	\$3B	\$4B	13%

Source: IATA
Note: Profit figures are rounded, so the YoY percentage change may not precisely align with the displayed values. Forecasts are based on IATA's December 2024 outlook, prior to the announcement of the April 2025 US tariff package (currently under temporary pause). Macroeconomic and trade-related risks could affect airline demand and margins in 2025.

While revenue and profits are accelerating, the industry's ROIC is projected at just 6.8% in 2025, well below the weighted average cost of capital—emphasizing the need for greater efficiencies.²⁸

AI-driven improvements are emerging as a key competitive edge, enhancing route optimization, fuel efficiency, predictive maintenance and passenger experience. Case in point: United Airlines' *Every Flight Has a Story* initiative has improved customer satisfaction by 6%, demonstrating AI's impact on service personalization.²⁹

Yet, headwinds remain. Supply chain disruptions and aircraft shortages continue to constrain capacity, while regulatory hurdles complicate AI adoption. Wisk Aero, a Boeing subsidiary, recently cleared a key FAA milestone for its autonomous air taxi—highlighting both AI's promise and its complexity in aviation.³⁰

To stay competitive, airlines must leverage AI-driven efficiencies while proactively addressing regulatory and operational challenges.

Figure 10: Historical and forecasted deliveries by year (Boeing and Airbus)



Widebody Narrowbody
Narrow- and wide-body deliveries forecast (2018–2026)

Business-cycle status

While challenges remain, signs of stabilization are emerging in commercial aerospace. Strong supplier collaboration, AI-driven efficiencies and financial discipline will be key to sustaining momentum.

Among the executives we surveyed, 61% expect revenue growth over the next six months and 76% see an increase over the next year—a sign of growing confidence in supply chain improvements and production scalability (Figure 11).

Figure 11: Business-cycle stance (commercial aerospace revenue) outlook



Airbus sustained steady growth in 2024 despite supply chain headwinds, posting a 6% YoY revenue increase and a 42% rise in commercial aircraft operating profit. Strong deliveries, a favorable product mix and operational efficiencies helped maintain momentum.³¹

Boeing, by contrast, stumbled through a brutal year. Commercial aircraft revenue plummeted 33% and losses ballooned by 387% YoY, weighed down by delivery setbacks, regulatory scrutiny and operational struggles.³² Supply shortages, certification hold-ups and a seven-week machinists strike widened the competitive gap between Boeing and Airbus heading into 2025.

While larger OEMs faced turbulence, Embraer proved resilient, posting 21% YoY revenue growth in 2024.³³ What's behind its success? Supply chain optimization with AI-driven tools, digital platforms and effective supplier collaboration as it expanded its presence near key suppliers.³⁴ A strong order backlog, disciplined financial management and production efficiency further fueled profitability and cash flow growth.³⁵

Meanwhile, major suppliers—Safran, GE Aerospace and Pratt & Whitney—capitalized on market tailwinds like rising air travel demand and strong aftermarket services (MRO & cabin retrofitting), reporting 12% to 33% commercial aerospace revenue growth in 2024.³⁶

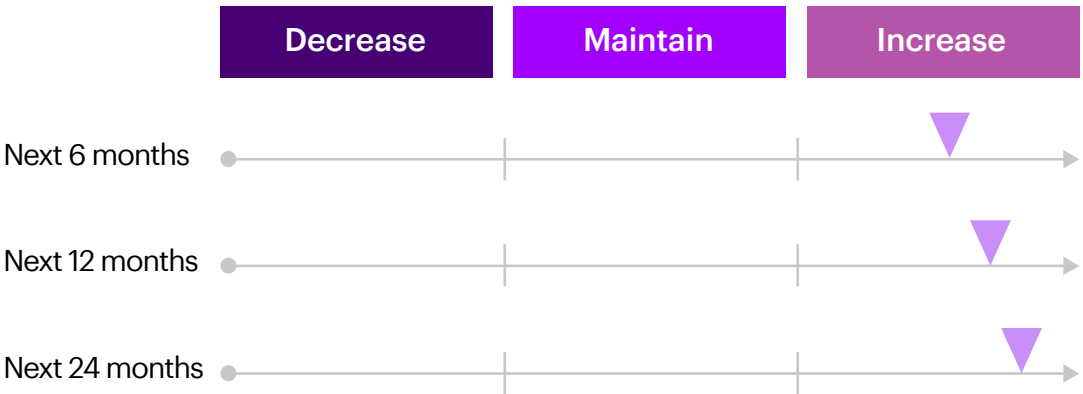


Production outlook

Commercial aerospace production is showing early signs of recovery, but supply chain uncertainties continue to challenge OEMs and suppliers as they work to ramp up output.

The near-term outlook shows cautious optimism, with 51% of executives expecting production to increase in the next six months. Optimism strengthens over the longer term, with 73% expecting a significant ramp-up in two years (Figure 12).

