Boeing in the United Arab Emirates

The Boeing Company shares a long-standing relationship with the United Arab Emirates (UAE), which is home to Emirates Airline, Etihad Airways and flydubai.

From air transport and aviation support services to defense and satellite systems, Boeing has worked closely with UAE civil and defense authorities to achieve the country’s objectives and ambitions. Boeing values its relationships and partnerships in the region and is committed to building on those relationships for mutual benefit into the future.

The UAE has emerged as a global air transport hub, thanks to its unique geographical position and a strategically planned approach to growing its aviation sector. Over the past few years, its airlines have grown in both influence and reach and currently operate scheduled passenger and cargo flights to more than 100 destinations on five continents.

The importance of the UAE was reaffirmed in 1999, when Boeing Defense, Space & Security, which was then known as Integrated Defense Systems, established an office in Abu Dhabi. Since then, Boeing has strengthened its presence in the country and, in 2005, established the headquarters for Boeing Middle East in Dubai.

Bernard Dunn was appointed president of Boeing Middle East, North Africa and Turkey in May 2015. He is based in Dubai.

Boeing Commercial Airplanes

Since 1977, the UAE has ordered more than 400 aircraft from Boeing. Boeing airline customers in the country include Emirates, Etihad Airways and flydubai as well as aircraft lessors such as Dubai Aerospace Enterprise.

Dubai-based Emirates Airlines is currently the world’s largest operator of the Boeing 777, having recently taken delivery of its 150th 777. With a fleet that includes every model in the 777 family, the airline also announced a commitment of 150 777X at the 2013 Dubai Air Show, which was finalized as a firm order in July 2014. The order comprised a combination of 115 777-9Xs and 35 777-9Xs, besides purchase rights for an additional 50 airplanes. Since taking delivery of its first 777, a 777-200, in 1996, the airline has deployed this type of airplane on short-, medium- and long-haul routes. In fact, the Boeing 777-200LR allows Emirates to fly ultra-long-haul routes, such as Dubai to Los Angeles, without refueling.

Abu Dhabi-based Etihad Airways is Boeing’s largest customer for the 787 Dreamliner in the Middle East, with 71 airplanes on order. The airline was also the Middle East launch customer for the 777X with an order of 25, bringing its total order of Boeing 777 to 47, in various configurations, to date.
One of the UAE’s low-cost carriers, flydubai, became the region’s largest customer for the Boeing 737 airplane when it placed an order for 50 airplanes in 2008. The airline took delivery of its 50th Next-Generation 737-800s in September 2015. It is scheduled to receive its first 737 MAX in 2017 — flydubai has ordered 75 of the airplanes. Boeing Commercial Aviation Services offers the industry’s largest portfolio of services, including 24-hour customer support; pilot and crew training; aftermarket parts; airplane maintenance, engineering and modifications; and information services to enable airlines and leasing companies to operate more efficiently.

Boeing provides technical support for its customers in the UAE through the Dubai-based Boeing Service Center. The center is one of the company’s eight spares distribution facilities worldwide and houses approximately $25 million worth of parts and an inventory of more than 26,000 items that are shipped around the region to service airline customers. In addition, a regional spares manager and six field service offices in the region provide aftersales support, and 15 Boeing field service representatives provide on-site support to Boeing Commercial Airplanes customers.

Boeing has forecast that the Middle East will require 3,180 new airplanes, worth an estimated $730 billion, over a 20-year period from 2015 to 2034. While one-third of that demand will replace today’s fleets, 66 percent of the demand is expected to be driven by the rapid fleet expansion in the region.

Forty-four percent of these are expected to be single aisle, while 28 percent are expected to be medium widebody, 18 percent to be small widebody, and nine percent to be large widebody.

**Boeing Defense Space & Security**

The Defense, Space & Security business unit of Boeing provides military aircraft and network and space systems to customers around the globe. The Defense, Space & Security presence in the UAE goes back to 1999, when it established an office in Abu Dhabi.

Today, Defense, Space & Security offers its customers and partners a portfolio of products, systems, services and solutions, including products from Boeing Military Aircraft, Network & Space Systems, and Global Services & Support.

Defense, Space & Security products provided to the UAE include the AH-64 and Chinook helicopters and unmanned aerial vehicle systems. In addition, the UAE’s Thuraya Satellite Telecommunications operates Boeing 376, 601 and 702 satellites. UAE also operates eight C-17 Globemaster III heavy-lift aircraft.

Defense, Space & Security continues to partner and pursue opportunities with a number of Middle East organizations to help craft the future of aerospace in the region and remains committed to strengthening these industrial partnerships, while exploring new opportunities.
For example, Defense Space & Security signed an agreement with the Abu Dhabi–based Advanced Military Maintenance Repair and Overhaul Center (AMMROC) in 2011 to ensure the right support infrastructure is in place for the operational readiness of UAE Armed Forces aircraft, including Boeing-built Apache and Chinook rotorcraft and C-17 transport aircraft.

Additionally, Insitu, a wholly owned subsidiary of The Boeing Company, has entered into a series of partnerships with Abu Dhabi Autonomous Systems Investments (ADASI). In 2011, Insitu announced it would work with ADASI to support future local operations with the unmanned aerial systems and to provide logistics support for systems sold in the region. In 2013, an agreement allowed for ADASI to provide training, support and marketing services for ScanEagle and Integrator unmanned aircraft systems in the UAE, with prospects to expand into the Middle East and North Africa region.

**Boeing Capital Corporation**

As a wholly owned Boeing subsidiary, Boeing Capital Corporation creates financing solutions for customers purchasing the company’s commercial airplane and defense products. As the company’s investment bank, it works closely with third-party financing sources that provide nearly all of the financing support required by Boeing customers. Boeing Capital also manages the company’s $4 billion portfolio of commercial airplanes, many of them newer, fuel-efficient jetliners.

