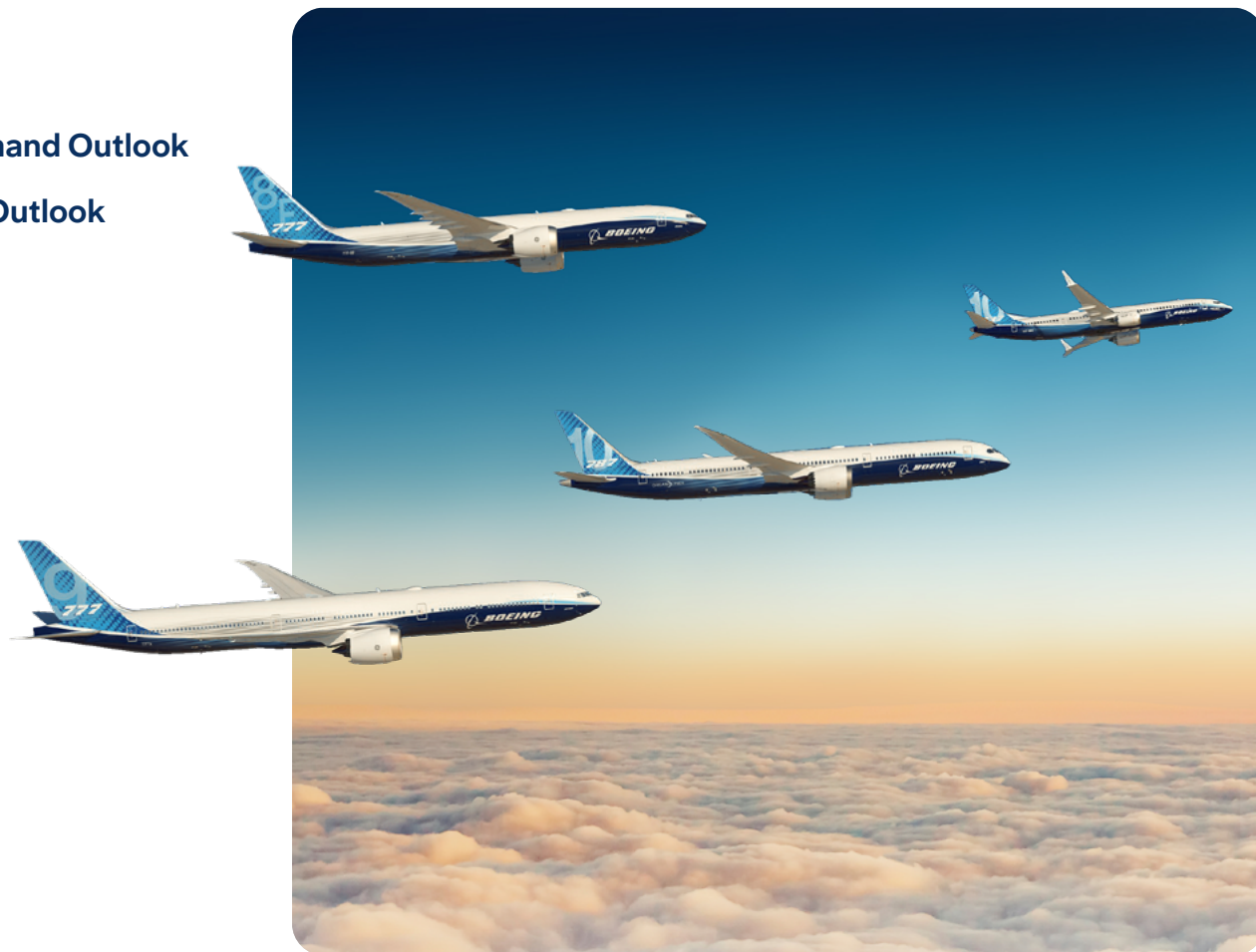




Commercial Market Outlook 2026-2045

TABLE OF CONTENTS

3	Foreword
4	Executive Summary
5	Global Trends & Drivers
7	Global Traffic, Fleet & Airplane Demand Outlook
9	Global Air Cargo & Freight Fleet Outlook
	Regional Forecasts
11	Africa
13	China
15	Eurasia
17	Latin America
19	Middle East
21	North America
23	Northeast Asia
25	Oceania
27	South Asia
29	Southeast Asia
31	Methodology
32	Glossary





FOREWORD



Brad McMullen

Senior Vice President
Commercial Sales and Marketing
The Boeing Company

Adaptation. Resilience. Growth. Those words continue to define our industry — now and into the future.

Commercial aviation has weathered its fair share of challenges and 2026 is proving to be no different. Conflict in the Middle East has disrupted air travel networks, pushed jet fuel prices higher and dented this year's economic outlook. Yet, as we've seen before, aviation adjusts. Passenger travel shifts, trade flows alter and the world keeps flying. That resilience reflects both the enduring strength of air travel demand and the adaptability of the global air transport network.

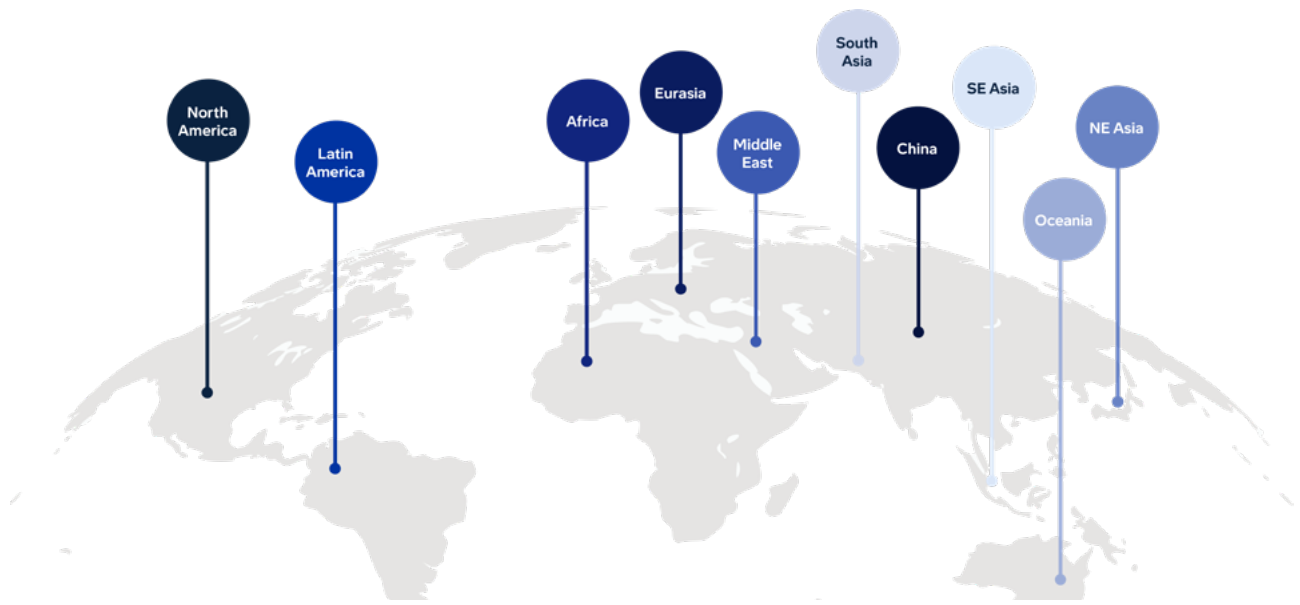
Passenger traffic will double over the next 20 years as air travel plays an increasingly vital role in connecting people and economies around the world. Underlying that demand is the fact that air travel remains a strong value proposition relative to the rising cost of many consumer goods and services.

Our view is that demand for airplanes, air travel and the broader ecosystem remain steady over the long run despite short-term volatility. By 2045, we expect the global fleet to nearly double in size and will be made up of mostly modern, fuel-efficient jets.

For 65 years, Boeing's annual Commercial Market Outlook has looked beyond short-term shocks to assess long-term demand and aviation industry trends. The data and expert analysis in the pages that follow show that aviation remains a growth industry.

