

Boeing Sees Long-Term Growth for SE Asia Aviation, 2010 Turn Around for Thai Economy

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Twenty-year outlook for efficient, environmentally progressive airplanes is strong

Bangkok, Nov. 24, 2009 – Boeing [NYSE: BA] forecasts that over the next 20 years, Southeast Asia's airlines will require more than 2,100 new airplanes valued at approximately US\$330 billion.

Boeing Commercial Airplanes Vice President of Marketing Randy Tinseth shared the company's market data and forecast today at a media conference focused on the global and [Southeast Asia](#) commercial airplane markets.

Globally, airlines will need 29,000 new airplanes through 2028, valued at US\$3.2 trillion.

"It is encouraging that 27 percent of our 20-year forecast already is on order," Tinseth said. "Equally important is that this backlog is well balanced – by type of airplane, by airline business model, and region of the world."

Tinseth noted that as of the third quarter of 2009, Boeing had a backlog of 3,400 airplanes, valued at US\$254 billion.

Airlines and the aviation industry in general have been hurt by a challenging and volatile business environment, Tinseth said. The world economy has been in recession, passenger and cargo traffic have declined and fuel prices are volatile.

"But data indicates that the economic downturn has reached bottom and recovery has begun," Tinseth said. "However, global recovery will be a long, slow process."

The Thai economy is anticipated to contract three percent in 2009, Tinseth noted, but is projected to grow around five percent in 2010 before settling into a long-term annual growth trend of 4.5 percent.

Global recovery to the 2008 peak won't occur until perhaps 2010, he said.

"In Southeast Asia, air traffic growth will outpace economic growth," Tinseth said. "Air travel growth over the next 20 years is expected to be above 6.5 percent, while the region's economy is projected to grow at 4.6 percent."

Looking at the Asia Pacific region in its entirety, long-term annual air traffic growth is projected to be 6.9 percent over the next 20 years, Tinseth added.

"Travel volumes in Asia Pacific overall are large and growing rapidly," Tinseth said. "Asia Pacific will account for 41 percent of travel in 20 years' time, up from around 32 percent today. In fact, in less than 10 years, Asia Pacific will easily be the largest air travel market in the world."

To deal with the realities of the market created by the current economic environment, airlines adapted quickly by adjusting capacity, improving efficiency and restructuring, he said.

"In the longer term, airlines will continue to invest in more efficient, environmentally progressive airplanes," said Tinseth, "that also serve the travel patterns of air travelers with their ability to fly to more places more often."

Tinseth said that Boeing is focused on a simple strategy: to provide its airline customers with airplanes that are the right size with the right capabilities at the right time.

"Over the next 20 years, we see a tremendous demand to connect economies, countries and most importantly people," he added. "It is not an exaggeration to say that our airline customers play the central role in bringing the world together."

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