Boeing Values India Market for 1320 New Airplanes at $150 Billion

-- Strength and resilience of single-aisle market driving forecast
-- Robust growth in passenger travel and strong GDP increases airplane demand

NEW DELHI, INDIA July 5, 2011 -- Boeing [NYSE: BA] forecasts a $150 billion market for 1320 new passenger airplanes in India over the next 20 years as the economy aims for double-digit growth, stimulating strong demand for new and replacement airplanes. Boeing India President Dinesh Keskar shared the forecast today with Boeing's outlook for India's commercial airplane market through 2030.

"Robust growth with new economic prosperity amongst a massive Indian population, discretionary incomes, business progress and access to airports will increase airplane demand," Keskar said. "In 2011, the economy continues to do well. Indian air carriers are becoming profitable and we expect the GDP to maintain its upward trend in the long-term. As a result, both the air travel and air cargo markets will grow." Keskar also said that airline revenue and yields were up, but high inflation and volatile fuel prices will play a pivotal role in the health of the industry.

Passenger traffic, which has reached 53.6 million domestic (fiscal 2011) and 13.1 million international, is expected to grow at 8.1 percent annually over the long-term.

"The economic and air-traffic growth will in turn stimulate demand for a variety of aircraft types," Keskar said. "The need is great for new airplanes that can efficiently and profitably fly short and long-haul routes. This demand is driven by growth in developing and emerging cities, demand from low-cost carriers and the need to replace an aging fleet."

The biggest demand will be for single-aisle airplanes. In that category is the Next- Generation Boeing 737, the most widely flown jetliner in the world. To keep up with demand, Boeing recently announced it will boost production to a record 42 737s per month by the first half of 2014.

Boeing airplanes currently dominate India's long-haul international fleet, with 777s and 747s in service, soon to be joined by the 787 Dreamliner. "The super-efficient 787 will offer significant economic improvement for airlines, increased comfort for passengers and better environmental performance," Keskar said.

India's airlines have been growing rapidly by taking advantage of geography, demographics, airplane technology and well-coordinated growth and investment plans. Some carriers, like Air India also are looking for replacement airplanes as they retire aging and less-efficient jets. Boeing predicts that India-based airlines also will grow by responding to passenger preference for more flight choices, lower fares and direct access to a wider range of destinations. Air carriers will focus on offering more flights using more efficient airplanes, instead of significantly larger airplanes.

Globally, Boeing forecasts a $US 4 trillion market for new aircraft over the next 20 years with a significant increase in deliveries. The company sees a market for 33,500 new passenger airplanes and freighters between 2011 and 2030. Passenger traffic is expected to grow at 5.1 percent annual rate over the long-term and the world fleet is expected to double by 2030.

Boeing's Market Outlook report, widely regarded as the most comprehensive and respected analysis of the Indian commercial aviation market, reflects the potential and challenges facing the global industry.

Boeing in India

Boeing, the world's leading aerospace company and the largest manufacturer of commercial jetliners and military aircraft combined, has significantly expanded its footprint in India both in the civil aviation and defense market. The Boeing India corporate office is located in Delhi and the company has a Research and Technology center in Bengaluru to collaborate with India's technical talent for research in aero structures, materials and network systems. Boeing also is partnering with India's leading manufacturers to build a supply chain out of India.

For more information on Boeing India please visit www.boeing.co.in

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