

## **Boeing Forecast Sees Air Cargo Strength Continuing**

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Industry Will Rely Increasingly on Large Freighters

The global air cargo market, currently showing significant strength through a flurry of new freighter orders, is poised for strong 20-year growth, during which The Boeing Company forecasts that the world freighter airplane fleet will double from 1,760 to 3,530 airplanes.

This is a key finding in the latest Current Market Outlook, recently produced by Boeing and available on its Web site.

According to the Current Market Outlook 2005, issued annually by Boeing Commercial Airplanes, 2,870 freighters will enter the fleet by 2024 and 1,100 cargo airplanes will be retired, for a net gain of 1,770 airplanes.

Freighters of all sizes will provide more than half of the world's total air cargo capacity, a slight increase from today, although as a percentage of the total world airplane fleet, freighters will decrease from 10.5 percent to 10 percent, due to an increase in size of the average freighter.

"The overall forecast is slightly higher than last year's forecast, with about 100 more airplanes entering the fleet than we projected previously," said Jim Edgar, regional director, Cargo Marketing for Asia. "Carriers also are looking increasingly to large freighters, especially the 747 and 777 models, for optimal efficiency and range."

The share of widebody freighters is expected to increase to 64 percent of the fleet, compared to 47 percent currently. About 60 percent of the freighters that will be added to the fleet will be widebody airplanes.

The share of standard-body freighters will decrease from 53 percent to 36 percent over the next two decades, partially due to preferences by operators such as express carriers for medium widebodies as a replacement for retiring standard-body freighters.

By 2024, 720 new production freighters will enter the fleet, about 25 percent of the total growth, with the remainder being conversions from passenger and combi airplanes. Although new airplanes will make up a minority of the world freighter fleet, many airlines prefer the technical advantages, reliability, and fuel efficiency of new airplanes. Half of these new airplanes will be in the large freighter category (greater than 65 tons).

"In 2004, we saw the completion of the post-9/11 recovery period with a year of unprecedented growth," said Tom Crabtree, Boeing regional director, Cargo Marketing for Europe and Russia. "While that growth can't be sustained on a continuing basis, it provides a good basis for the long-term growth that is indicated by the available data.

"Thus far in 2005, growth certainly has slowed, which isn't surprising considering the 2004 growth levels."

The value of the new production freighters entering the market over the 20-year period totals \$155 billion, an increase over the previous Boeing forecast, again due to the increasing reliance on larger airplanes.

"We continue to note that the strongest growth will be associated with Asia," said Tom Hoang, Boeing regional director, Cargo Marketing for the Americas and China. "China, in particular, is an area where the air cargo industry, while still young, is poised for high growth rates -- in the range of 10 percent per year."

Currently, Boeing provides more than 90 percent of the world's freighter capacity. This percentage is expected to remain stable as the vast majority of conversions will be for larger Boeing airplanes. Boeing offers a complete family of production freighter airplanes, including cargo versions of the 747, 777, 767 and 737. In addition, the company offers conversions of 747, MD-11, DC-10, 767, 757 and 737 jetliners.

The Current Market Outlook is available on the company's Web site.

Boeing releases a detailed forecast in even-numbered years and is scheduled to issue World Air Cargo Forecast 2006-2007 at the 2006 International Air Cargo Forum and Exposition in Calgary, Alberta, Canada, in September 2006.

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The following charts are also available:

- Widebody Freighters Dominate the Future Fleet
- Freighter Deliveries Vary by Region

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