EXECUTIVE SUMMARY

2026-2045

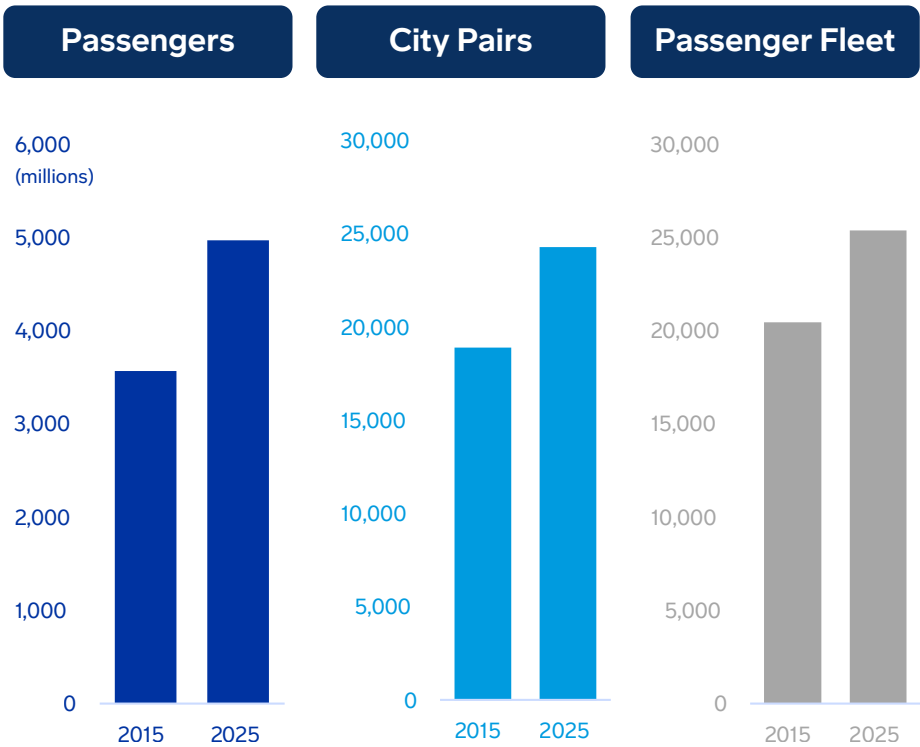


GLOBAL OUTLOOK	
43,625	
Deliveries	
1,435	
Regional jets	
33,545	
Single-aisle	50,095
	2045 fleet
7,715	3.0%
Widebody	Annual fleet growth
930	4.0%
Freighters	Annual traffic growth

DEPARTURES	DELIVERIES	2045 FLEET	TRAFFIC GROWTH
Africa	1,165	1,625	5.8%
China	9,240	9,830	5.0%
Eurasia	8,590	10,820	2.8%
Latin America	2,405	3,035	4.1%
Middle East	2,995	3,565	4.3%
North America	8,405	10,315	2.7%
Northeast Asia	1,585	1,735	2.1%
Oceania	765	830	2.8%
South Asia	3,490	3,125	6.8%
Southeast Asia	4,985	5,215	6.7%

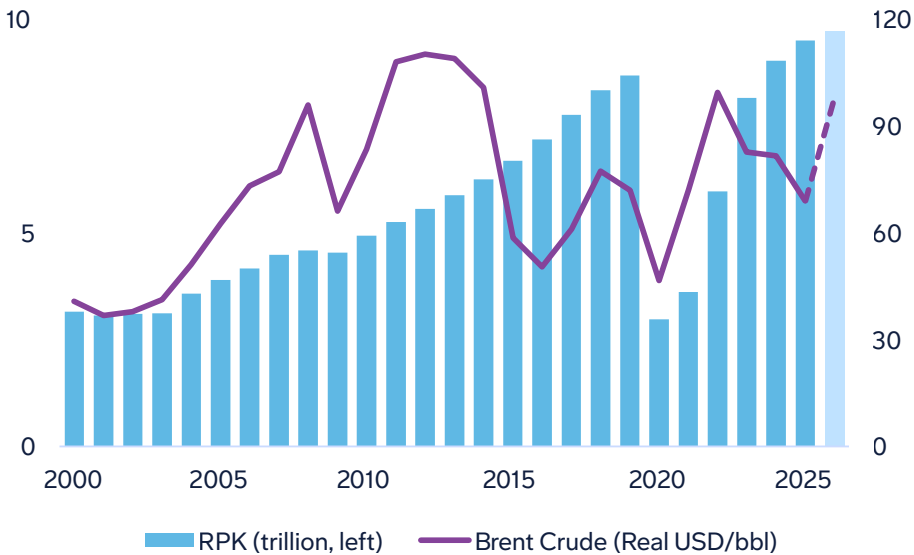
GLOBAL TRENDS & DRIVERS

The air transport sector remains a growth industry. It has proven resilient, benefits from diverse sources of demand and is fundamentally linked to growing economic activity and increased global connectivity. Industry forecasts indicate that passenger volumes could exceed 5 billion in 2026, representing an increase of 1.5 billion relative to 2015 and 0.5 billion relative to 2019. Over the last decade, the in-service commercial passenger fleet has grown by nearly 5,000 airplanes, supporting connectivity across nearly 30% more city pairs.



Source: IATA, Cirium, Boeing analysis
Note: Passengers refers to segment passengers

Passenger Traffic & Oil Prices



Source: IATA, Oxford Economics

The industry’s critical role in global personal and business connections underpins its demonstrated resilience. It has historically adapted, innovated and weathered external shocks including the recent increase in oil prices.

Fuel price volatility is not new: crude oil prices have seen double digit percent changes year-on-year in 17 of the last 25 years. Despite this, air travel demand has maintained a long-term upward trajectory and has recovered from major disruptions, including 9/11, the Global Financial Crisis and the COVID-19 pandemic. The current macroeconomic impact of higher oil prices is less severe than in earlier decades. The oil intensity of global Gross Domestic Product (GDP) was more than twice as high in the 1970s. In addition, the rapid expansion of renewable-energy industries helps dampen macroeconomic second-round effects on near-term travel demand.

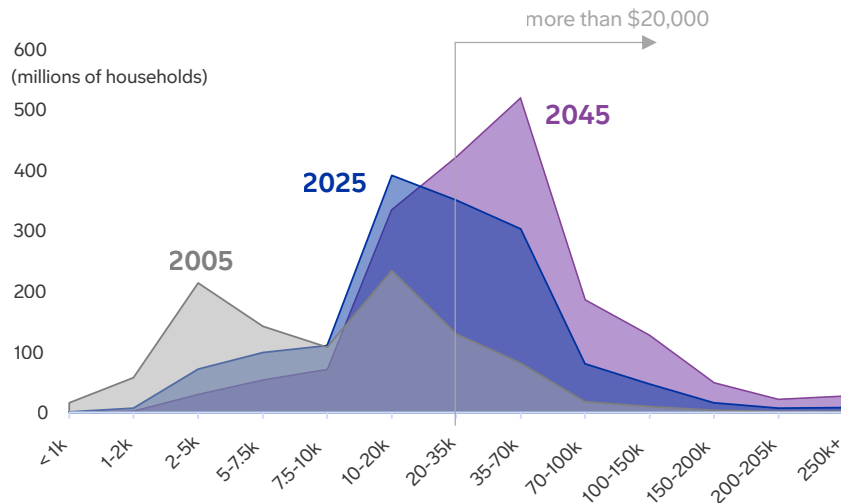
GLOBAL TRENDS & DRIVERS

Demand typically shifts rather than disappears, with adaptation happening at multiple levels in the industry. Airlines reconfigure networks and pricing, while prioritizing the most efficient and capable airplanes in their fleets. Passengers change travel destinations while cargo flows are redistributed through alternative routes.

Despite these adjustments, air travel remains relatively affordable with about a 25% decline in inflation-adjusted average fares over the past decade.

Demand is further supported by rising incomes across large emerging markets. The top 20 emerging economies are expected to produce over 500 million additional households earning more than \$20,000 annually in the next 20 years, strengthening global connectivity and expanding opportunities for travel, commerce and cultural exchange.

Household Income Distribution, Top-20 Emerging Markets



Source: Oxford Economics, Boeing analysis; HH income in PPP and constant 2015 USD

Replacement



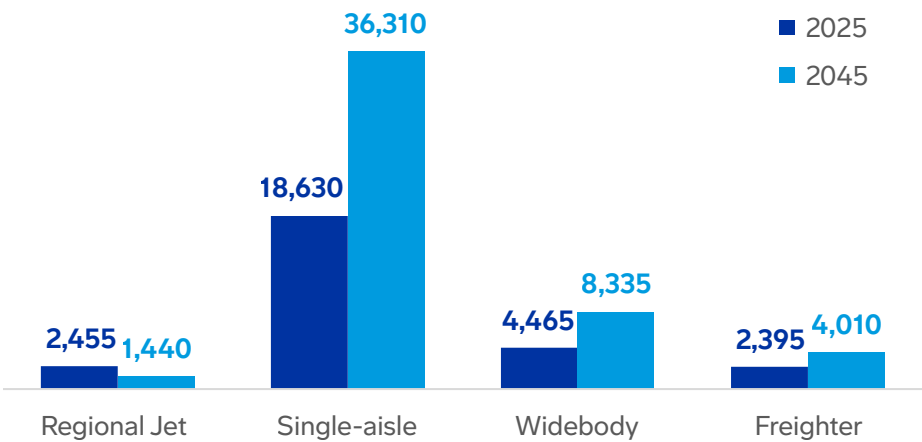
Against a backdrop of strong long-term demand growth, the industry is focused on delivering more fuel-efficient, technology advanced airplanes that improve operational performance, sustainability, passenger experience and airline economics. Multiple crises since 2020 have created a shortfall of new airplanes, prompting carriers to increase utilization and retain airplanes longer, temporary measures that will reach their limits.

As a result, replacement demand will be a growing part of airplane demand over the next 20 years alongside fleet expansion. Rapidly growing low-cost carriers (LCCs) will increasingly be part of this trend and replacing a growing proportion of their fleets.

