Boeing Forecasts Continued Strong Air Cargo Traffic Growth

Efficiency drives demand for large freighters

PRNewswire-FirstCall
SEATTLE
(NYSE:BA)

SEATTLE, Aug. 6 /PRNewswire-FirstCall/ -- The Boeing Company (NYSE: BA) projects that the global air cargo market will continue to exhibit strong, long-term growth, according to the company's Current Market Outlook 2008. During the 20-year forecast period, Boeing projects that the industry will grow at an annualized average of 5.8 percent with the world freighter fleet increasing from 1,948 to 3,892 airplanes.

This growth requires a total of 3,358 airplanes joining the freighter fleet by 2027, taking into account anticipated airplane retirements of 1,414 airplanes, according to the annual Outlook, which was released prior to the 2008 Farnborough Air Show.

The fleet additions will include 863 new production freighters, with a value of about $206 billion in current U.S. dollars, and 2,495 airplanes from conversions. Widebody freighters will dominate the new production freighter total and 641 will be of the large freighter segment (more than 80 tons (72.6 tonnes) capacity). Demand for new production equipment is driven by operational efficiency and reliability, as well as environmental and regulatory pressures, including noise, emissions and aging.

"The forecast is based on a number of factors, most significantly economic growth in diverse areas of the world," said Jim Edgar, regional director, Cargo Marketing for Asia. "Over the long-term, global economic growth will drive demand for new, high-value products as well as seasonal perishables that people have become accustomed to enjoying."

More than 60 percent of the fleet additions will be in the widebody category (medium widebody) -- with payloads of 40 to 80 tons (36.3 to 72.6 tonnes) -- plus large freighters, increasing their share from 61 percent of the current fleet to 65 percent of the 2027 fleet. Consequently, there will be an increase in overall average freighter airplane payload, consistent with prior years' forecasts.

"We expect several trends to continue -- dedicated freighters will continue to provide an increasing proportion of air cargo capacity, going to nearly 54 percent; and the industry will continue to move to larger airplanes," said Edgar. "Additionally, freighters will continue to comprise about 10 percent of the world jetliner fleet during the forecast period."

The share of standard-body freighters (defined as less than 45 tons (40.8 tonnes) capacity single-aisle body width) will decrease from 39 percent to 35 percent over the next two decades.

In each of the past three years, Boeing has booked record numbers of new production freighter orders, a total of 236 airplanes, dominated by the company's new 777F and 747-8F models, as well as 56 orders for Boeing Converted Freighter models.

Boeing freighters continue to provide more than 90 percent of the world's freighter capacity, due to the industry preference for larger Boeing production and converted freighters. Boeing offers a complete family of production freighter airplanes, including 747-8F, 777F, 767F and 737-700C (convertible), as well the Boeing Converted Freighter line -- 747-400BCF, 767-300BCF and MD-11BCF -- and smaller airplane conversions through proprietary data licensees.

The Current Market Outlook is available on the company's Web site at:http://www.boeing.com/commercial/cmo/.

The Boeing World Air Cargo Forecast 2008/2009, a more detailed study, will be issued at the 2008 International Air Cargo Forum and Exposition in Kuala Lumpur, Malaysia, in November.

Charts are available with this release onhttp://www.boeing.com/news/releases/index.html

SOURCE: Boeing Company

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