Boeing Projects $400 Billion Market for New Airplanes in China

BEIJING, Sept. 16, 2009 -- Boeing [NYSE: BA] detailed its 2009 market update for commercial airplanes for China region, forecasting a requirement for 3,770 new airplanes valued at $400 billion over the next 20 years. Over the forecast period, China is and will remain the largest market outside the United States for new commercial airplanes.

"China is the world's most dynamic market for commercial airplanes," said Randy Tinseth, Boeing Commercial Airplanes vice president - Marketing. "The strong domestic air travel growth in China in the first half of 2009 gives us confidence that the world aviation industry is beginning to recover."

China air travel and air cargo market growth will cause China's fleet to more than triple to 4,610 airplanes by 2028, to about as many airplanes as are operating in Europe today.

Single-aisle airplanes will account for 70 percent of the new purchases, driven by China's fast-growing domestic market. Single-aisle airplanes such as the Boeing Next-Generation 737 will be the largest category, with 2,640 new airplane deliveries. Demand for intermediate twin-aisles, such as the Boeing 787 Dreamliner and 777, will result in approximately 790 airplane deliveries. When combined, the single-aisle and intermediate twin-aisle market will make up 91 percent of China's total delivery dollars.

Demand will include a limited number of large airplanes (747-size and larger) to connect China with other major world destinations. The market forecast calls for about 75 airplanes in that category.

With China's cargo markets leading the global industry, Chinese freight carriers will add about 300 freighter airplanes by 2028, almost quadrupling its total freighter fleet size.

The Boeing 2009 forecast combines today's market environment with a long-term view that portrays how air transport will be transformed over the next 20 years. It's an outlook that indicates continued strong fundamentals underlying the need for new airplanes -- including economic growth, world trade, aviation market liberalization and new aircraft capabilities.

The detailed study enables Boeing to better work with airlines to support fleet plans in conjunction with the airlines' future economic growth. The outlook facilitates Boeing's strategic plans to drive the development of new airplanes and the improvement of existing models.

Worldwide, Boeing projects investments of $3.2 trillion for 29,000 new commercial airplanes to be delivered during the next 20 years.

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