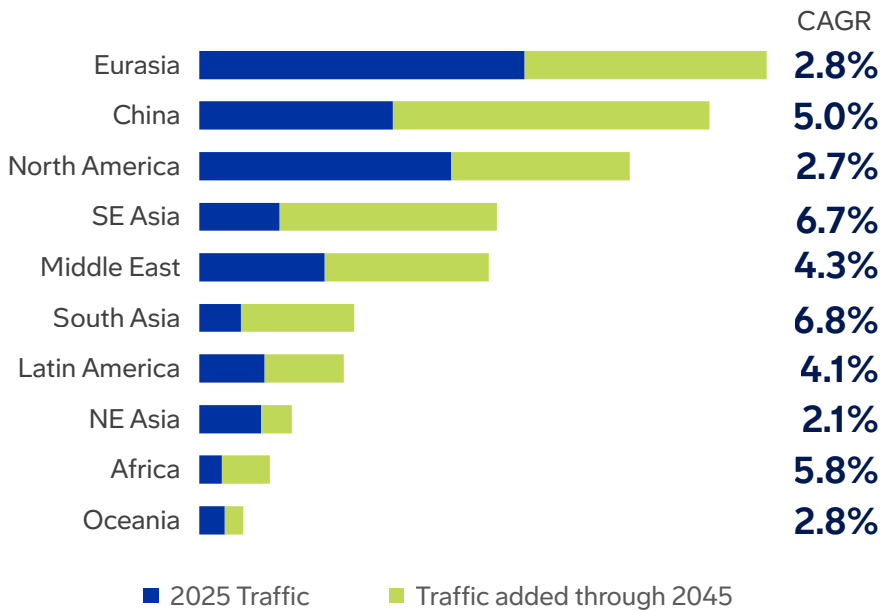
GLOBAL TRAFFIC, FLEET & AIRPLANE DEMAND OUTLOOK

Building on these global trends, Boeing’s long-term outlook sees sustained, broad-based growth over the next 20 years despite near-term challenges. Global passenger traffic is expected to double by 2045, growing at an average annual rate of 4.0% and outpacing broader economic growth. Much of that expansion beyond growth in economic activity will come from rising travel convenience as airlines add more flight frequencies and nonstop routes. Nearly half of all intra-regional traffic will be within Asia Pacific, which will continue to be one of the fastest growing aviation markets. Short-haul flying will grow faster than long-haul travel, with capacity rising at estimated CAGRs of 4.1% and 3.6%, respectively.

Fleet Composition



Passenger Traffic & Annual Growth



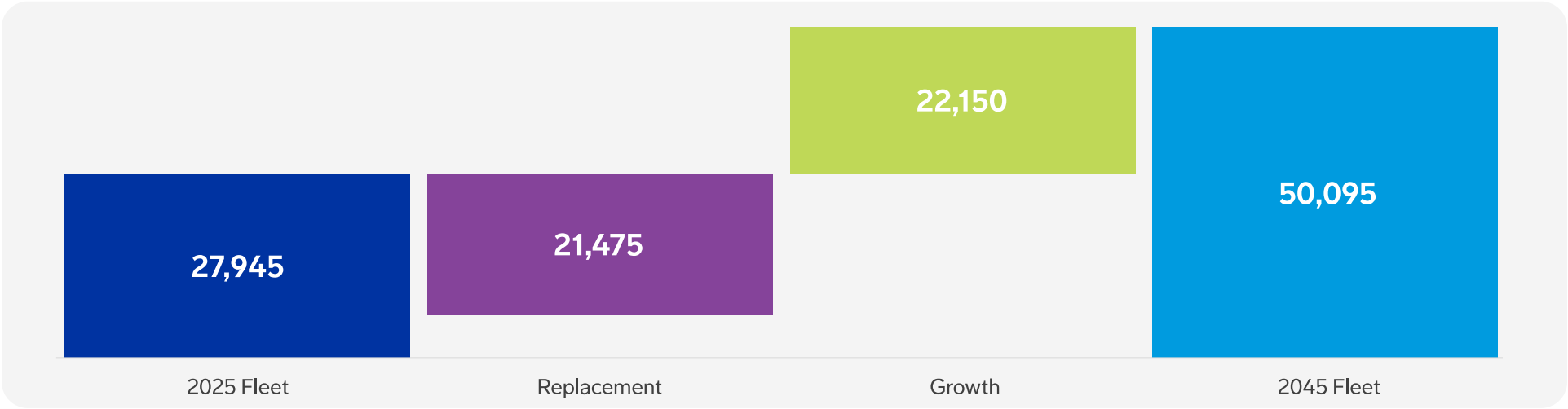
Single-aisle airplanes will continue to drive fleet growth and anchor the market supporting dense domestic and regional networks, as well as point-to-point international routes. The global single-aisle fleet will exceed 36,000 airplanes by 2045, nearly doubling today’s level and accounting for 77% of total new deliveries. Widebody airplanes will remain an important part of the fleet as well, with more than 8,300 airplanes in service by 2045. Airlines will continue to rely on them for long-haul passenger service, premium experiences, dense routes and air cargo capability.

GLOBAL TRAFFIC, FLEET & AIRPLANE DEMAND OUTLOOK

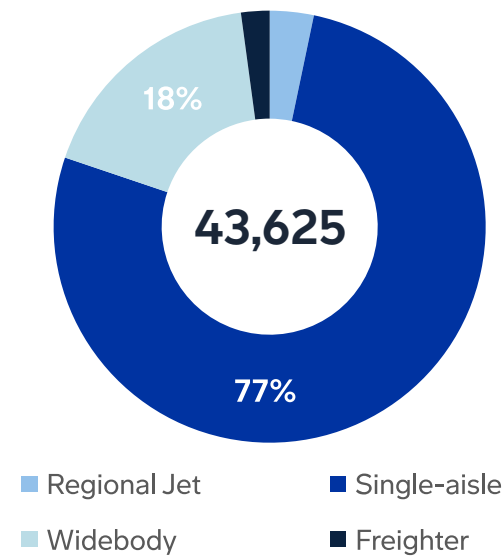
Differing business models and regional dynamics also shape fleet demand. LCCs will lead fleet growth at 3.9%, ahead of network carriers at 2.6%. Even so, network airlines will remain the largest segment of the industry, with fleets about twice the size of LCCs. Regionally, South Asia and Southeast Asia will post the strongest growth, driven by a rising middle class, urbanization and the continued expansion of low-cost carrier networks. China will also grow above the global average, while the Middle East will retain its strategic role in long-haul connectivity. Africa and Latin America offer additional upside, as the regions address infrastructure gaps and increase market openness.

Overall, demand remains well balanced globally. Mature markets will account for about 45% of deliveries, while transitioning and growth regions will represent the remaining 55%. Replacement demand is becoming increasingly important, reaching 50% of new deliveries between 2026 and 2045, up from less than 35% in Boeing’s 2006 outlook. In total, the global commercial fleet will grow by 22,150 airplanes, or nearly 80%, with 43,625 total new deliveries expected through 2045.

