Boeing Hosts China President Xi Jinping, Announces Airplane Sales, Expanded Collaboration with China's Aviation Industry

In Boeing factory, President engages with employees about airplanes built for China

Boeing, China finalize agreements for 300 China orders & commitments

Boeing, COMAC to partner on 737 completion and delivery center in China

Additional cooperation with Chinese supplier AVIC

New initiative to develop sustainable aviation biofuel to reduce carbon emissions

EVERETT, Wash., Sept. 23, 2015 /PRNewswire/ -- Boeing (NYSE: BA) today welcomed China President Xi Jinping to its widebody commercial airplane factory and announced several agreements that will broaden and deepen mutually beneficial cooperation between Boeing and China.

The agreements include orders and commitments for 300 Boeing narrowbody and widebody aircraft and expanded collaboration between Boeing and China's commercial aviation industry.

Together, Boeing and China committed to further advance development of China's commercial aviation industry and meet strategic business objectives for Boeing in the world's largest airplane market going forward.

President Xi, accompanied by Boeing executives, viewed final assembly lines for the 787 Dreamliner, 777 and 747-8, as well as aircraft components made by Chinese aviation suppliers. The president also spoke with Boeing employees and the 787 chief pilot about their work on airplanes built for Chinese carriers.

Boeing President and CEO Dennis Muilenburg said Boeing appreciated China's continued trust and confidence. "Today's visit by President Xi represents a new chapter in the valuable relationship between Boeing and China," Muilenburg said. "Boeing is committed to further strengthening and deepening our partnership with China in mutually beneficial ways that will bring positive outcomes to Boeing and our Chinese partners."

"Boeing will continue to work closely with our customers, suppliers and other stakeholders in China to support the long-term growth of China's aviation industry and jobs here in the United States," said Boeing Commercial Airplanes President and CEO Ray Conner.

Agreements announced today include:

Boeing and National Development Reform Commission (NDRC)

Boeing and NDRC have signed a Memorandum of Understanding (MOU) that will advance their long-term strategic cooperation through several "Pillars of Partnership." These pillars include:

- Industrial cooperation
- Continued development of a world-class aviation transportation system through deliveries to China of Boeing airplanes and services
- Development of technologies to reduce aviation's environmental impact and enhance sustainability
- Leadership development and training for the next generation of leaders in China's aviation industry
- Continued cooperation to support the safety, efficiency and capacity of China's air transport system

Orders and Commitments for Boeing Commercial Airplanes

Boeing and China Aviation Supplies Holding Company (CASC) have signed a General Terms Agreement related to the purchase of 300 airplanes. The package has a value of approximately $38 billion at list prices.

Aircraft orders and commitments include:

- (240) airplanes for Chinese airlines, including (190) 737s and 50 widebody aircraft
- (60) 737s for leasing companies ICBC and CDB Leasing

"Boeing airplanes have played an important role in supporting the development of China's aviation transportation for the past 40 years," said Li Hai, president of China Aviation Supplies Holding Company. "These additional airplanes will further help connect the people in China and around the world."

"China is a critical international market for commercial airplanes," said Conner. "We thank our Chinese customers for selecting fuel-efficient Boeing airplanes to meet their fleet growth and expansion."

Orders are posted on Boeing's Orders & Deliveries website after all contingencies are cleared.

737 Completion and Delivery Center in China

Boeing and Commercial Aircraft Corporation of China, Ltd., (COMAC) will partner to open a facility in China for the interiors completion, paint and delivery of Boeing 737 aircraft to Chinese customers. The joint venture facility will significantly expand Boeing's collaboration with China's aviation industry while also enabling future production rate increases at Boeing's 737 final assembly factory in Renton, Wash. This China-based facility will not reduce 737 Program employment in Washington State.