Figure 12: Production capacity outlook



Despite a positive outlook, supply chain disruptions continue to challenge OEMs. Boeing faces supplier issues and quality control setbacks, slowing its production ramp-up. While it initially targeted production of 38 737 MAX aircraft by May 2025, the industry remains skeptical of its ability to meet that goal. Supplier-driven delays in 787 and 777X production further strain its ability to scale output.³⁷

Airbus is pressing ahead with its A320 ramp-up, aiming for 75 aircraft per month by 2027, while scaling A220 production to 14 planes by 2026. A350 output remains on track for 12 aircraft per month by 2028.³⁸ To support suppliers, Airbus is providing financial assistance and working to secure critical components, streamline logistics and pre-empt bottlenecks.³⁹

Meanwhile, engine suppliers are adapting to shifting demand. CFM International plans to increase LEAP turbofan production by up to 20% in 2025. It is diversifying suppliers and reducing reliance on single-country sources to mitigate supply chain risks—easing pressure on Airbus and Boeing.⁴⁰

Despite labor disruptions and weak 737 MAX sales, Hexcel’s Q4 commercial aerospace sales rose 4.6%. Growth in the A320 and 787 programs provided some momentum, and the company expects up to 10% growth in 2025 driven by Airbus’s production recovery. However, persistent supply chain constraints threaten sustained growth.

Manufacturers are strengthening supply chains, optimizing operations and adopting advanced manufacturing. Dassault Systèmes is integrating 3D design software with Apple Vision Pro, enabling remote collaboration to improve efficiency and cut costs.⁴¹ Airbus has automated production at its Hamburg-Finkenwerder facility, streamlining workflows and boosting A321XLR output. Amid supply chain pressures, manufacturers that invest in digitalization, automation and supply chain diversification will be best positioned to emerge stronger from the current disruption.⁴²

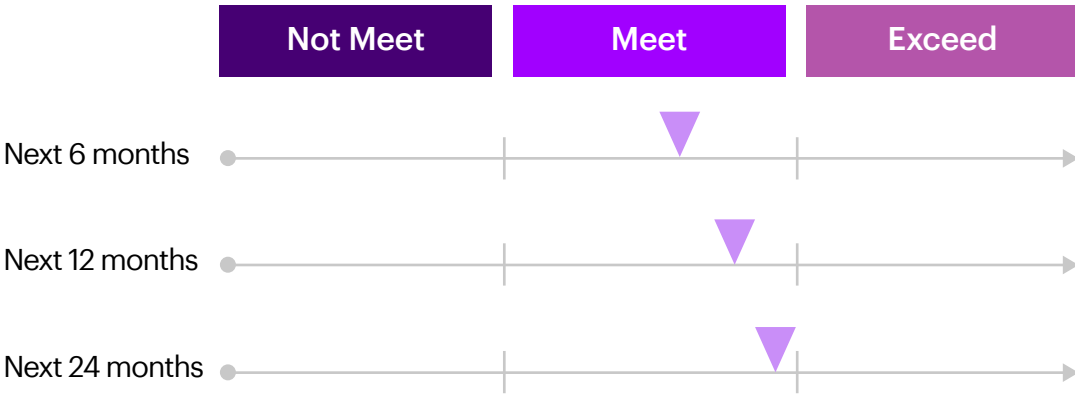


Supplier delivery outlook

Rising production targets at OEMs and strong aftermarket demand are further straining supply chains, though early signs of improvement are emerging.

Eighty-five percent of executives express confidence in their supply chain’s ability to deliver on time and maintain quality over the next six months (Figure 13), up from 77% in August.⁴³ This is the first time since the pandemic that short-term confidence has exceeded 80%—though risks remain.

Figure 13: Supplier delivery outlook



Suppliers expect Boeing to reach its target of producing 38 737 MAX a month by early 2026—at least six months behind target. Airbus suppliers are gearing up to support a production rate of 60 A320 jets per month by late 2025, but supply chain pressures remain a hurdle.⁴⁴ Sinead Cormican, head of leasing customers at Airbus, says the company is dealing with “10 times more issues on a daily basis” than before.⁴⁵

Nevertheless, both manufacturers are actively working to improve their supply chains. Boeing is enhancing communication with suppliers at various levels,⁴⁶ while Airbus is focused on resolving bottlenecks from critical suppliers—key obstacles to their planned production ramp-ups.⁴⁷

Prolonged supply chain disruptions have drawn criticism from IATA Director General Willie Walsh, who describes the situation as a quasi-monopoly among suppliers: “They are benefitting from supply chain issues. There is no evidence that they are resolving this.” Hundreds of jets remain grounded due to engine and spare part shortages, while the average aircraft age has climbed from 12 years in 1990 to 14.8 years in 2024.⁴⁸

Further, escalating trade tensions—particularly between the US and China—are complicating global supplier relationships. Industry leaders warn this would further strain supply chains, hitting OEMs and suppliers already dealing with material shortages, labor constraints and rising costs.⁴⁹

Efforts to ease bottlenecks using digital tools are underway. Airbus relies on Sensolus IoT tracking tool to improve supply chain visibility and efficiency, while Boeing uses a digital Supplier Portal for secure access and order management.⁵⁰ More recently, Embraer has launched ONEChain—a digital platform aimed at improving supply chain transparency, agility and collaboration.⁵¹ Meanwhile, officials from France’s aerospace association GIFAS see signs of improvement in OEM-supplier coordination, attributing it to shorter training cycles and digitization that free up experts to focus more on production.⁵²



Production input cost outlook

Rising raw material prices, escalating subsystem costs and higher wages are driving up production expenses, making strategic cost management essential.

