Boeing Forecasts $350 Billion Market for New Airplanes in Latin America

Latin American commercial fleet will more than double over next 20 years

SAN JUAN, Puerto Rico, Nov. 16, 2015 /PRNewswire/ -- Boeing (NYSE: BA) 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 3,020 new airplanes valued at $350 billion.

"The economies of Latin America and the Caribbean will grow faster than the rest of the world over the long term," said Van Rex Gallard, vice president, Sales, Latin America, Africa and Caribbean, Boeing Commercial Airplanes. "This economic growth, coupled with rising incomes and new airline business models that give more people access to travel, is causing passenger traffic in the region to grow by 6 percent per year – well above the global rate.

"To accommodate that growth, we forecast that the region's fleet will more than double," he said.

Of the 3,020 new airplanes needed, 83 percent will be single-aisle airplanes, spurred by intense regional traffic growth. The widebody fleet will require 340 new airplanes as regional carriers continue to compete more strongly on routes traditionally dominated by foreign operators.

Average airplane age in the region's fleet has been reduced from more than 15 years to less than 10 years since 2005, giving Latin America and the Caribbean a younger fleet than the world average. The region has been in a steady replacement cycle since the mid-2000s and that trend will continue as nearly 60 percent of the current fleet is replaced over the next two decades.

"Commercial aviation and economic expansion go hand-in-hand in this region and around the world," Gallard said. "Passenger traffic grows as economies grow, and economies grow as commercial aviation grows. Every dollar that commercial aviation adds directly to a country's GDP generates four times as much activity in the larger economy."

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