Boeing Boosts New Airplane Demand Forecast in China

Boeing projects $600 billion market for 5,000 new airplanes over the next 20 years

BEIJING, Sep. 7, 2011 – The Boeing (NYSE: BA) Company, China's leading provider of passenger airplanes, projects that China will require 5,000 new commercial airplanes valued at $600 billion over the next 20 years.

"Sustained strong economic growth, growing trade activities, increasing personal wealth and income, as well as continued market liberalization will be the driving forces in shaping China's air travel market," said Randy Tinseth, Boeing Commercial Airplanes vice president of Marketing, who shared the forecast today that featured Boeing's outlook for China's commercial airplane market through 2030. "We expect China will be the second largest country taking new commercial airplane deliveries due to its air travel demand growing at an annual rate of 7.6 percent on average."

Boeing forecasts that small and intermediate twin-aisles, such as the Boeing 787 Dreamliner and 777, will be a significant part of these deliveries. They are expected to constitute over 40 percent of the market in value, with some 1,040 deliveries anticipated. Major Chinese airlines, taking advantage of their membership in the major airline alliances, will gradually shift their focus from domestic to international markets to become competitive global players, Tinseth pointed out.

As a result of the boost for China's inbound tourism, the single-aisle market will also remain strong, with total deliveries reaching 3,550. Tinseth said the new 737 MAX family will allow Boeing to continue to deliver the most fuel-efficient, most capable airplane with the lowest operating costs in the single-aisle market segment.

With China's cargo markets leading the global industry, Chinese air carriers will add about 400 freighter airplanes by 2030. Tinseth said the majority of the demand will be for large, long-range freighters such as the 747-8F and 777F, given that most traffic growth is projected to occur on long-haul traffic lanes tied to China.

Worldwide, Boeing projects investments of $4 trillion for 33,500 new commercial airplanes to be delivered during the next 20 years. The complete forecast is available at www.boeing.com/commercial/cmo/index.html.

Directly and through subsidiaries and joint ventures, Boeing China employs 6,000 workers. It is the single largest purchaser of made-in-China aviation parts, committing hundreds of millions of dollars to dozens of suppliers. It also represents aircraft and services interests with annual turnover of roughly $5 billion dollars.

Boeing and China's long history of cooperation and mutual benefit dates back to 1916. Boeing jets are the mainstay of China's air travel and cargo system. More than 50 percent of all the commercial jetliners operating in China are Boeing airplanes. Today, some 6,000 Boeing airplanes fly throughout the world with integrated China-built parts and assemblies. China has a component role on every current Boeing commercial airplane model – the 737, 747, 767, 777, as well as the world's newest and most innovative airplane, the Boeing 787 Dreamliner.

Through these activities, Boeing has built long-standing relationships with the Chinese government, the airlines, the aviation industry and aerospace suppliers.

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