Boeing Projects $120 Billion Latin America Market for New Commercial Airplanes

Boeing [NYSE:BA] forecasts that Latin American airlines will need 1,730 airplanes worth $120 billion over the next 20 years, according to an analysis presented Monday at the Latin America Airfinance Conference in Rio de Janeiro.

Air travel within Latin America will grow 6.6 percent during this period, well above the world average growth of 5 percent -- second only to China's 8.8 percent forecasted growth rate.

The "Current Market Outlook" is Boeing's analysis of the future of commercial aviation over the next 20 years. Compiled annually, it presents global and regional insights into aviation growth.

"Boeing understands aviation better than anyone else," said Michael Barnett, Boeing's director of Marketing for Latin America, who presented the analysis at the conference. "What our analysis shows is Latin America's rich aviation history will continue with robust, above-average growth.

"In fact, we forecast air travel within the region will increase at a rate second only to China, demonstrating continued regional vitality. Boeing has and will continue to provide the right products and solutions for the region to sustain that growth."

Deliveries to airlines in Latin America will represent approximately 4 percent of the deliveries measured by dollar value worldwide between 2006 and 2025.

Over the next 20 years, deliveries of new airplanes in Latin American will consist of:

- 8 percent regional jets - less than 90 seats
- 80 percent single-aisle airplanes - 90 seats and above
- 12 percent twin-aisle airplanes -- 200-400 seats, tri-class, and
- Less than 1 percent airplanes 747-size or larger -- more than 400 seats, tri-class

Combined with the retained fleet and used airplane acquisitions, these new deliveries will result in a Latin America commercial airplane fleet of over 2, 420 airplanes by 2026.

The Boeing Latin America Current Market Outlook projects that single-aisle and twin-aisle airplanes in the 100 to 350-seat categories will account for almost all of the regional growth in air travel over the next 20 years.

The Boeing product strategy centers on this growth market, offering a family of airplanes that allows customers to maximize their efficiency, increase profitability, and provide the frequency choices passengers want.

Worldwide, Boeing forecasts a $2.8 trillion market for new commercial airplanes over the next 20 years and projects a need for approximately 28,600 new commercial airplanes (passenger and freighter), doubling the world fleet by 2026. The vast majority of these new airplanes will be in the single-aisle (90 seats and above) and twin-aisle (200-400 seats) categories.

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