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Latin American commercial fleet to triple over next 20 years

SÃO PAULO, Sept. 26, 2013 – Boeing projects the Latin American commercial aviation market will grow at one of the highest rates in the world over the next 20 years. As a result, Boeing forecasts the region's airlines will need 2,900 new airplanes valued at \$300 billion.

"A fast-growing economy, rising incomes and new airline business models are causing passenger traffic in the Latin American region to grow at an annual rate of 6.9 percent," said Randy Tinseth, Boeing Commercial Airplanes vice president of Marketing. "The number of airplanes in the region will nearly triple in size, from 1,280 airplanes in 2012 to 3,790 airplanes in 2032, to satisfy growth."

Of the 2,900 new airplanes needed, 84 percent will be single-aisle airplanes, spurred by intense regional traffic growth. The widebody fleet will require 310 new airplanes as regional carriers compete more strongly on routes traditionally dominated by foreign operators.

Average airplane age in the region's fleet has been reduced from 14.8 years to 9.7 years since 2003, giving Latin America a younger fleet overall than those in the United States and Europe. Major carriers are cutting unprofitable routes and reducing capacity to achieve a more sustainable business environment.

"The improved affordability and accessibility of air travel will stimulate demand in established markets and allow access to new markets," said Tinseth. "This will result in added frequency as well as capacity, and we believe the 737 MAX is best suited to serve this growing market."

Latin American carriers have placed 120 firm orders for the 737 MAX, Boeing's newest single-aisle airplane, which builds on the success and reliability of the Next-Generation 737. Powered by CFM International LEAP-1B engines, the 737 MAX reduces fuel consumption and CO2 emissions by an additional 13 percent over today's most fuel-efficient single-aisle airplanes. Design updates, including Boeing's new Advanced Technology winglet, will improve aerodynamics and reduce drag, further optimizing the performance of the 737 MAX.

"The 737 MAX will have the lowest operating costs in the single-aisle segment with an 8 percent advantage per seat than our competition," said Tinseth. "This is a substantial cost advantage for our customers, especially with fuel prices expected to remain volatile."

Development of the 737 MAX is on schedule with firm configuration of the airplane achieved in July 2013. First flight is scheduled in 2016 with deliveries to customers beginning in 2017. Already a market success, the 737 MAX has accumulated more than 1,500 orders since its launch.

The forecast says the region will need 270 smaller wide-body airplanes, worth \$70 billion over the forecast. The 787 Dreamliner family is well positioned to meet that demand, Tinseth said.

The 787 Dreamliner family, including the 787-8, 787-9, and the recently launched 787-10, features a host of technologies that provide exceptional value to airlines and unparalleled levels of comfort to passengers, making it well-suited for the Latin American long-haul market. It is the first mid-size airplane capable of flying long-range routes, enabling airlines to open new, non-stop routes preferred by the traveling public. Latin American carriers have committed to add up to 60 Dreamliners to their fleets.

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