Boeing Details Supply-Demand Balance for Commercial Airplanes

Key indicators show industry capacity balance remains in nominal ranges

BARCELONA, Spain, Oct. 9, 2013 – Boeing [NYSE: BA] said today that ongoing assessment of relevant commercial aviation industry data show that supply and demand for new commercial jetliners remains in balance.

Speaking at the annual International Society of Transport Aircraft Trading (ISTAT) Europe meeting, Kostya Zolotusky, managing director of capital markets development and leasing at Boeing Capital Corporation, the manufacturer's financing and leasing unit, said that key indicators used to determine airline overcapacity remain within nominal ranges as global deliveries head toward an expected record level of more than $100 billion for 2013.

"All key measurable and relevant criteria point to a market balance for demand and capacity growth, aircraft utilization, load factors, stable parked fleet, aircraft lease rates and strong performance for residuals, without outside circumstances affecting the market," Zolotusky said.

Boeing is sharing the methodology and analysis, and its conclusion of a balance in airliner supply and demand, in a new white paper available online.

The paper counters industry analyst and media reports that can rely on anecdotal data, said Ricky Mack, Boeing Commercial Airplanes senior marketing analyst and one of the white paper's authors. "Instead of assuming an 'overcapacity' status and looking to prove that, we started from systemic indicators and data available to most industry observers. Our conclusion shows a state of relative balance.

"We recognize that the industry exists in multiple states at different times," Mack said. "There are different lenses through which to view this issue, and we wanted our research to prompt more discussion."

Boeing also reported that, as jetliner production rates have risen during the course of 2013, financing for the increased pace of deliveries has kept up.

"There is good liquidity at reasonable prices for deliveries despite the fact that aircraft financing is undergoing a meaningful transformation," Zolotusky said. "We believe we're well positioned for the availability of adequate and reasonably priced capital to fund the production growth."

Boeing expects to release its annual airliner financing market forecast for 2014 in December of this year.

# # #

Contact:
John Kvasnosky
Boeing Capital Corporation
Office: 425-965-4057
Mobile: 206-898-9528
john.kvasnosky@boeing.com

Follow us on Twitter @Boeing