

Boeing Projects \$18 Billion Market For New Airplanes in Mexico

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Mexico will require 360 new airplanes worth approximately \$18 billion over the next 20 years, according to a Boeing commercial aviation forecast. The Mexican market represents one-quarter of the total requirement for 1,470 new airplanes worth \$79 billion that will be needed throughout Latin America through 2019.

The additional airplanes will be needed to support a 5.8 percent increase in air travel in Latin America from 1999 to 2019, compared to the world average of 4.8 percent. Mexico and Central America together will experience up to 8 percent annual average growth in air traffic over the same period, making it the fastest-growing passenger market in the world.

"Latin America, and especially Mexico, is an extremely important region for Boeing," said Daniel da Silva, Boeing vice president of Sales for Latin America and the Caribbean. "The strong economic growth forecasted for Latin America will fuel a steady increase in air travel, especially on regional routes within the continent. Boeing is responsible for more than 75 percent of all airplane deliveries to Latin America since 1988. We are proud of the fact that almost 90 percent of the airplanes flying in Mexican airline fleets today are Boeing. We will make every effort necessary to continue as the supplier of choice for airlines in Latin America, not only for jet airplanes but also for aviation services."

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 rising tourism. Mexico and Brazil are the two countries attracting the most investment, and therefore account for the largest portion of the airplane market.

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 airplanes such as the Boeing Next-Generation 737 and the Boeing 717.

The Boeing forecast also estimates 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. One-third of the airplanes currently in service is 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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