Boeing World Air Cargo Forecast Predicts Robust 20-Year Growth

The Boeing Company [NYSE: BA] said that world air cargo growth should expand at an average annual rate of 6.2 percent during the next two decades, with overall traffic tripling from current levels.

The information is part of Boeing's World Air Cargo Forecast 2004/2005, released today at the International Air Cargo Forum and Exposition 2004. Boeing has published the World Air Cargo Forecast, widely acknowledged as the definitive industry forecast of worldwide air cargo traffic growth and freighter aircraft demand, as an individual report since 1986. It's available at .

"With the challenges of the past few years, the air cargo market's strength has been encouraging," said Marlin Dailey, vice president, Sales, Europe & Central Asia -- Boeing Commercial Airplanes. "After four percent growth last year, the market has continued to be strong this year, with worldwide traffic up a further 10.7 percent versus the same period in 2003."

Overall, Boeing predicts the world freighter fleet will increase to 3,456 airplanes from 1,766 during the 20-year forecast period, with the greatest growth in wide body freighters such as the Boeing 747, 767, MD-11 and the Airbus A300. This category ultimately will represent 60 percent of the fleet, compared to 44 percent today, eventually constituting more than 90 percent of total freighter capacity.

Of the 2,950 freighters predicted to join the fleet, 1,260 would be replacements for retired aircraft and 1,690 for growth. More than 75 percent, 2,226 airplanes, will come from passenger/combi-to-freighter modifications, while 724 will be new production freighters.

Boeing expects Asian air cargo markets to continue leading the industry in average annual growth, with the domestic Chinese and intra-Asian markets expanding 10.6 percent and 8.5 percent per year, respectively.

Compared to the world average annual growth rate of 6.2 percent, North America-Asia will average 7.2 percent and Europe-Asia will average 6.7 percent. Several of the more mature markets, such as intra-North America and intra-Europe, will experience lower growth rates based upon current high traffic rates.

"This year is shaping up to be the best year for world air cargo traffic growth since 1997," said Tom Crabtree, regional director, Marketing, Europe -- Boeing Commercial Airplanes, and a primary forecast author. "We're seeing strong growth in nearly all international trade lanes, with the strongest growth year-to-date in the transpacific and Europe-Asia markets at 17 percent and 13 percent over 2003 levels, respectively. This strong rebound adds further credence to our forecast of strident worldwide growth over the long-term."

Crabtree added that Boeing airplanes will continue comprising a significant majority of the air cargo fleet. In addition to producing the only complete line of new production freighters, more than 70 percent of the existing world jetliner fleet consists of Boeing airplanes.

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