Fleet & Deliveries



Deliveries by Type



GLOBAL AIR CARGO & FREIGHTER FLEET OUTLOOK

3.7%

World Cargo Traffic
Growth

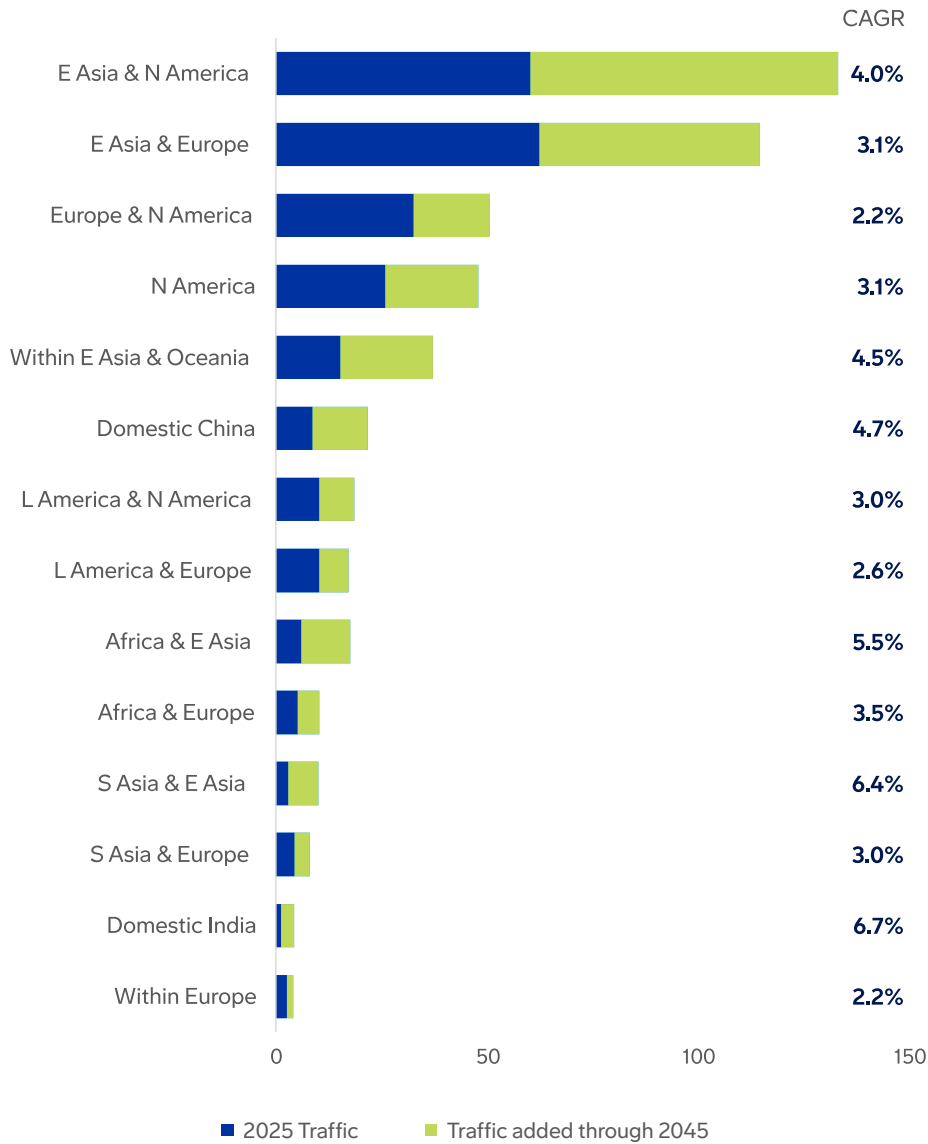
2.6%

Freighter Fleet
Growth

The air cargo industry recorded new annual traffic highs in 2025 despite persistent trade volatility. Export expansion from Asia to Europe and emerging markets boosted traffic on these flows, while AI-driven demand for semiconductors and other high-tech products strengthened transpacific volumes. Looking ahead, the air cargo sector is estimated to grow at an average annual rate of 3.7% through 2045, driven primarily by anticipated growth in global real GDP, trade and industrial production.

The geographic diversification of global supply chains will increase demand for air cargo across multi-nodal networks and reshape trade flows. Demand for high-value, high-tech goods transported by air will accelerate in the AI-era, where speed, security and reliability will be essential. Concurrently, e-commerce will continue to expand express networks, with the fastest growth in emerging markets with large populations and rising household incomes. As a result, markets in or connected to East Asia will remain the largest and among the fastest-growing over the next 20 years.

Air Cargo Traffic Forecasts by Flow > 80% of global traffic

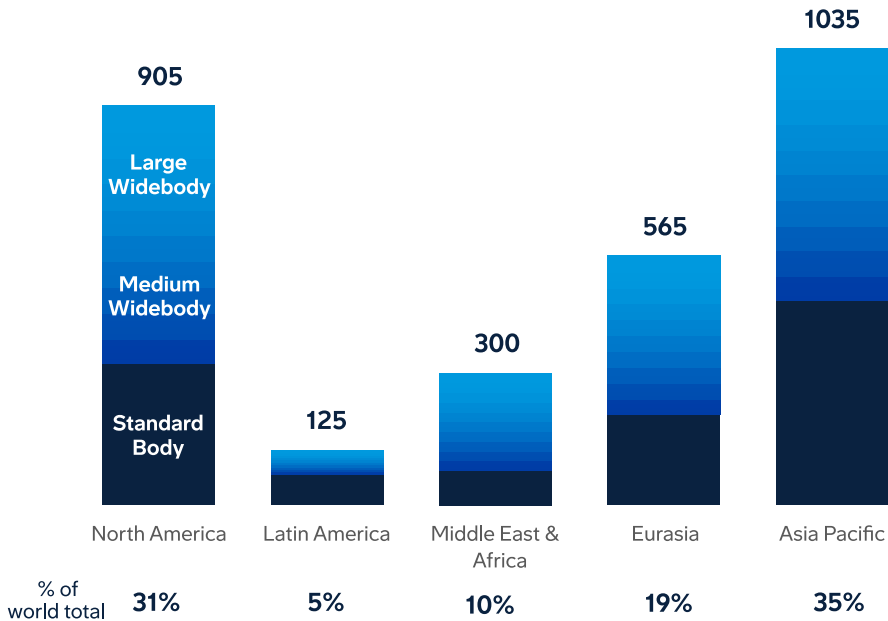


GLOBAL AIR CARGO & FREIGHTER FLEET OUTLOOK

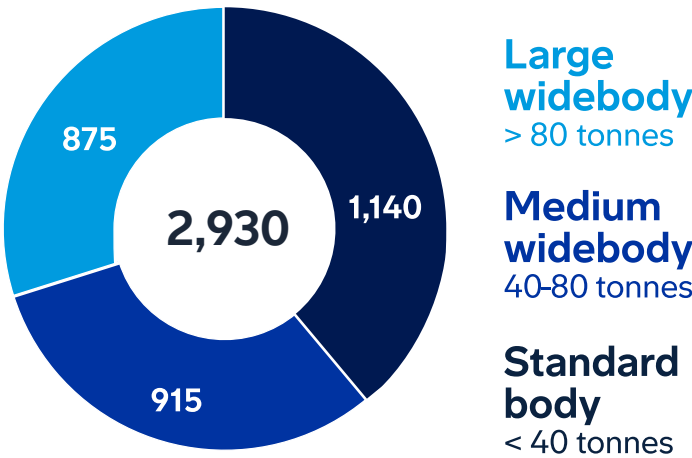
Air cargo traffic growth, together with the need to replace aging freighters with the latest technology, is expected to drive demand for both factory-produced and converted freighters over the next 20 years. Dedicated freighters currently carry more than half of global air cargo traffic, and this share is expected to remain broadly stable. The global freighter fleet is projected to increase 67% from 2,395 to 4,010 airplanes in 2045.

A total of 2,930 freighter deliveries will be needed, with about 45% serving as replacements and the balance supporting fleet expansion. Roughly two-thirds of deliveries will be passenger-to-freighter conversions; of those, nearly 60% will be standard-body freighters.

New & Converted Freighter Deliveries by Region 2026 - 2045



Deliveries by Type



More than half of all widebody freighter deliveries are projected to be next-generation factory-build freighters. Operators value the superior efficiency, higher utilization and greater capability offered by new production freighters.

Regionally, the Asia Pacific and North America will require the most deliveries: the Asia Pacific freighter fleet is estimated to more than double and represent over one-third of demand, while North American deliveries will emphasize modernization, with roughly two-thirds replacing older airplanes.

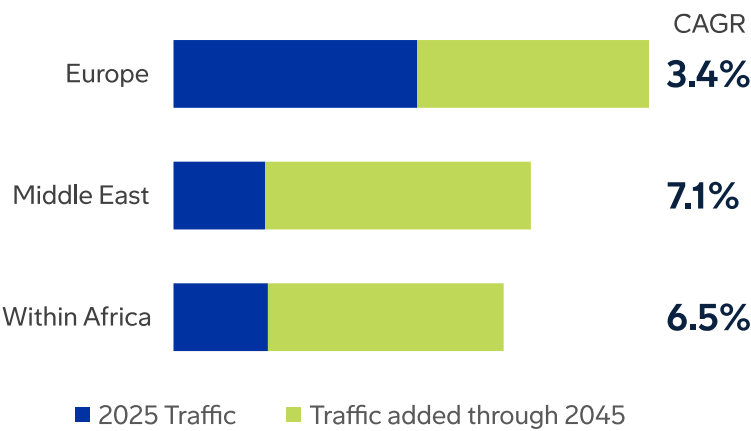


AFRICA

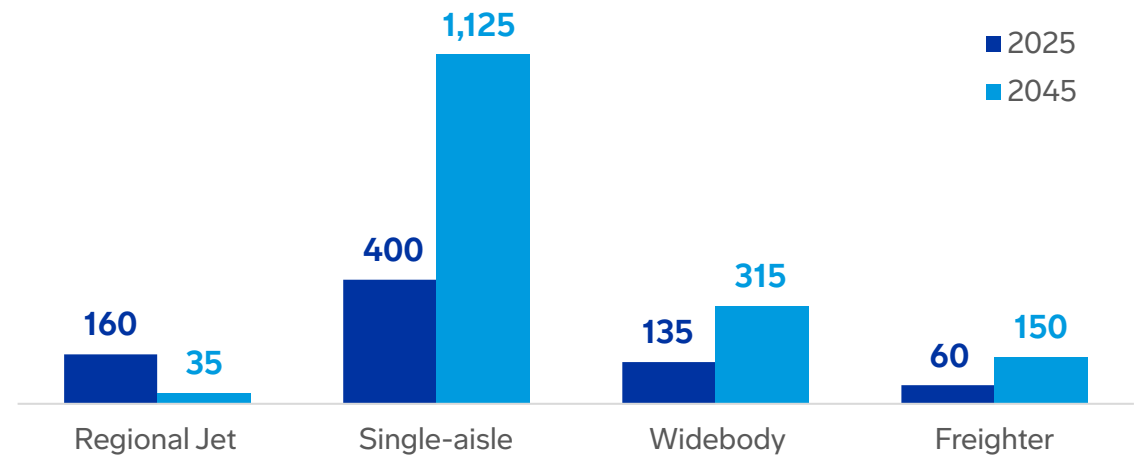


Africa is among the fastest-growing regions through 2045, achieving an average growth rate of 5.8% with demand driven by rapid urbanization, an expanding middle class and continued investment in airport infrastructure and connectivity. The region’s young and growing population (median age of 19 in 2025) supports the region’s faster than average growth outlook. Gradual liberalization of air service regulations, including progress toward the Single African Air Transport Market (SAATM), will encourage route development and airline competition, along with a near tripling of the single-aisle fleet. LCC expansion will lead to lower fares and increased frequency and connections for passengers, making air transport more accessible for Africans throughout the continent.