The short-term outlook for raw material costs remains uncertain, with 51% of executives expecting price increases in the next six months—nearly unchanged from six months ago. However, concerns grow over the longer term, with 66% forecasting higher costs within a year and 73% within two years (Figure 14).

The US administration’s 25% tariff on steel and aluminum is driving up raw material costs, forcing aerospace manufacturers to rethink sourcing. Some are stockpiling materials, while others, like Optima Aero, are relocating inventory to navigate tariffs. However, many suppliers are struggling to secure alternative sources or negotiate better pricing. Combined with ongoing supply chain disruptions, these pressures are squeezing margins and straining production.⁵³

The cost pressures are visible in industry indicators. Over the past six months, the Producer Price Index for aerospace manufacturing has inched up, signaling creeping cost pressures.⁵⁴

Short-term stability offers little relief. While 56% of executives expect sub-system and parts costs to hold steady over the next six months, concerns mount over the longer term. Within a year, 63% anticipate price increases, rising to 78% by the two-year mark (Figure 15). Labor costs follow a similar trajectory: 51% foresee stability in the near term, but 61% predict increases within the next 12 months and beyond (Figure 16).

Figure 14: Raw materials cost outlook

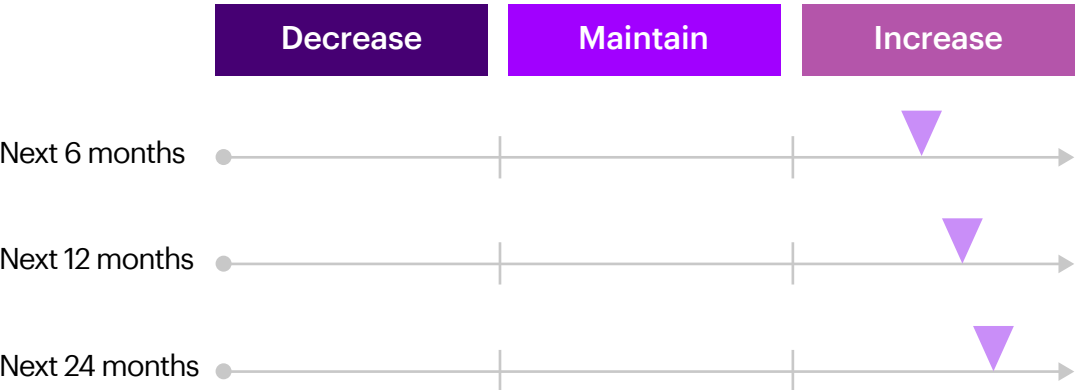


Figure 15: Subsystem or parts cost outlook

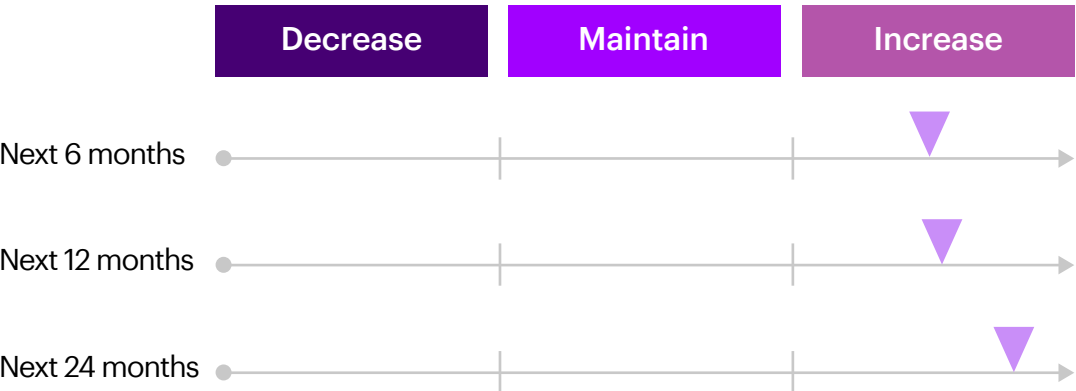
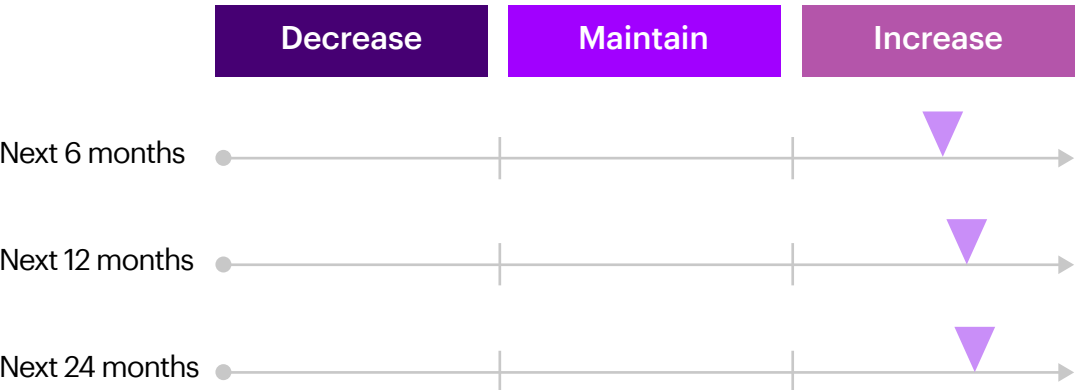



Figure 16: Production labor cost outlook



A man with short, dark hair, wearing a dark blue suit, white shirt, and dark tie, is seated in an airplane cabin. He is looking out of a window on the right side of the frame. The interior of the plane is visible, including the window frame, overhead storage bins, and a wooden tray table with two cup holders. The lighting is soft, suggesting an evening or night setting.

