MRO BLOCKCHAIN ALLIANCE LAUNCHED BY SITA AND KEY INDUSTRY PARTNERS

News / Maintenance / Trainings

Key industry partners announced the launch of the MRO Blockchain Alliance, the air transport's first industry-wide investigation into the use of blockchain to track, trace and record aircraft parts. The new alliance comprises leading organizations covering every aspect of the Maintenance, Repair and Overhaul (MRO) chain, from part manufacture and repairs to logistics and smart contracts. Members currently include Bolloré Logistics, Cathay Pacific, FLYdocs, HAECO Group, Ramco Systems, SITA, and Willis Lease Finance Corporation, supported by Clyde & Co. The alliance was first mooted in 2019 at a HAECO Group event with the aim of bringing the various stakeholders together to set a global standard around the use of blockchain to trace parts.

In the coming months, the alliance will launch a proof of concept to demonstrate the use of blockchain to digitally track and record the movements and maintenance history of parts across a wide number of players. These include airlines, lessors, original equipment manufacturers (OEMs) such as engine producers, logistics suppliers, and maintenance providers.

This tracking information will be vital to managing a complex logistics value chain that can span several stakeholders over the lifetime of each individual part. Currently, there is no global database, incomplete data sharing, and only partial digitalization. The alliance believes that the use of blockchain will simplify and speed up parts tracking while enabling the secure sharing of information between industry stakeholders.

PwC* estimates that the use of blockchain could increase aerospace industry revenue by as much

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as 4%, or US$40 billion, while cutting MRO costs globally by around 5% or US$3.5 billion*. Savings will be derived from secure document storage, ensuring confidentiality and data privacy, improved insights on repair time and inventory, automated workflows and more efficient record reconciliation.

The alliance will use blockchain to record and track two separate strands of information for each aircraft part: a digital thread and a digital passport. The digital thread provides the real-time status, chain of custody and back-to-birth track and trace of the part over time. The digital passport – like a human passport – provides the indisputable identity of a part and contains other vital data such as certification of airworthiness to prove ownership.

SITA's role, as the air transport community's IT provider, is to manage governance for the global alliance, support the working groups, deliver all required blockchain technology components compliant with SPEC2000 and SPEC42 standards and ensure proper alignment and validation with regulators and international standardization bodies.

Matthys Serfontein, President of Air Travel Solutions for SITA said: "This initiative is part of SITA's ongoing exploration of blockchain, a technology that we believe promises tremendous opportunity for streamlining the sharing and recording of information across the air transport industry. In an industry as interconnected as ours, the ability to share and record common data in a secure way without giving up control of that data is fundamental to driving new efficiencies in air travel. This is particularly true for the MRO sector."

Each year, the MRO industry processes 25 billion parts, while adding three billion new parts. There are 20,000 suppliers, covering 144,000 flights every day for an overall industry market representing around $100 billion every year.

The alliance will spend the next few months in the planning phase, with the aim of going live with the first proof of concept in the second quarter of 2020. The MRO Blockchain Alliance is a key element of SITA's Global Blockchain Alliance, a wider SITA-led forum that is focused on the development of key blockchain-based applications for potential use in the air transport industry, including MRO, passenger identity and flight data.

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