Passenger Traffic & Annual Growth



Fleet Composition





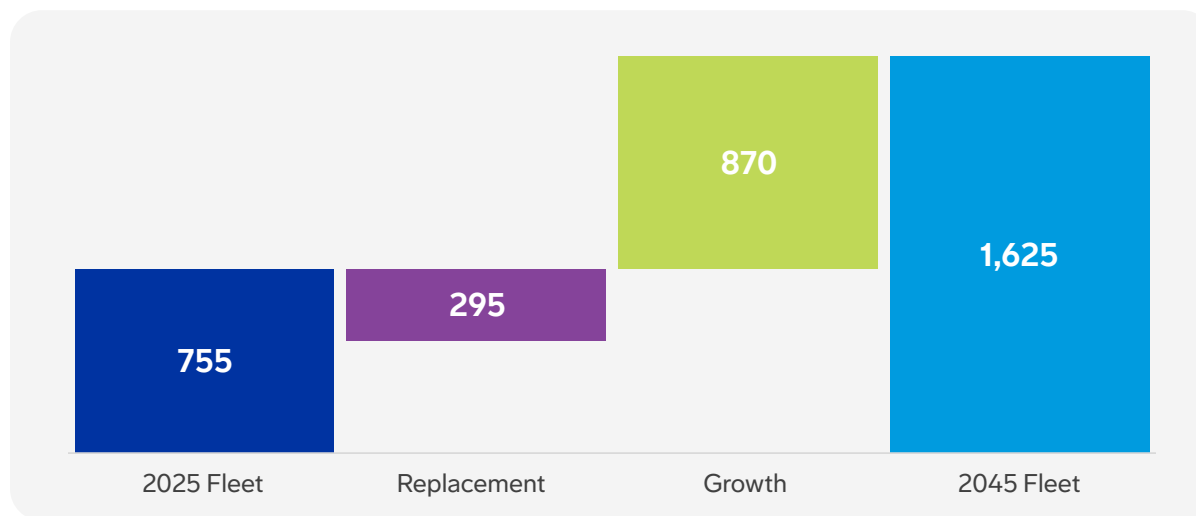
RABAT, MOROCCO

AFRICA

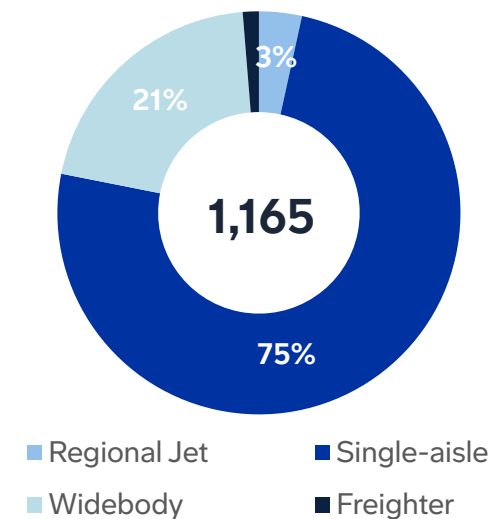
To meet rising demand, Africa's fleet is expected to more than double in size from 755 to approximately 1,625 jets by 2045, requiring 1,165 deliveries. Growth and renewal will be concentrated in single-aisle airplanes, which are expected to account for 75% of deliveries over the next 20 years. The widebody fleet is also projected to more than double from 135 to 315 airplanes supporting long-haul connectivity and requiring 240 new deliveries. Fleet renewal for the region's airlines help expand network reach and improve productivity, with revenue passenger kilometers (RPKs) per airplane forecast to increase by 45% by 2045.

African aviation is poised for rapid growth through 2045 driven by demographics and market liberalization.

Fleet & Deliveries



Deliveries by Type





SHENZHEN, CHINA

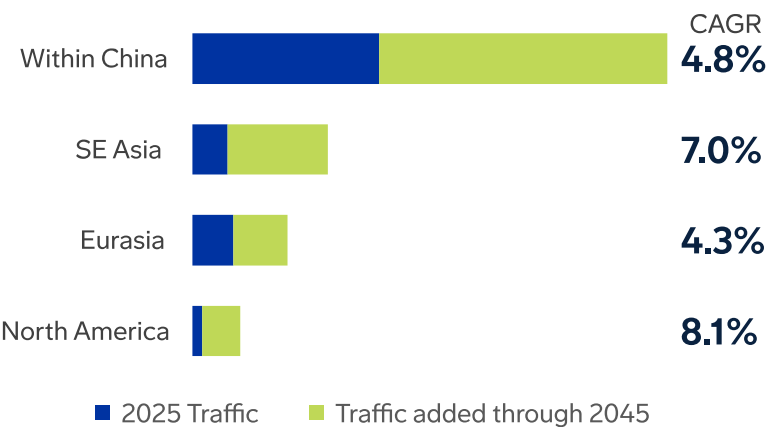
CHINA



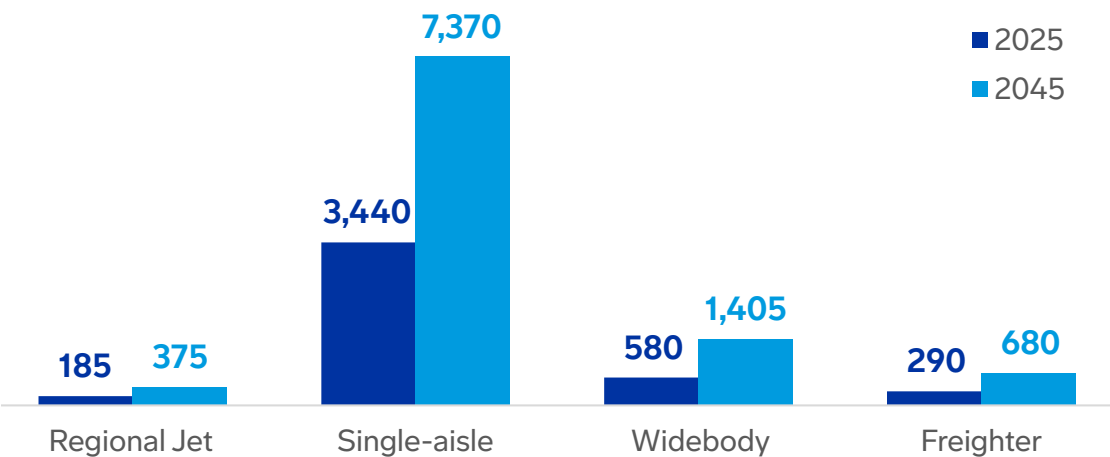
China will remain a major contributor to global aviation growth over the next two decades, with passenger traffic expected to outpace broader economic growth. Continued innovation in advanced manufacturing and investment in green energy supports China's moderate, sustainable GDP growth outlook which is a key driver of air traffic demand.

Domestic passenger air travel grew at nearly 7% annually over the past decade, and it is projected to continue growing at 4.8% a year through 2045. As a result, China is expected to become the world's largest intra-regional air travel market, supporting demand for 7,215 single-aisle airplane deliveries. The region's airlines will increasingly favor larger, more efficient jets to improve route economics and meet rising demand.

Passenger Traffic & Annual Growth



Fleet Composition





CHONGQING, CHINA

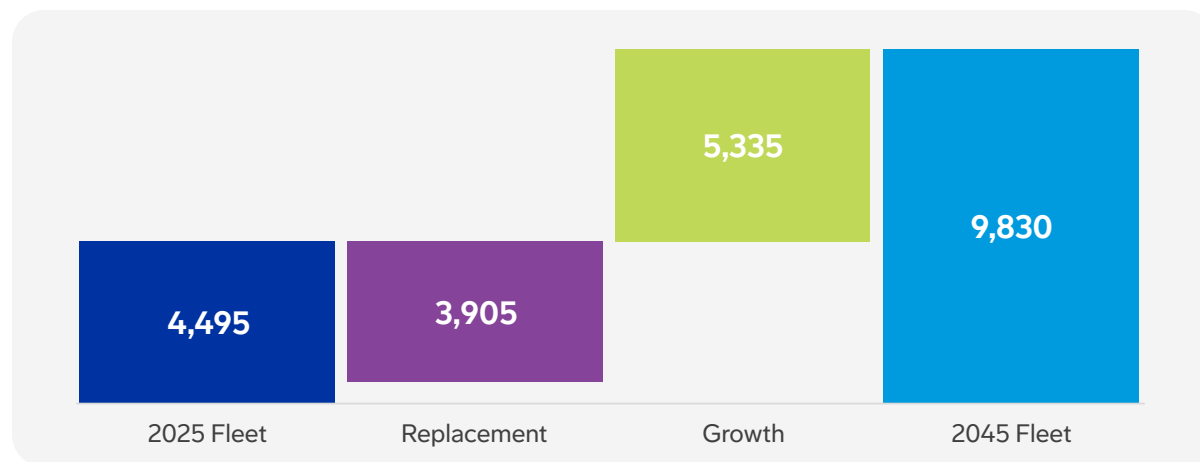
CHINA

Long-haul passenger travel will also continue to strengthen. Over the past 20 years, Chinese carriers have increased their share of long-haul traffic touching the region from nearly 20% to more than 50%, reflecting the country's growing global connectivity. This trend is expected to support more than 1,400 new widebody deliveries for both network expansion and fleet renewal.