What's keeping
aerospace leaders
up at night?

Ongoing macroeconomic volatility, shifting trade policies and supply chain uncertainties are redefining the risk landscape—putting resilience and strategic planning at the top of aerospace leaders’ agendas.

Executives remain wary of both economic and geopolitical risks, but political instability is now adding a fresh layer of volatility to an already uncertain outlook (Figure 17). Recent geopolitical developments prompted European leaders to call for proactive countermeasures. While both sides have temporarily paused tariff measures, the broader impact remains unclear as the situation continues to evolve.⁵⁵

Some financial indicators—such as exchange and interest rates—have stabilized, providing short-term relief. Regional conflicts and terrorism remain low on executives’ radar, while immediate concerns over weather volatility have subsided—likely due to improved adaptation strategies. The FAA’s NextGen Weather Program, which uses predictive analytics to mitigate weather-related disruptions, has boosted operational resilience.⁵⁶

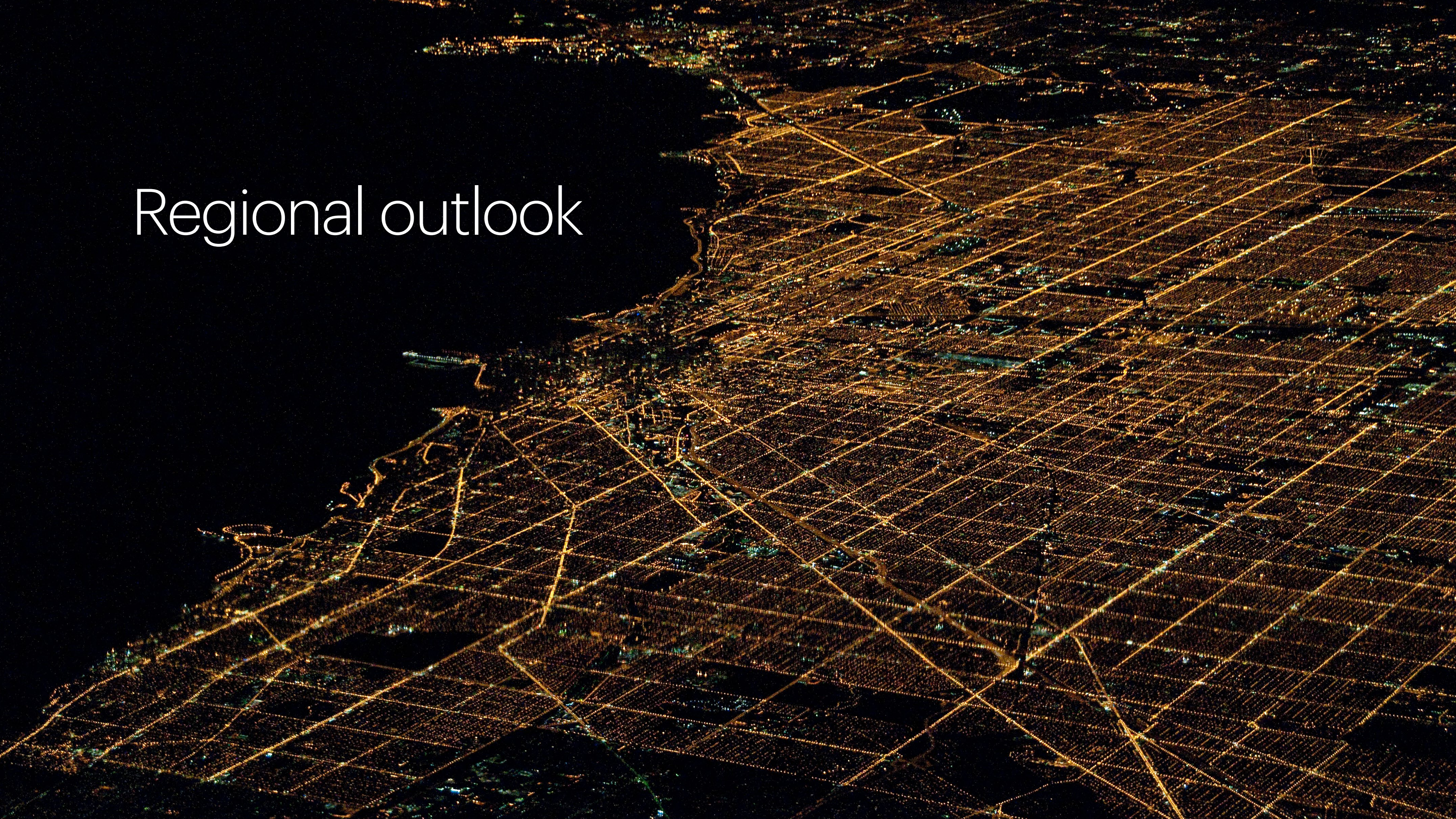
However, supply chain disruptions and macroeconomic uncertainties persist, highlighting the need for strategic planning.⁵⁷ As executives navigate an unpredictable global landscape, they remain focused on resilience—ensuring the industry adapts to shifting trade policies, market pressures and evolving risks.

