Breaking Down Barriers in Aerospace Industry is 'Good for All of Us,' Says Boeing

Customers and suppliers -- including many from Europe -- played a key role in the development of the Next-Generation 737, said Ron Woodard, Boeing Commercial Airplane Group president. "This international collaborative effort produced extraordinary value for customers and a very successful new airplane," he said, citing record-setting orders for the jetliner.

Speaking at a Paris Air Show, Woodard said "it's clear to us that breaking down barriers in this industry is good for all of us whether you're an airline customer, an airframe manufacturer, or an engine supplier. Ultimately, everyone wins."

The Next-Generation 737, Boeing's centerpiece exhibit at Le Bourget this week, has become the fastest-selling airplane in jetliner history. Current announced orders total 552 from 26 airline customers around the world.

The Next-Generation 737 is built on the success of earlier generations of the 737 and features three new models - the 737-600/-700/-800. Southwest Airlines of the U.S. launched the first model, the 737-700, in November 1993. Hapag-Lloyd of Germany launched the 737-800 in 1994 and Scandinavian Airlines System (SAS) launched the 737-600 in 1995. First delivery of the -700 is scheduled for October this year, and the first -600 and -800 models will deliver in 1998. More than one-third of Next-Generation 737 orders are from European customers.

Even before the program was launched, an Airline Working Group of 24 customers - including 13 European airlines - began to guide technical and design requirements for the airplane. A second group of 12 airline executives, the Airline Advisory Board, works with Boeing on broad issues such as certification and service introduction. Nine of the group's 12 members are from European airlines.

Woodard saluted the "significant contributions" of Boeing's global suppliers, including many European companies, to the new airplane's success. He pointed to the French company Snecma as an example. Snecma, together with General Electric of the U.S., produces the CFM56 engines that power the Next-Generation 737. The CFM56 engine is also the sole powerplant for the current 737-300/400/500, which was launched in the early 1980s and has since won nearly 2,000 orders.

"Our sole-source, exclusive engine contract for 737s has created value for our customers and benefits Snecma as well as Boeing," said Woodard. "With all the talk about Boeing's recent agreements with American and Delta, it's interesting to note that no one in Europe has ever objected to this exclusive contract," he added.

The 737's success has provided significant economic benefits for everyone associated with the program," Woodard said. "In the last five years the 737 generated $2.5 billion in sales for Snecma through the CFM56 engine. Between this year and 2005, we estimate the 737 will generate almost $7 billion in sales for Snecma."

Snecma's CFM56 engine program supports 11,000 jobs in France, Woodard noted, while 81 percent of its CFM56 deliveries are for Boeing airplanes.

"Of course, we also have many other suppliers, here in Europe and elsewhere around the world, who benefit when we sell Boeing airplanes," Woodard said.

Woodard also cited jet engine manufacturer Rolls-Royce, saying that over the past five years Boeing airplanes generated $3.8 billion in sales for the British company. That number is expected to grow to $9.2 billion for the period 1997-2005.

"Aerospace is truly a global business in which we all have a stake," Woodard concluded.

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