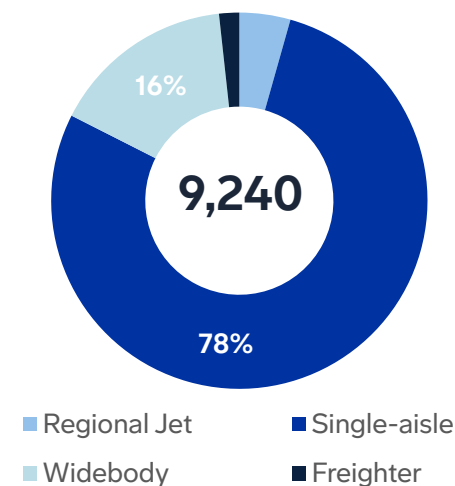
In air cargo, e-commerce and high-tech manufacturing will drive strong growth, with China's freighter fleet projected to more than double to 680 airplanes by 2045. As China's jet fleet has grown to the third largest regionally, replacement demand will play an increasing role with nearly 42% of China's projected 9,240 airplanes deliveries replacing older airplanes.

Rising domestic travel and cargo demand will keep China central to global aviation growth.

Fleet & Deliveries



Deliveries by Type



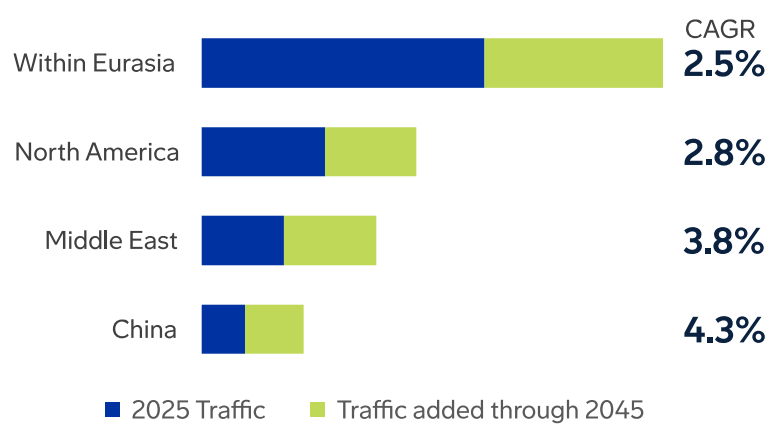


EURASIA

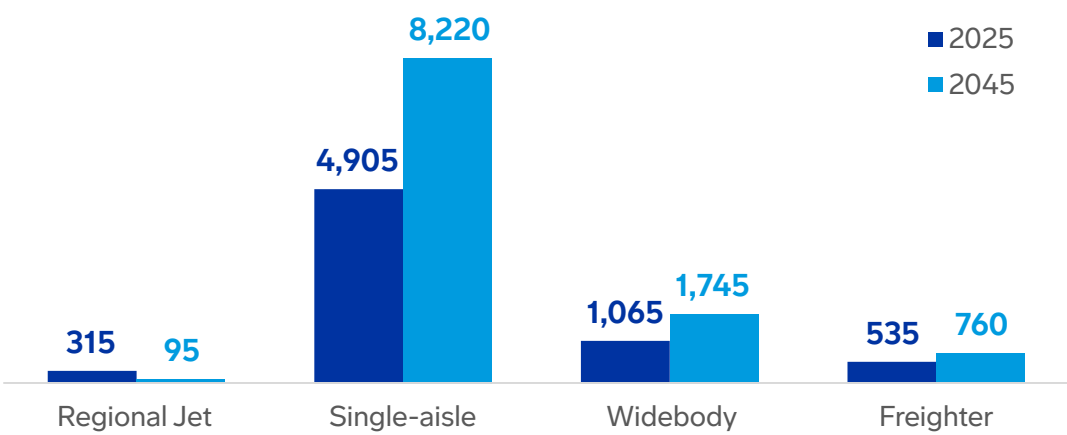


Eurasian passenger traffic is projected to grow 2.8% annually through 2045, led by intra-Eurasia air travel. The region has diverse market drivers. Markets in Eastern Europe and Türkiye are expanding as incomes rise and LCCs proliferate. Central Asia should gain importance as governments invest in hubs and national carriers. Western Europe’s mature markets will prioritize frequency, connectivity and premium service over rapid seat growth, while network carriers and LCCs continue to optimize their networks for long-haul connectivity and short-haul point-to-point traffic, respectively.

Passenger Traffic & Annual Growth



Fleet Composition





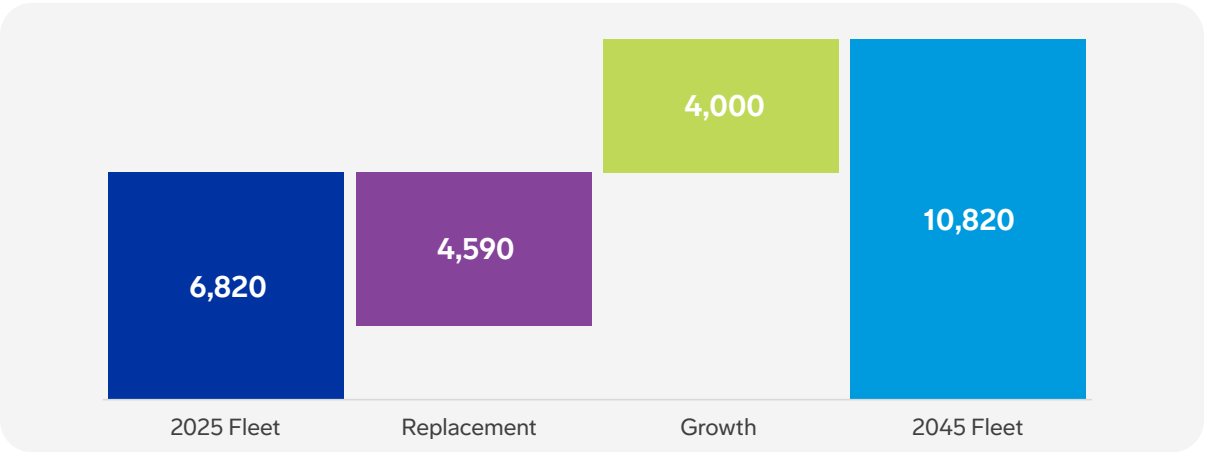
EURASIA

To meet growing travel demand, Eurasian airlines will need to expand their in-service fleet from just over 6,800 airplanes today to 10,820 by 2045. 81% of new deliveries to the region’s airlines will be single-aisle airplanes. These airplanes will primarily be used by low-cost carriers and by network airlines on short-haul routes, which within Europe, offer LCC-like service to compete.

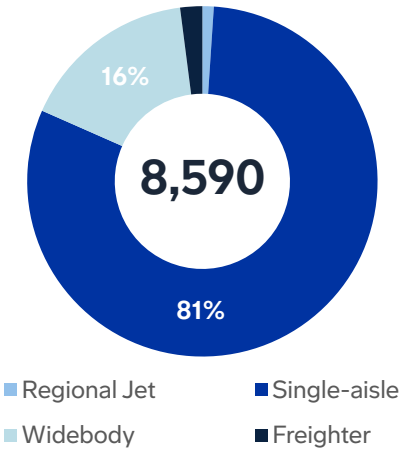
Network airlines will also operate long-haul services through their established hubs, serving steady business travel and robust leisure demand, both inbound and outbound. On these longer routes passenger comfort is prioritized, leading to heavy use of widebodies, often configured with large premium classes. Eurasia currently has the world’s largest widebody fleet, reflecting both the importance of European connectivity within the global network and alliance systems.

Diverse Eurasian market growth will be driven by intra-regional travel, LCC growth and long-haul connectivity.