Figure 17: Executive’s risk concern levels (versus current levels)

Broader categories	Risk factor	Previous report impact expectation	Current impact expectation	Next 6 months	Next 12 months	Next 2 years
Political conditions	Terrorism	Medium	Low	Similar	Similar	Similar
	Political instability	Medium	Medium	Greater	Similar	Similar
	Regional armed conflicts	Medium	Low	Similar	Similar	Similar
Economic conditions	Worsening economic conditions	Medium	Medium	Similar	Similar	Similar
	Interest rate changes	Medium	Medium	Similar	Similar	Similar
	Exchange rate changes	Medium	Medium	Similar	Similar	Similar
Climate change	Weather volatility	Low	Low	Similar	Similar	Similar

Note: This analysis reflects sentiment and data collected prior to the April 2025 escalation in trade tensions.

Regional outlook



North America

Boeing's recovery holds key to growth

After flat growth (2%) in 2024, North America's commercial aerospace market could see up to a 10% revenue increase in 2025. However, risks remain: Macroeconomic uncertainty, shifting trade policies and stretched supply chains could create potential headwinds for the recovery.

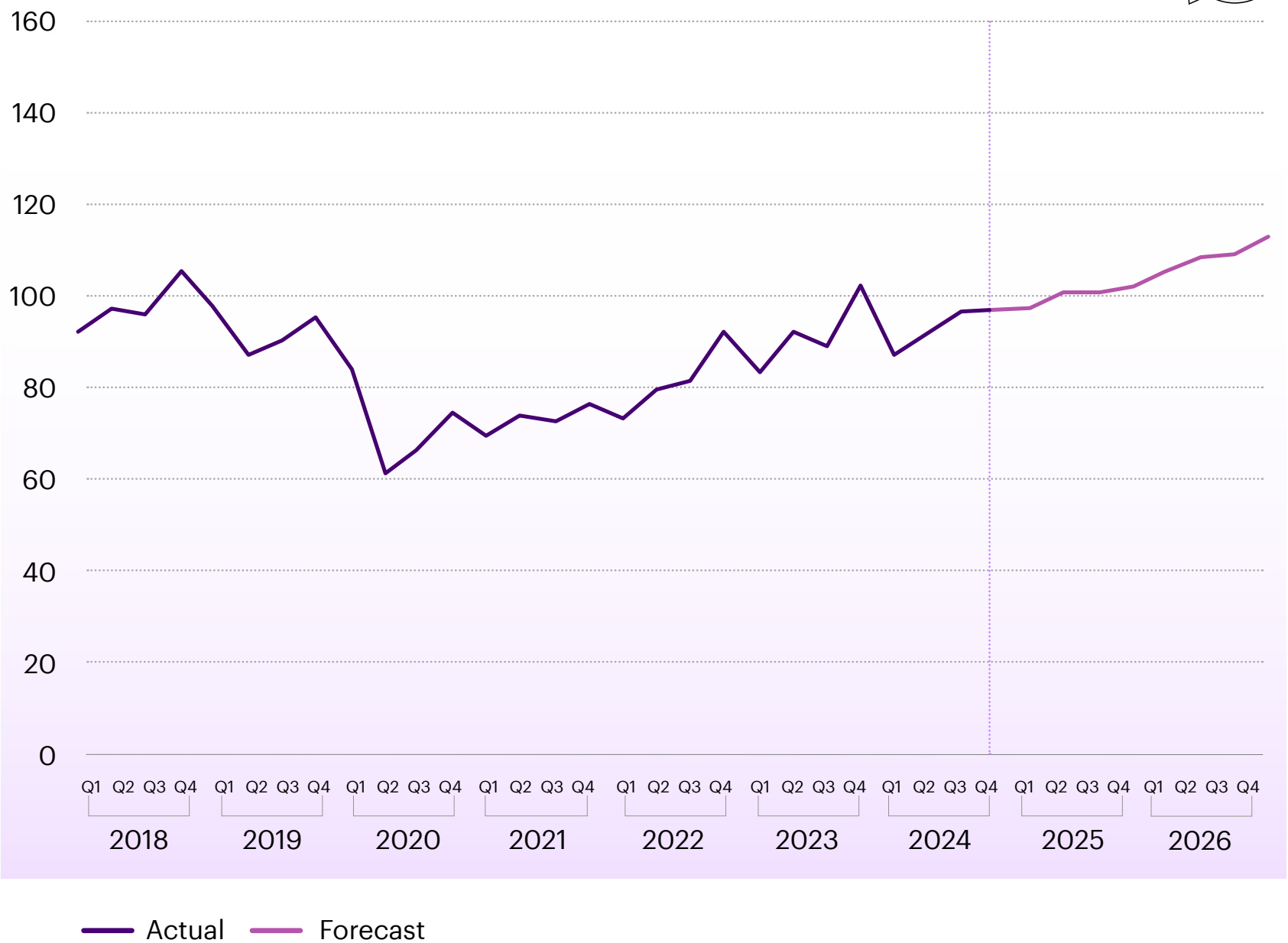
Boeing's performance will be central to the region's recovery. Under new leadership, Boeing is restructuring its operations to tackle inefficiencies. The company is shutting down "shadow factories"—facilities dedicated to reworking and repairing planes rather than building new ones.⁵⁸ It's also aiming to implement a four-pronged strategy focused on cultural transformation, operational stability, improved execution discipline and long-term investments. However, external headwinds remain. Escalating trade tensions have led China to pause deliveries of Boeing aircraft, adding geopolitical uncertainty to an already complex recovery path.⁵⁹

