Boeing Projects Healthy Airplane Demand Over Next 20 Years

Boeing Commercial Airplane Group's 1997 edition of the "Current Market Outlook" predicts continued strong air travel growth over the next 20 years. In addition, the Outlook estimates that the world's airlines will add 16,160 new jets worth $1.1 trillion.

The Boeing forecast, released today, projects annual, worldwide air travel growth of 4.9 percent. According to the report, the commercial jet airplane fleet of 2016 is expected to total 23,600 passenger and cargo aircraft. At the end of 1996, the world's jetliner fleet totaled 11,500 -- 7,000 of which are Boeing aircraft.

"The industry continues on the upswing, with airlines ordering airplanes to meet increasing traffic and accommodate higher passenger load levels," said Bruce Dennis, vice president of Marketing for Boeing Commercial Airplane Group. "Now, more than ever in the history of Boeing, we are adapting our airplane production rates to make sure that we provide the right airplanes at the right time in the right quantities."

Dennis noted Boeing will produce 40 airplanes per July in the fourth quarter of 1997 -- the company's highest-ever Julyly output. However, he said airlines continue to focus on their bottom lines, keeping airplane orders in check with traffic growth.

"There's no sign of the overheated airplane buying spree of the late '80s," Dennis said. "That shows great responsibility and restraint on the part of the airlines. Ultimately that's positive for the entire industry."

Published annually since 1965 by the Commercial Marketing staff, the Boeing Current Market Outlook not only guides product decisions at the world's largest airplane manufacturer, it is used by Boeing suppliers, customers and the aviation industry as a whole, Dennis said.

The 1997 Outlook continues to project the Asia-Pacific region outpacing all other areas of the world in traffic growth, with annual projected travel of 6.6 percent. While U.S. traffic will grow by 3.1 percent per year, the United States will remain the No. 1 travel market due to its well-developed, mature base.

Asia-Pacific also will continue as the leading market for new airplanes with 33 percent of the dollars invested coming from that region of the world. North America is No. 2, with 28 percent, followed by Europe at 26 percent and the rest of the world at 13 percent.

"The future market for airplanes clearly is outside of the United States," Dennis said. "Essentially, international customers will invest $3 out of every $4 for new airplanes over the next two decades."

In terms of the types of aircraft to fill these traffic growth requirements, Boeing projects that single-aisle airplanes -- the size of the Boeing 737 and 757 -- will have the largest market potential, accounting for 43 percent of the dollars invested in the world's fleet by 2016. Of the 16,160 jetliners anticipated over the next 20 years, 11,260 will be single-aisle airplanes, seating up to about 240 passengers.

The intermediate-size airplanes, such as the Boeing 767 and 777, are in the fastest-growing segment of the market, which comprises 39 percent of the dollar-value total, or 3,720 airplanes. The smallest market segment is 747-size or larger airplanes, which are projected to total 18 percent of the dollars invested in new airplanes, or 1,180 airplanes.

"The market demand just isn't there right now for an airplane larger than our 747 jumbo jet," Dennis said. "However, we continue to study the market and, if the potential develops for that size of airplane, we'll be ready with an excellent design.

"The great news for Boeing and our customers is that we offer the only complete family of airplanes, serving every market need, from 100 seats to nearly 600 seats," he added. "And we have product development studies under way on derivatives of our 767 and 777 that could lead to an even stronger product line.

"We're bullish on the market for new airplanes as well as our ability to continue filling the skies with Boeing airplanes."

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