Fleet & Deliveries



Deliveries by Type



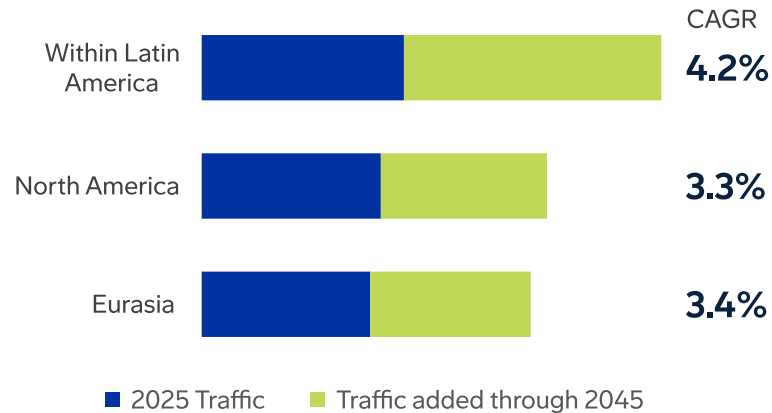


LATIN AMERICA

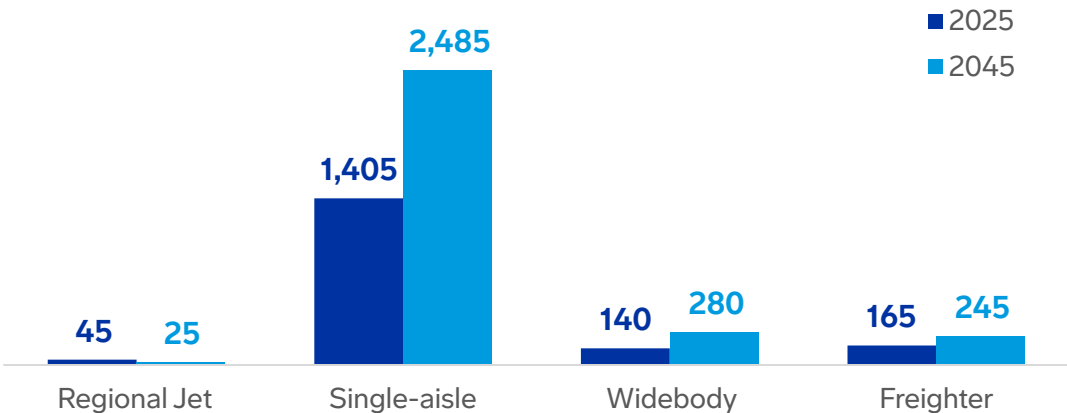


Latin America’s air travel demand fundamentals are strong with a growing middle class, expanding network with 300 more airport pairs served daily compared to a decade ago and geography that favors air transport for connectivity and economic development. Tourism is a key driver for both domestic and international air travel demand, accounting for 10% of the region’s total GDP, with shares over 15% in many of the smaller countries. Open-skies policies like those adopted recently by Argentina will drive growth through improved access, lower fares and strengthened connectivity. Latin American airlines’ focus on fleet productivity supports increased air travel affordability: single-aisle airplanes in the region carry up to 26 more seats compared to global averages.

Passenger Traffic & Annual Growth



Fleet Composition





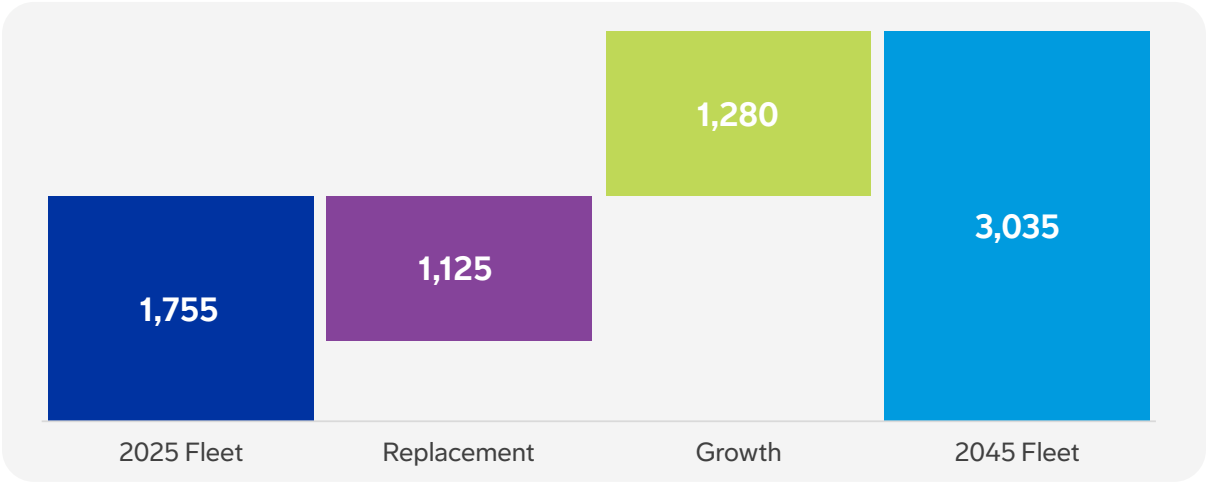
SANTIAGO, CHILE

LATIN AMERICA

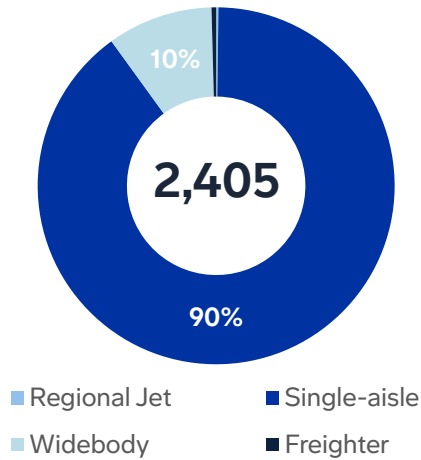
Intra-Latin America traffic will be the fastest growing flow for the region’s airlines at 4.2% annual growth. By 2045, short-haul flows within and touching Latin America will comprise 85% of the region’s traffic supporting single aisle jet demand which will account for roughly 90% of passenger airplane deliveries and fleet, the highest share globally. The widebody fleet will double to 280 airplanes over the next 20 years as Latin American airlines expand international networks, led by growth to Europe. The average age of the Latin American in-service fleet has risen to over 13 years boosting fleet replacement needs while more than half of the total 2,405 deliveries will support growth of the region’s fleet.

Latin America air travel growth will be supported by tourism, improved connectivity and strong short-haul demand.

Fleet & Deliveries



Deliveries by Type



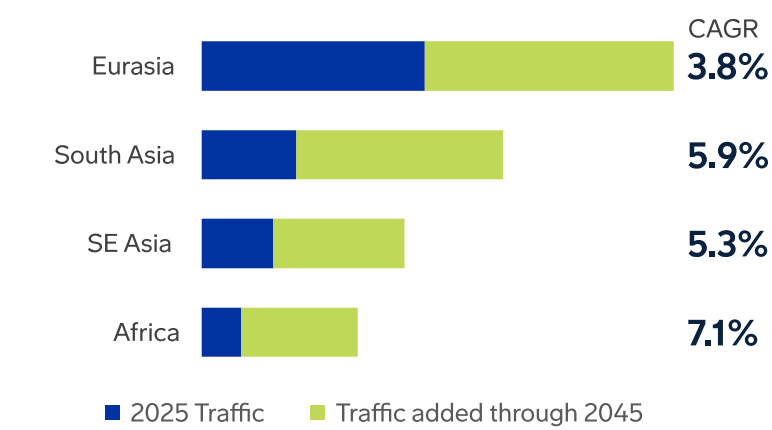


MIDDLE EAST

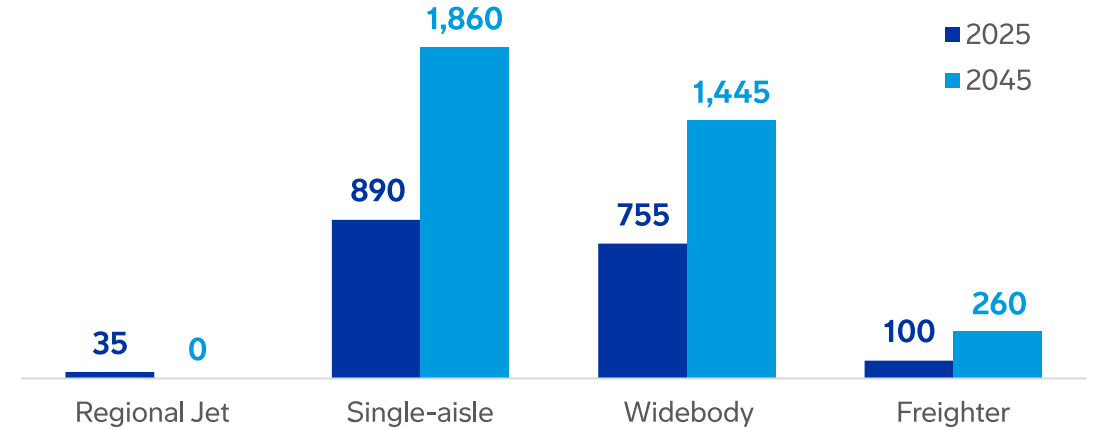


Despite the region's near-term challenges, the Middle East is a strategically important aviation market. It's geographic position between Asia, Africa and Europe enables a key role in long-haul connectivity. Additionally, long-term growth will also be supported by rising intra-regional demand, economic diversification and development initiatives aimed at attracting inbound travel. With only 5% of the world's population, the Middle East remains an aviation powerhouse with its airlines producing over 10% of the world's available seat kilometers.