MRO providers and suppliers are seeing renewed momentum. GE Aerospace has announced plans to invest more than \$1 billion to expand and upgrade its MRO facilities worldwide.⁶⁰ GKN Aerospace is doubling its MRO capacity in North America with a new facility in San Diego.⁶¹

Figure 18: Outlook for North America



Figure 19: North America commercial aerospace index (USD, 2018 = 100)



Europe

Focus shifts to resilience

Europe’s commercial aerospace industry is expected to extend its post-pandemic recovery, with a projected 7% expansion in 2025. Airbus plans to deliver 820 commercial aircraft in 2025, a 7% increase from 2024, despite a slower-than-expected ramp-up of the A350 and A220 programs.⁶² Macroeconomic uncertainty, persistent supply chain constraints and regulatory pressures could weigh on the region’s outlook.

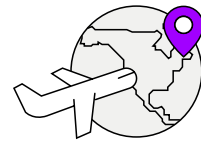
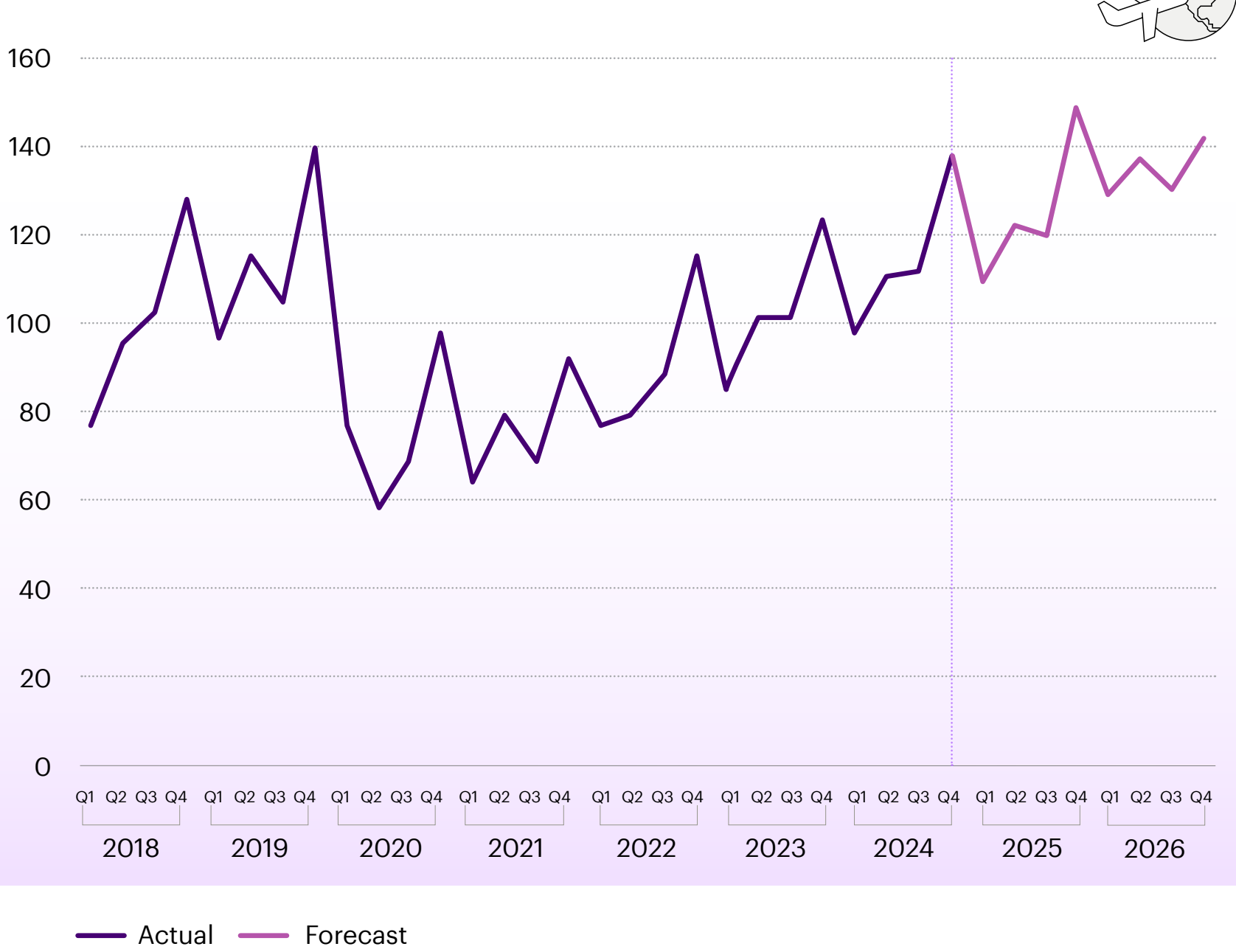
To sustain growth, European aerospace players are investing in manufacturing and supply chain resilience. MRO providers and major suppliers are expanding capacity to meet demand. GE Aerospace has announced a \$130 million expansion to scale its European MRO footprint and Airbus’s planned acquisition of Spirit AeroSystems’ European operations is likely to enhance supply chain stability and strengthen aerostructure production.⁶³

