Boeing Projects $197 Billion Market for New Airplanes in China

The Boeing Company [NYSE: BA] detailed its 2003 Current Market Outlook (CMO) for the People's Republic of China today, forecasting a requirement in China for nearly 2,400 new jet airplanes worth $197 billion over the next 20 years.

China's airlines will add 1,960 new airplanes to serve domestic markets including Hong Kong and Macau. Nearly 440 new airplanes will be added by China's airlines to provide international service.

Regional jets and single-aisle airplanes will account for 87 percent of the airplanes delivered to serve the domestic market. More than 560 intermediate-size, twin-aisle airplanes will be delivered to serve both domestic and international markets.

By 2022, Chinese carriers will be flying more than 2,850 passenger and cargo airplanes, making China's fleet the largest outside of the United States. In fact, China's commercial jet fleet will quadruple in size over the next twenty years.

In 2022, single-aisle airplanes will remain the core of China's fleet, representing nearly two-thirds of the total. Ten percent of the units in the 2022 fleet will be small and intermediate-size regional jets. Another 22 percent will be intermediate-size, twin-aisle airplanes, and just four percent will be 747-size and larger.

The need for new airplanes is required to support a 7.1 percent annual increase in air travel in China from 2003 to 2022, compared to the world average of 5.1 percent. Travel growth for key traffic flows involving China include:

China to:	Growth
China (domestic)	8.4%
North America	5.0%
Asia-Pacific	4.9%
Europe	5.4%

"China is one of the fastest growing markets in the world for commercial aviation," said Randy Baseler, vice president of Marketing, Boeing Commercial Airplanes. "China's 20-year Gross Domestic Product (GDP) forecast is 6.2 percent -- the highest in the world, and Boeing projects that domestic air travel growth will outpace the GDP growth over the next two decades."

The Boeing forecast estimates the world fleet will more than double by 2022 to a total fleet size of 34,000 airplanes. In the same forecast period, 5,890 airplanes will be retired from active commercial service and replaced. During the next 20 years, airlines will take delivery of more than 24,000 airplanes worth $1.9 trillion in 2002 US dollars. The full forecast is available here.

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