Boeing Projects $820 Billion Market for 7,290 New Airplanes in North America

- High fuel prices drive need for new, more fuel-efficient single-aisle airplanes

- Low-cost carriers' growth continues to outpace network carriers

TORONTO, Oct. 25, 2012 /PRNewswire/ -- Boeing [NYSE: BA] forecasts that air carriers in North America will take delivery of 7,290 new airplanes over the next 20 years at a market value of $820 billion. Taking retirements of airplanes into account, the North America fleet will grow from 6,650 airplanes today to about 8,830 airplanes by 2031.

"The North American commercial aviation market is about to record a third consecutive year of profit, with modest passenger traffic growth," said Randy Tinseth, vice president of Marketing, Boeing Commercial Airplanes, who released Boeing's 2012 North America market outlook today in Toronto. "The long-term outlook for the North American airline industry is approximately 3 percent annual traffic growth through the forecast period. The market is shaped by aggressive growth of low-cost carriers and the need to replace aging airplanes in the fleets of the established network carriers."

The network carriers are expected to maintain strict capacity discipline. Low-cost carriers will continue to outpace network carrier growth to accommodate increased demand and fill some markets abandoned by network carriers. Financial stability will also be a key indicator of future growth. Several airlines have indicated growth planning to be executed when returns are sufficient to fund their strategic goals.

Boeing forecasts single-aisle airplanes will grow to 69 percent of the total North America fleet by 2031. High fuel prices are intensifying the need for new fuel-efficient airplanes, prompting several airlines in the United States to accelerate their fleet renewal programs. Alaska, American, Delta, Southwest and United have announced plans to replace some of their older, less efficient airplanes with Next-Generation 737s or the new 737 MAX. Both the Next-Generation 737 and the 737 MAX offer significant advantages in improved capabilities, fuel efficiency and maintenance costs, as well as enhanced environmental performance.

Long-haul international traffic to and from North America is forecasted to grow at an annual rate of approximately 5 percent. The international growth is primarily driven by anticipated passenger traffic to Southwest Asia, China, the Middle East, Africa and South America. Passenger traffic between North America and those regions is forecasted grow at or above 6 percent per year. This growth in the long-haul segment is expected to result in demand for an additional 1,320 new fuel-efficient, twin-aisle airplanes such as the Boeing 787 Dreamliner.

Large airplanes (747-size and larger) will not see significant demand in North America, with only about 40 airplanes, or 1 percent of the total investment.

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

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