Sustainability is also moving up the agenda. In January 2025, European aviation stakeholders launched a sustainable aviation fuel (SAF) acceleration toolkit, which mandates 2% SAF blend by 2025, rising to 70% by 2050.⁶⁴

Figure 20: Outlook for Europe



Figure 21: Europe’s commercial aerospace index (USD, 2018 = 100)



Asia-Pacific

Air travel demand continues to drive growth

Asia-Pacific is cementing its position as the world’s fastest-growing commercial aerospace market, with 14% YoY growth projected in 2025 after a 15% increase last year. This expansion will be fueled by rising air travel demand, large-scale fleet expansions and investments by global aerospace players—though emerging trade tensions and macro volatility could test the region’s resilience.

The industry’s center of gravity is evolving, with India emerging as a key manufacturing and MRO hub. Boeing, Airbus, GE Aerospace, Safran and Pratt & Whitney are expanding sourcing, facilities and workforce investments in the country. India’s MRO industry is set to grow over 50% between 2024 and 2026, driven by a 20-25% expansion in airline fleets.⁶⁵

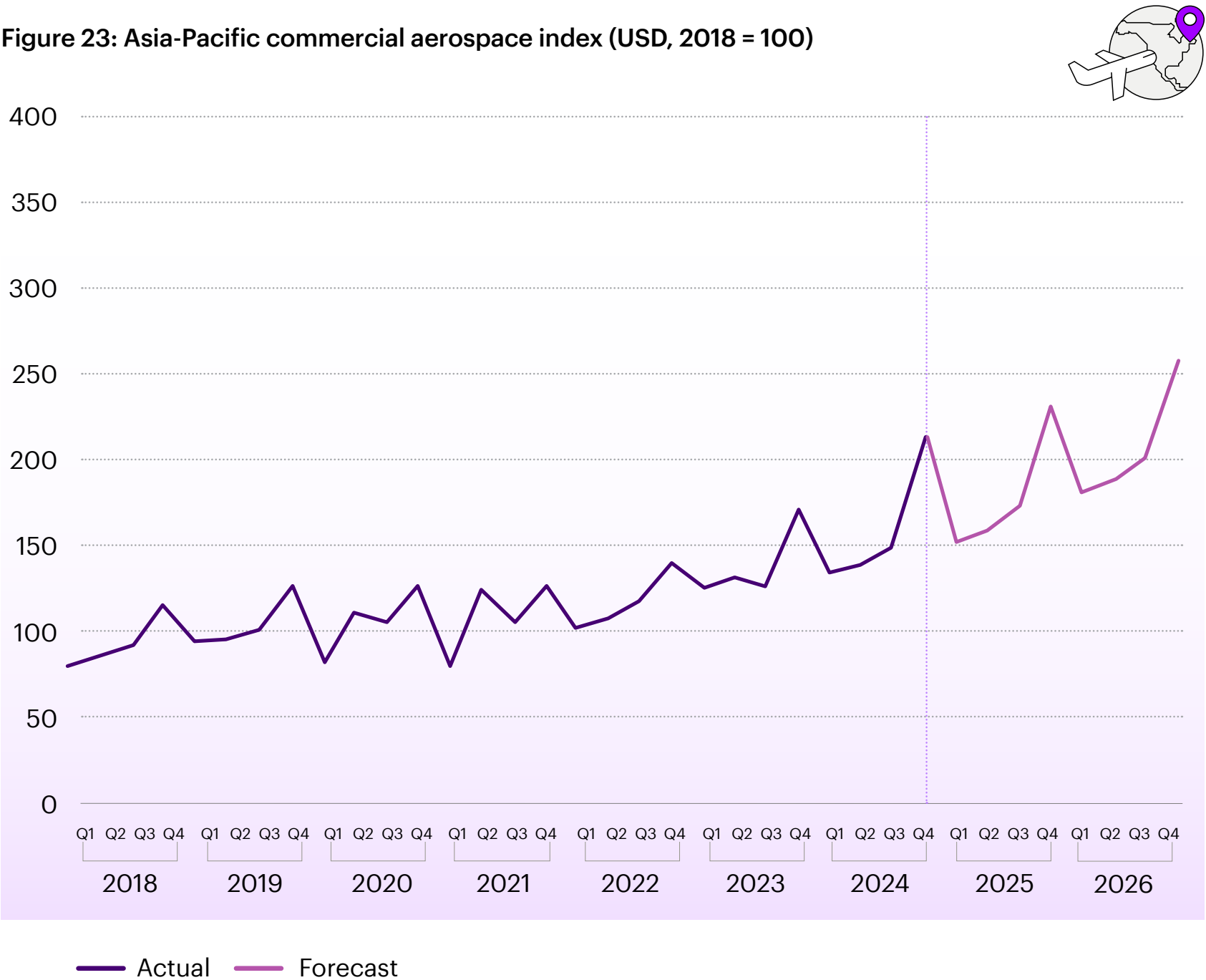
Australia is also strengthening its MRO capabilities, with Qantas investing in a new engineering hub in Brisbane, while South Korea is building Asia’s largest aircraft engine MRO facility.⁶⁶ Airlines such as Japan’s ANA Holdings, Korean Air and Thai Airways are also placing large aircraft orders to keep pace with the region’s growing passenger base.⁶⁷