"Boeing is expanding our longstanding relationship with Chinese industry to meet vital goals for our company: We are bringing the Boeing 737 closer to our Chinese customers, supporting rising 737 production rates and enhancing our access to China's dynamic and fast-growing aviation market," said Conner. "The 737 will be a cornerstone of the Chinese fleet for years to come, and we look forward to delivering 737s to Chinese customers in China."

COMAC Vice President Wu Guanghui said: "The new collaboration between Boeing and COMAC will help advance the Chinese commercial transportation market in a better and faster way, and will benefit the development of supporting Chinese industries related to aircraft completion as well as the global growth of China's civil aviation business."

Boeing, COMAC and Chinese government officials are working toward a final business agreement and will announce the facility's location and timing of first deliveries at a later date. Boeing, now building a record 42 737s per month, will increase production to 47 airplanes per month in 2017 and 52 airplanes per month in 2018 to meet strong demand for the 737, the world's most fuel-efficient single-aisle airplane.

Boeing and Aviation Industry Corp. of China (AVIC)

Boeing and Aviation Industry Corp. of China (AVIC) will broaden their long-term collaboration to support Boeing's commercial airplane programs. In a framework agreement, the companies said they intend to further advance AVIC's manufacturing capabilities by adding major component and assembly work packages; strengthening leadership; and developing AVIC's broad aviation infrastructure and business practices, including supply chain management.

"Our companies have committed to work together to expand Boeing and China's mutually beneficial supplier-partner relationship," said Kent Fisher, vice president and general manager, Supplier Management, Boeing Commercial Airplanes. "Broadening and deepening our long-term collaboration demonstrates Boeing's continued commitment to China and our continued trust in AVIC's ability to meet Boeing's stringent requirements for high quality and on-time delivery. In addition, AVIC has been a great role model for Partnering for Success, using Lean manufacturing techniques to increase the affordability of our airplanes."

"Boeing's commitment to increase AVIC's statement of work will help enhance our manufacturing capabilities, capacity and efficiency, which will contribute to improving the competitiveness of Boeing airplanes," said Geng Ruguang, executive vice president, AVIC. "We look forward to strengthening our partnership even more as we work together to address the win-win opportunities presented in a rapidly growing market for commercial airplanes."

Further development of sustainable aviation biofuel

Under the framework of the MOU between Boeing and NDRC, Boeing and NDRC announced a new initiative to turn agricultural waste in China into sustainable aviation biofuel. Boeing will partner with NDRC to turn items from farms, such as corn cobs and wheat stalks, into sustainable jet fuel as a way to reduce aviation's carbon emissions.

"Biofuel collaboration between Boeing and Chinese partners is a prime example of how we are determined to make progress on environmental challenges that no company or country can solve alone," said Ian Thomas, president, Boeing China. "Together, we're finding innovative ways to support China's aviation industry and help build a sustainable future."

When produced sustainably, aviation biofuel reduces carbon emissions by 50 to 80 percent on a lifecycle basis compared to conventional petroleum jet fuel, according to studies by the U.S. Department of Energy.

Boeing has partnered with Chinese stakeholders to support development of China's air transport system since President Richard Nixon arrived in Beijing on Air Force One, a Boeing 707, in 1972. Today, more than 50 percent of commercial jetliners operating in China are Boeing airplanes. Over the next 20 years, China will be Boeing's largest commercial airplane market with a projected need for 6,330 new airplanes, worth an estimated $950 billion.

Boeing is the largest international customer of China's aviation manufacturing industry, with suppliers playing a role in 737, 747, 767, 777 and 787 Dreamliner production. Boeing works with Chinese industry, universities and other institutions to develop sustainable aviation biofuel and improve air-traffic system efficiency.

For more information, see www.boeing.com

Contact:

Jessica Kowal
Boeing Commercial Airplanes Communications
+1 206-660-6849
jessica.m.kowal@boeing.com

Yukui Wang
Boeing China Communications
+86 10 5925 5588
yukui.wang@boeing.com

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