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China Aviation Supplies Import & Export Corp. (CASC) and The Boeing Company signed an agreement today for the firm order of 30 Boeing 737 jetliners.

The agreement was concluded at a signing ceremony at the Department of Commerce, in the presence of Secretary of Commerce Donald Evans. Vice Chairman of the State Development Planning Commission Zhang Guobao led the Chinese delegation. Alan Mulally, president and chief executive officer, Boeing Commercial Airplanes, headed a delegation from The Boeing Company.

"Today's announcement reflects an expansion in bilateral trade between China and the United States and it underscores the strength of Sino-US relations," Zhang said. "China is modernizing its commercial fleet to improve airline efficiency and profitability. Our near-term focus is fleet renewal. The airplanes in today's announcement will replace older aircraft in the China fleet. We believe the 737 is one of the most suitable choices because the airlines recognize the jetliner's reliability and efficiency. In addition, the flying public has become accustomed to 737 dependability and comfort."

The order is worth approximately \$1.6 billion at list prices. The airplanes will be delivered 2002 through 2005 and are allocated to the following airlines:

Airline	Quantity	Model
China Southern Airlines	20	737-800
China Eastern Airlines	4	737-700
Hainan Airlines	3	737-800
Shanghai Airlines	2	737-800
	1	737-700

"The 737 is the perfect airplane to accommodate China's fleet renewal, bringing the most modern airplanes into the country's domestic route system," Mulally said. "We are extremely proud to be China's preferred aviation provider."

CASC is a trading company that conducts the import and export business of civil aviation products for the Chinese government under the auspices of the CAAC, the state council ministry responsible for national civil aviation affairs.

The current 737 family (737-600/-700/-800/-900) is the newest and most technologically advanced in the single-aisle market. The 737 has the lowest operating costs in its class, offers superior reliability and maintainability, and exceptional flexibility in size and mission. The airplanes feature new, more spacious interiors with easily accessible overhead luggage bins, as well as an advanced flight deck with the latest large flat panel display technology. The airplanes are designed to fly higher, faster, farther, quieter and with greater fuel efficiency than competing models.

The 737s are powered by CFM56-7 engines produced by CFMI, a joint venture of General Electric Co. of the United States and Snecma of France.

In 1983, the first Boeing 737 was delivered to the PRC, and today there are 197 operating throughout mainland China - making it the most popular commercial jet transport in the China fleet. A total of 357 Boeing jetliners operate in China (excluding Hong Kong and Macau), comprising 64 percent of the Chinese commercial jet fleet.

Boeing forecasts that in the next 20 years, China will require 1,764 new airplanes valued at \$144 billion, making it the second largest market for airplanes after the United States. It is also projected that China's air traffic growth will average 9.3 percent annually during the same time period.

Today's order brings the total Boeing airplane orders from China in 2001 to 40, including six 737-700s for Air China, two 747-400 freighters for China Southern Airlines and two 757-200s for Xiamen Airlines, all of which were previously attributed by Boeing to unidentified customers.

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