Boeing Sees Market Recovery in India; Projects Long-Term Growth

Boeing India President says India's commercial airplane market is viable, resilient and poised to rebound supported by the country's strong GDP growth

NEW DELHI, July 22, 2009 – Boeing [NYSE: BA] forecasts that over the next 20 years the Indian market will require 1,000 commercial jets valued at approximately $100 billion -- a market that represents over 3 percent of Boeing Commercial Airplanes' forecasted market worldwide. Boeing India President Dinesh Keskar shared the company's market data and forecast today at a media conference focused on Boeing's view of India's commercial airplane market.

India's economy has averaged 7 percent annual growth over the past 10 years and the country's economic growth remains among the strongest in the world. The record growth in air travel, which expanded rapidly the past eight years due to liberalization and favorable economic conditions, is now tracking at 2007 levels.

Keskar said air travel in India, tied closely to the country's economic growth, will rebound.

"There is strength and resilience in the India commercial aviation sector over the long term," Keskar said. "The potential for future growth of air travel, both domestically and internationally, is among the greatest in the world and Boeing will continue its efforts to be India's preferred partner and aerospace provider."

Recent market forces and recession in many parts of the world have led to a contraction of India's commercial aviation sector, with consolidation of airlines and an overall reduction of capacity. Nonetheless, Keskar says India's projected GDP growth over the next 20 years will average six and a half percent annually, driving a resurgence of demand and capacity growth for the country's airlines.

"If you take a realistic and broad look at the India market, what resonates is that there is more positive than negative and the prospect for continued long-term growth remains high," Keskar said.

He also outlined Boeing's commitment to meet the needs of its airline customers in India as they find equilibrium during the current slowdown and readjustment of the market.

"Knowing the viability of this market, Boeing is committed to work in partnership with India while proactively pursuing our business and doing our utmost to play a role in the country's ongoing prosperity."

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