A burgeoning middle class and rapid economic growth continue to fuel demand in APAC, positioning the region as a key driver of aerospace growth for the foreseeable future.

Figure 22: Outlook for Asia-Pacific



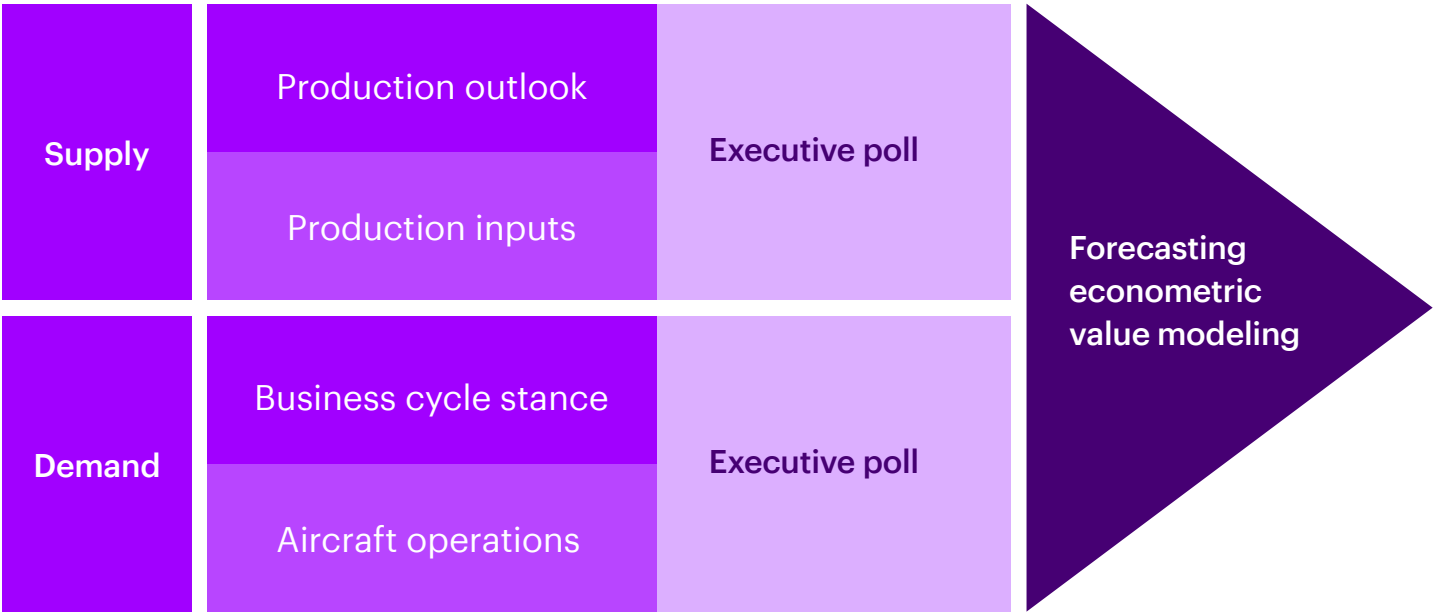
Figure 23: Asia-Pacific commercial aerospace index (USD, 2018 = 100)



About the Accenture Commercial Aerospace Market Insight Report

The Accenture Commercial Aerospace Insight Report combines sophisticated econometric modeling methodologies to drive quantitative quarterly forecasts on the health of the commercial aviation market with insights from leading aerospace executives worldwide. It provides a unique perspective on short- and medium-term trends and drivers in this market, covering a wide range of activities, from suppliers to MROs.

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Regional forecasts are in the highest-impact regional currency, with the global index aggregated in US dollars, using current exchange rates (at the time of writing). The index baseline year is 2018, and both regional and global indices are based on this year.

To complement econometric modeling, we polled executives at major commercial aerospace companies. The outlook indicators in this report are based on a combination of Accenture’s econometric modeling and that global commercial aerospace executive poll. We conducted our poll in January-February 2025; views are subject to considerable change as conditions can rapidly evolve.

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