Boeing Projects $700 Billion Commercial Airplanes Market in North America

- Strong demand seen for new, more fuel efficient single-aisle airplanes

- Modest growth predicted for region's passenger traffic

MONTREAL, Sept. 2 /PRNewswire/ -- Boeing (NYSE: BA) forecasts that air carriers in North America will take delivery of about 7,200 new airplanes over the next 20 years at an investment of $700 billion.

New airplane deliveries in Canada and the United States will be driven largely by the need to retire older, less fuel-efficient single-aisle airplanes and regional jets, as airlines replace them with new-generation, more fuel-efficient models. (For the purposes of the Boeing forecast, the North America market consists of the U.S. and Canada. Mexico is included in Boeing's forecast for Latin America.)

"North America is a large, mature market, and we expect passenger traffic for the region to grow at a modest rate of 3.4 percent," said Randy Tinseth, vice president of Marketing, Boeing Commercial Airplanes, who released Boeing's 2010 North America market outlook today in Montreal. "The fast-paced lifestyles in Canada and the U.S. require rapid, frequent and reliable coast-to-coast and interregional transportation. Driven by this demand, nearly three-quarters of the new deliveries over the next 20 years will be single-aisle airplanes."

Taking retirements of airplanes into account, the North America fleet will grow from 6,590 airplanes today to about 9,000 airplanes by 2029.

Boeing forecasts that single-aisle airplanes will grow from 56 percent of the total North America fleet today to 71 percent of the fleet by 2029. Airlines are increasingly focusing on airplane age as fuel-thirsty, older airplanes weigh increasingly on earnings. Increased attention to aviation's impact on global climate change also will be a factor in selecting airplanes that produce lower carbon emissions.

Newer airplane types such as the Next-Generation 737 offer significant advantages in environmental performance as well as improved capabilities, fuel efficiency and maintenance costs.

"After several years of losses among the region's air carriers, we're seeing signs of improvement and airlines are beginning to implement fleet renewal plans as they look to the future," Tinseth said. "To help meet this demand, Boeing Commercial Airplanes will continue to work closely with our more than 500 suppliers and partners in Canada. Boeing imports parts and services from Canada amounting to more than a billion U.S. dollars a year, more than $625 million of which is associated with Boeing Commercial Airplanes."

Twin-aisle fleets will evolve in the region as airlines continue to expand international point-to-point services to a wider range of airport pairs and frequencies. Small- and mid-sized twin-aisle airplanes will grow to represent 19 percent of the North America fleet by 2029.

Within the North America market, Boeing sees a demand for 1,180 new, efficient twin-aisle airplanes such as the 787 Dreamliner. Twin-aisles will account for only 16 percent of total airplane demand in the region over 20 years but will have a proportionally higher share of delivery cost, at 37 percent of the overall investment.

Large airplanes (747-size and larger) will not see significant demand in North America, with only about 40 units (all freighters), or one percent of the total investment.

Boeing also forecasts declining demand for regional jets in North America as airlines shift to more fuel-efficient turboprops or larger jetliner models. High fuel prices, intensified competition and the superior efficiencies of larger single-aisles will take a toll on the economics of small regional jets. This category will account for just 4 percent of the total investment for new airplanes, with only 800 new regional jet deliveries over the next 20 years, nearly all for replacement.

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More information on the North American market forecast can be found at:
http://www.boeing.com/commercial/cmo/north_america.html

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