Boeing Projects $144 Billion Market For New Airplanes In China

China, including Hong Kong and Macau, will require 1,764 commercial jet airplanes worth $144 billion between 2001 and 2020, according to The Boeing Company's Current Market Outlook - The China Market Forecast 2001, released today at the Aviation Exposition China.

By 2020, Chinese carriers will be flying more than 2,200 airplanes, making China the largest commercial aviation market outside of the United States.

China's airlines will add 1,459 new airplanes to serve domestic markets including Hong Kong and Macau.

More than eighty percent of China's new airplanes will serve the domestic market, in which single-aisle airplanes are dominant. Regional jets and single-aisle airplanes will account for 78 percent of the airplanes serving the domestic market.

Thirteen percent of the units in the 2020 fleet will be small and intermediate-size regional jets. Another 19 percent will be intermediate-size twin-aisle airplanes, and just 3 percent will be 747-size and larger.

The need for new airplanes is required to support a 9.3 percent increase in air travel in China from 2001 to 2020, compared to the world average of 4.7 percent. Travel growth for key traffic flows:

China to:	Growth
China (domestic)	9.3%
North America	6.5%
Asia-Pacific	5.4%
Europe	5.2%

The Asia-Pacific region will show healthy growth throughout the 20-year forecast period. The entire Asia-Pacific market will grow at an average annual rate of 6.4 percent between 2001 and 2020.

"China is one of the fastest growing markets in the world for commercial aviation," said Randy Baseler, Boeing Commercial Airplanes vice president - Marketing. "China's 20-year Gross Domestic Product (GDP) forecast is 6.1 percent - the highest in the world, and Boeing projects that air travel growth will outpace the GDP growth over the next two decades."

China's airline industry has grown at a brisk pace over the past 16 years. From 1985 through 1995, China's average annual passenger growth rate was 19 percent; from 1996 through 2000, it averaged 7 percent.

"The China market represents tremendous growth opportunities for The Boeing Company," said Fred Howard, president of Boeing China. "Boeing has been in China for almost 30 years, and 64 percent of the commercial airplanes in the China fleet are Boeing products. We have a long-term growth strategy for the China market which includes offering an expanded set of products and services."

The Boeing forecast estimates the world fleet will more than double by 2020 to a total fleet size of 32,954 airplanes. In the same forecast period, 7,261 airplanes will be retired from active commercial service and be replaced. During the next 20 years, airlines will take delivery of more than 23,000 airplanes and require $3.1 trillion in aviation support services.

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