

Boeing Projects \$79 Billion Market for New Airplanes in Latin America

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In its annual forecast, briefed to media today in Rio de Janeiro, Boeing projects a market for 1,470 new airplanes worth \$79 billion in Latin America over the next 20 years. One-third of that market - 415 airplanes worth approximately \$27 billion - is in Brazil.

Overall, Latin American markets are expected to increase 5.8 percent annually from 1999 to 2019, compared to the world average of 4.8 percent. This means that Latin American markets are among the fastest-growing passenger markets in the world.

"Latin America, and certainly Brazil, is an extremely important region for Boeing," said Daniel da Silva, Boeing vice president of Sales for Latin America. "The steady economic growth forecasted for Latin America will bring with it an increase in air travel, especially on regional routes within the continent. Boeing is very proud to have produced more than 90 percent of the airplanes flying in Latin American airline fleets today, and we'll continue to meet the demands of this market with the same quality, value and customer support we always have."

Boeing attributes growth in the Latin American market to stronger economic growth fueled by increased investment in new technologies, continued movement toward market-based economies, increasing privatization of industries and services, and increasing tourism. Brazil and Mexico in particular are the two countries attracting the most investment, and therefore account for the largest portion of the airplane market over the next 20 years.

Nearly 85 percent of future new airplane deliveries to Latin America will be single-aisle and regional jets. In terms of investment dollars, the combined investment in single-aisle and regional jets is nearly two-thirds of total future delivery dollars. The liberalization of domestic and short-haul markets is expected to increase the requirement for smaller regional and single-aisle jets. Also, demand for more frequent flights and more non-stop flights will drive the need for these airplanes, such as the Boeing Next-Generation 737 and the Boeing 717.

The Boeing forecast also estimates that the world fleet will be 31,755 jets by 2019 -- more than double the 13,670 jets in the fleet as of year-end 1999. Two-thirds of the airplanes currently in service are projected to be operating at the end of the forecast period. This means 22,315 new airplanes will enter service to accommodate growth and replace airplanes that will be removed from service.

Projections for new airplanes are based on an annual worldwide travel growth of 4.8 percent over the next two decades. Regional forecasts range from 2 to 8 percent.

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