Boeing has distinguished itself in the region among aircraft manufacturers by working closely with Middle East financiers. As a result, the region’s support for Boeing aircraft deliveries has essentially doubled in the last two years. Boeing regularly organizes events in the Middle East that are designed to engage the region’s finance community. Since 2006, it has hosted annual airline planning seminars for financiers in the UAE and other Middle East countries, and its Middle East financiers and investors’ conference has become an annual event.

In 2012, Boeing entered into the region’s first working-together agreement for aircraft financing and leasing cooperation with the National Bank of Abu Dhabi (NBAD). Through this association, the region’s first, highly successful Chief Risk Officer Summit for airlines and investors was held that year.

Boeing Capital is currently exploring opportunities for Islamic finance in the aviation sector and the possibility of including aircraft finance in the Islamic Sukuk, or bond, market, in which an aircraft finance portfolio would be secured by an instrument known as the enhanced equipment trust certificate.

**Industrial and Academic Partnerships**

As a company with a global footprint, Boeing sees growing aspirations for increased skills and technology development around the world, and the UAE is no different. The company’s partnership with the Mubadala Development Company reflects Boeing’s
support of those regional ambitions and underlines Boeing’s desire not only to do more business in the region but to also bring enhanced capabilities into the company.

Boeing views Mubadala and the UAE as long-term strategic partners and is committed to supporting its ambitions to develop advanced aerospace capabilities to become a leading global and regional aviation supplier.

The intent of Boeing’s strategic framework agreement with Mubadala is to develop mutually beneficial initiatives in areas where there is strategic alignment between the two companies, including composite manufacturing; engineering, research and development; commercial maintenance, repair and overhaul; military maintenance and sustainment; pilot training; and people development.

In April 2012, Boeing and Mubadala Aerospace announced a 10-year direct contract for Strata Manufacturing, Mubadala Aerospace’s advanced composite aerostructures facility in Al Ain, to produce commercial composite aerostructures for the 777 and the 787 Dreamliner. In addition, the companies announced a strategic agreement that positions Strata to be a future supplier of the vertical fin for the Dreamliner, a major composite assembly for Boeing’s most advanced airplane program. Under the agreement, Strata will initially manufacture ribs for the main hull of the Boeing 777 and vertical fin ribs for the vertical tailplane of the Boeing 787 Dreamliner. In early 2014, Strata Manufacturing delivered its first advanced composite parts as a direct supplier to Boeing; a shipset of 777 composite ribs, which were delivered to Boeing Fabrication facilities in Washington state and installed in the vertical fin and horizontal stabilizers for a 777-300ER (Extended Range) that was delivered to Emirates Airline.

Boeing has also worked with the Masdar Institute of Science and Technology, Etihad Airways and Honeywell’s UOP to establish the Sustainable Bioenergy Research Center (SBRC). Recently, Boeing and its research partners made breakthroughs in sustainable aviation biofuel development, finding that desert plants fed by seawater will produce biofuel more efficiently than other well-known feedstocks. The SBRC will test these findings in a project that could support biofuel crop production in arid countries, such as the UAE.

An active supporter of academic initiatives in the country, Boeing has partnered with Khalifa University, UAE University and the Higher Colleges of Technology (HCT) on various educational programs. Boeing supports their engineering programs through capstone projects, scholarships and research.

Additionally, selected high-potential HCT alumni have attend leadership programs at the Boeing Leadership Center in St. Louis, Missouri, in the United States.

Additionally, selected students from Abu Dhabi Women’s College are invited to participate in a Boeing-developed, UAE-based mentorship program. In addition, expert speakers from Boeing periodically visit the HCT to deliver specialized lectures.
Boeing will continue establishing strong and enduring partnerships in the Middle East through human capital development programs as well as technology and knowledge transfers. The company is continuously exploring opportunities to reinforce its partnerships to bring mutual and long-term benefits, while enhancing the region’s aviation sector.

**Global Corporate Citizenship**

Boeing aligns its Global Corporate Citizenship (GCC) strategy with local government aspirations and market needs. Therefore, GCC funds are used to exclusively address the people development, unemployment and science, technology, engineering and math (STEM) education needs in the region.

The Arab world faces a massive unemployment problem that disproportionally affects its youth due to demographic pressures of having an extremely young and growing population. In the Middle East and North Africa (MENA) region, the majority of the population are under the age of 25, in what has been termed the “youth bulge.” Economic growth and job creation have not kept pace with the birth rate, and the region has the lowest employment-to-population ratio in the world.

To help stabilize the economy, as well as to keep Arab youth from becoming a destabilizing element in society, the MENA region must create 80 million jobs within the decade to merely maintain the status quo. The need to create jobs is more prominent in the non-oil-producing states. However, in the Gulf, unemployment concerns are related to preference for public sector jobs, low STEM graduates and a low penetration of women in the workforce.

Education and employability are Boeing Middle East’s main focus, and Boeing works to provide high-quality programs and opportunities for educational professionals and Arab youth.

In December 2012, Boeing launched the first UAE internship, where three Emirati students were selected for International Business Intern program. The annual program, allows students to spend six months working in the United States at the Boeing Commercial Airplanes plant in Renton, Washington. Boeing has hosted 12 interns to date.

Boeing has worked with many organizations in education, such as INDEMAJ to set up resource and development centers for schools in rural parts of the UAE and Action Care, which trains parents, teachers and caregivers in maximizing a child’s learning potential before formal education begins.

Boeing also works a lot in the entrepreneurship and job placement space with PlaNet Finance, Emirates Foundation and INJAZ.

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