Boeing Projects $770 Billion Market for New Airplanes in Asia-Pacific

The Boeing Company [NYSE: BA] detailed its 2005 Current Market Outlook (CMO) for the Asia-Pacific region today, forecasting a market for about 7,200 new airplanes worth $770 billion over the next 20 years. Over the forecast period, Asia-Pacific will remain the largest market outside North America for new commercial airplanes.

With the continued high rate of growth for Asia-Pacific air travel and air cargo markets, Asia-Pacific's fleet will nearly triple to about 8,600 airplanes by the end of the forecast period.

Nearly 7,200 new airplanes will be needed for future growth and replacement. Single-aisle airplanes, such as the Boeing 737 will be the largest category with a total of new airplane deliveries at 3,690 airplanes. Intermediate twin-aisles such as the Boeing 787 and 777 will comprise approximately 2,430 airplane deliveries. Regional jets will total 540 units delivered and 747-and-larger size airplanes will be 510 units delivered.

"Passengers are the foundation of air travel, and in a competitive market the airlines will continue meeting passenger's demands for more direct nonstop flights to destinations around the world with longer-range, efficient and comfortable airplanes," said Boeing Commercial Airplanes Director-Product Marketing, Analysis and Positioning, Randy Tinseth. "This requirement will be met by airplanes in the 200-to-400 seat capacity category, with only a few very large ones being needed."

Between Taiwan and Asia-Pacific, available seat miles have doubled since 1990. Most of this growth has been met by increased frequency, which has increased 2.5 times during this period. New markets have developed during this period even faster than frequency growth. Since 1990, the average airplane size has decreased by nearly 20 percent.

Boeing projects Asia-Pacific air travel growth will outpace the world average of 4.8 percent during the forecast period. Air travel for Asia-Pacific's carriers will expand significantly, led by the Chinese domestic market's projected average growth of almost nine percent. This incredible growth will nearly triple the Asia-Pacific airplane fleet over the next 20 years. Air travel within Asia-Pacific is forecasted to grow six percent per year.

Worldwide, Boeing projects that operators will invest $2.1 trillion for approximately 25,700 new commercial airplanes during the next 20 years. The full forecast is available here.

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