

Boeing Forecasts \$15 Trillion Commercial Airplanes and Services Market

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20-year outlook projects rising demand for 42,700+ new airplanes, valued at \$6.3 trillion

Services to outpace the world fleet; to grow 4.2% annually creating a \$8.8T market

FARNBOROUGH, United Kingdom, July 17, 2018 /PRNewswire/ -- Boeing [NYSE: BA] lifted its long-term forecast for commercial airplanes as rising passenger traffic and upcoming airplane retirements drive the need for 42,730 new jets – valued at \$6.3 trillion – over the next 20 years. The global airplane fleet will also sustain growing demand for commercial aviation services, leading to a total market opportunity of \$15 trillion.

The company's annual forecast, renamed the Commercial Market Outlook (CMO) to include detailed analysis of the dynamic aviation services market, was presented today at the Farnborough International Airshow. Recognized as an industry benchmark for global air travel forecasting, the 2018 CMO projects the total number of airplanes increasing 4.1 percent over the previous forecast.

"For the first time in years, we are seeing economies growing in every region of the world. This synchronized growth is providing more stimulus for global air travel. We are seeing strong traffic trends not only in the emerging markets of China and India, but also the mature markets of Europe and North America," said Randy Tinseth, vice president of Commercial Marketing for The Boeing Company. "Along with continued traffic expansion, the data show a big retirement wave approaching as older airplanes age out of the global fleet."

According to fleet data, there are more than 900 airplanes today that are over 25 years old. By the mid 2020's, more than 500 airplanes a year will reach 25 years of age – double the current rate – fueling the retirement wave. Tinseth said the data explain why 44 percent of the new airplanes will be needed to cover replacement alone, while the rest will support future growth.

Including airplanes that will be retained, the global fleet is projected to essentially double in size to 48,540 by 2037.

The single-aisle segment will see the most growth over the forecast period, with a demand for 31,360 new airplanes, an increase of 6.1 percent over last year. This \$3.5 trillion market is driven in large part by the continued growth of low-cost carriers, strong demand in emerging markets, and increasing replacement demand in markets such as China and Southeast Asia.

The widebody segment calls for 8,070 new airplanes valued at nearly \$2.5 trillion over the next twenty years. Widebody demand is spearheaded, in part, by a large wave of replacements beginning early in the next decade and airlines deploying advanced jets such as the 787 Dreamliner and 777X to expand their global networks.

Additionally, Boeing projects the need for 980 new production widebody freighters over the forecast period, up 60 airplanes over last year. In addition, operators are forecasted to buy 1,670 converted freighters.

New Airplane Deliveries through 2037 by size

Airplane type	Seats	Total deliveries	Market value
Regional jets	90 and below	2,320	\$110 billion
Single-aisle	90 and above	31,360	\$3,480 billion
Widebody		8,070	\$2,480 billion
Freighter widebody	-----	980	\$280 billion
Total	-----	42,730	\$6,350 billion

The massive fleet generates a strong and growing demand for aviation services ranging from supply chain support (parts and parts logistics), to maintenance and engineering services, to aircraft modifications, to airline operations. Over the next 20 years, Boeing forecast an \$8.8T market for commercial aviation services with annual growth of 4.2 percent.

"The commercial airplane business fuels an enormous ecosystem of service providers. Our combined forecast shows the full picture of the \$15T commercial market ahead of us," Tinseth said. "We see a market in which airlines outsource more and more, a market in which data and data analytics help aircraft and airline networks become more efficient and reliable, and a market in which new technologies provide new services solutions. All of these trends drive greater demand for integrated solutions over the life of an airplane."

Major categories in the services forecast include the \$2.3 trillion market for Maintenance & Engineering, which covers tasks required to maintain or restore the airworthiness of an aircraft and its systems, components, and structures. Another major category is the \$1.1 trillion market for Flight Operations, which covers services associated with the flight deck, cabin services, crew training and management, and airplane operations.

Commercial Aviation Services through 2037 by service

category

Service category	Market value
Corporate & External	\$145 billion
Marketing & Planning	\$540 billion
Flight Operations	\$1,115 billion
Maintenance & Engineering	\$2,365 billion
Ground & Cargo Operations	\$4,665 billion

In terms of the geographic split of the new forecast, the airplane and services demand are similarly geared toward the major growth markets. The Asia Pacific region, which includes China, will continue to lead the way, accounting for 40 percent of total airplane deliveries and 38 percent of total services value. North America and Europe round out the top three.

Commercial market through 2037 by region

Region	Airplane deliveries	Services market
Asia Pacific	16,930	\$3,365 billion
North America	8,800	\$1,850 billion
Europe	8,490	\$1,875 billion
Middle East	2,990	\$745 billion
Latin America	3,040	\$515 billion
Russia/C.I.S.	1,290	\$265 billion
Africa	1,190	\$215 billion
Total	42,730	\$8,830 billion

Formerly known as Boeing's Current Market Outlook, the CMO is the longest running jet forecast and regarded as the most comprehensive analysis of the commercial aviation industry. The full report can be found at www.boeing.com/cmo.

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