Passenger Traffic & Annual Growth



Fleet Composition





PETRA, JORDAN

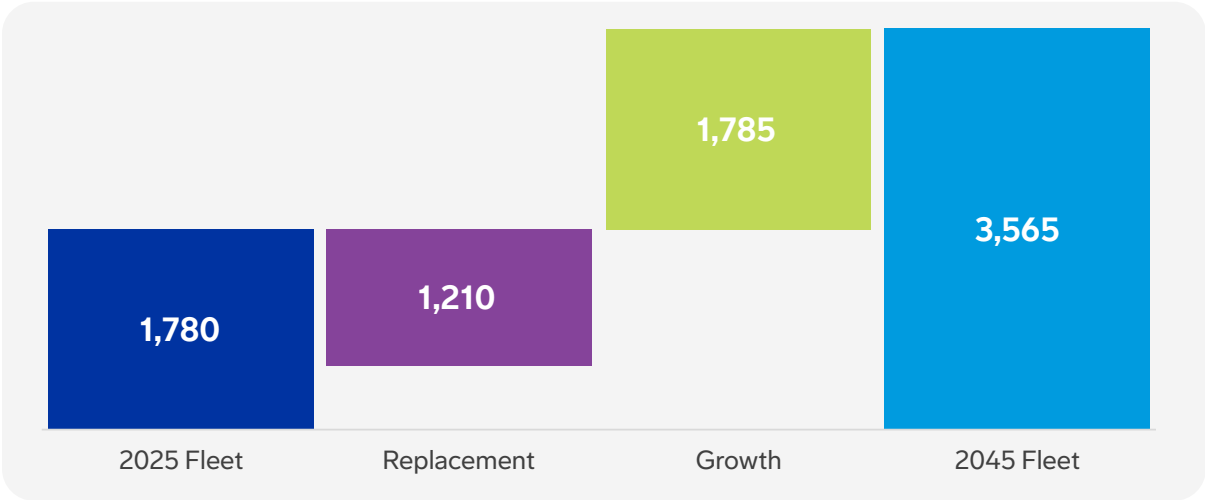
MIDDLE EAST

Widebody passenger and freighter demand is expected to remain strong, representing half of all new airplane deliveries to airlines in the region. This share is the highest for a CMO region reflecting the region’s central role in facilitating long-haul connections between Asia, Oceania, Africa, Europe and the Americas for both passengers and air cargo.

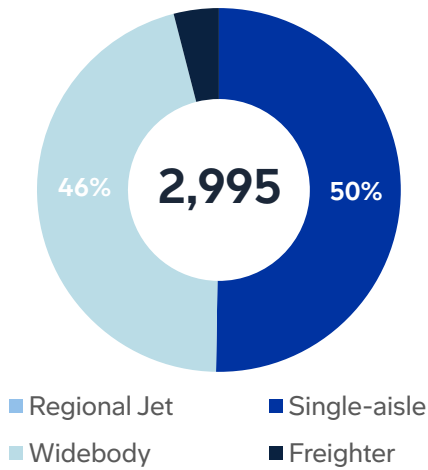
Single-aisle airplanes will serve year-round point-to-point service and strengthen domestic and intra-regional connections. As the region’s economies diversify and tourism grows, intra-regional mobility will be a prerequisite, providing demand growth for LCCs and single-aisle operators.

Near-term volatility will not alter the Middle East’s strong long-term aviation outlook.

Fleet & Deliveries



Deliveries by Type





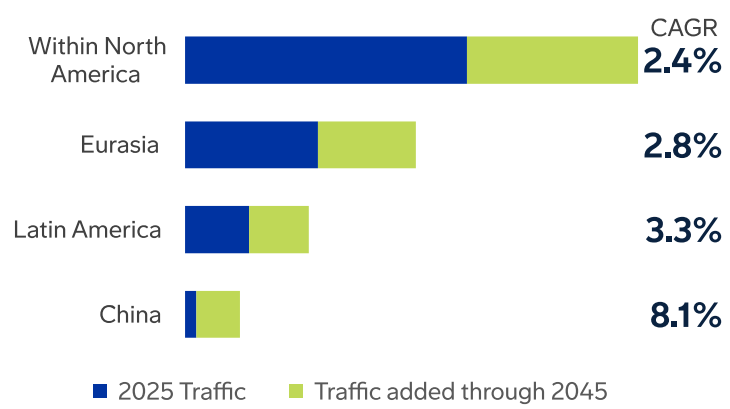
NORTH AMERICA



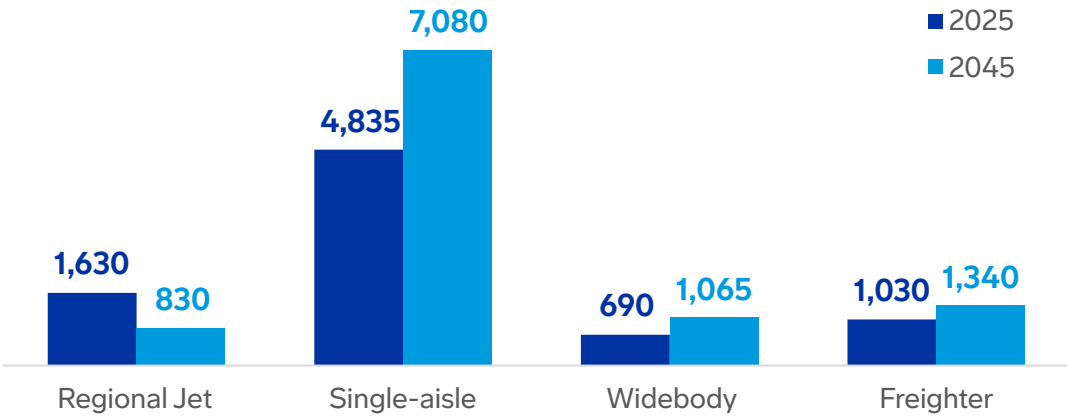
North America is the world’s largest commercial aviation market with more than 8,000 airplanes in service including the largest regional jet and freighter fleets in the world. Fleet growth over the next 20 years is expected to be modest at 1.2%, reflecting a mature market, a large installed fleet and continued upgauging to improve hub efficiency, lower unit costs and support larger premium cabins. Premium international traffic for North American airlines has increased by nearly 50% since 2019 from a growing international network with more flights, a 25% increase in premium seats available and passengers purchasing a greater share of those seats.

Short-haul flying drives the majority of air travel demand, with intra-North America and traffic to/from Central America accounting for roughly three-quarters of regional traffic over the next two decades. As a result, single-aisle airplanes are expected to grow from 60% of the fleet today to nearly 70% by 2045.

Passenger Traffic & Annual Growth



Fleet Composition





DENVER, COLORADO

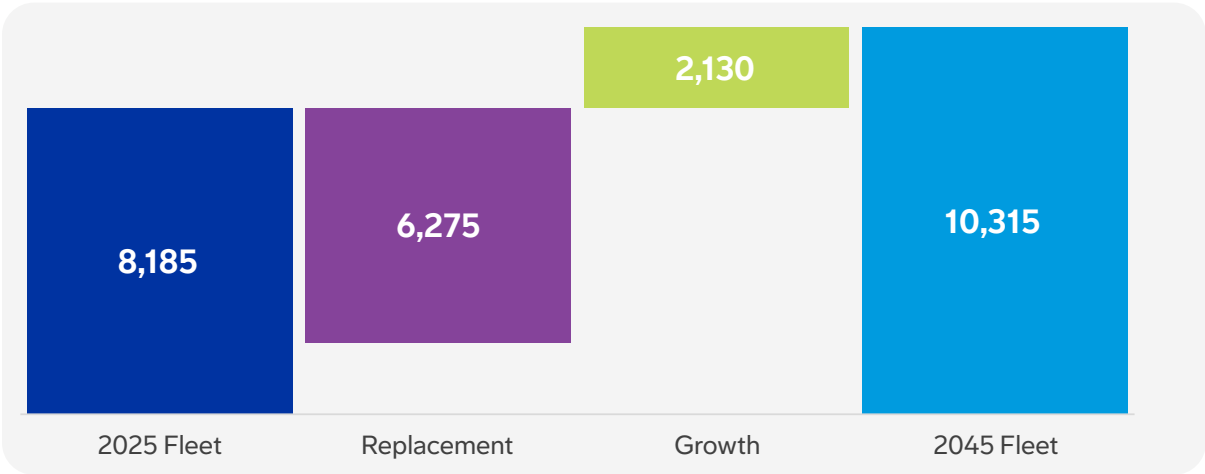
NORTH AMERICA

North America’s regional jet market is shifting toward larger airplanes, with the large segment now representing about two-thirds of seats up from one third a decade ago. Regional jet capacity is down 20% since 2019, and the fleet is expected to shrink by about half by 2045 as airlines move flying to larger regional jets and small single-aisle airplanes.

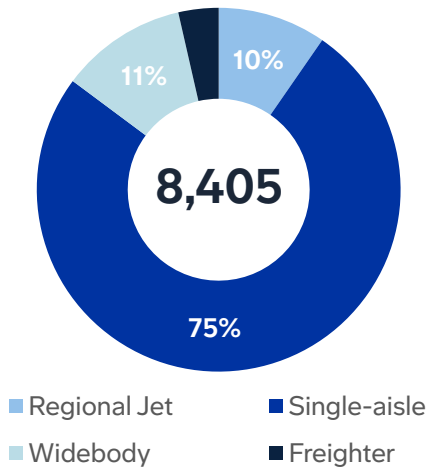
North America’s single-aisle fleet average fleet age is 16 years, about four years above the global average. Nearly 80% of future deliveries to the region are expected to replace older airplanes, the highest replacement share globally.

North America’s large fleet and mature market will drive high replacement demand and a shift to larger airplanes.

Fleet & Deliveries



Deliveries by Type





BUSAN, SOUTH KOREA

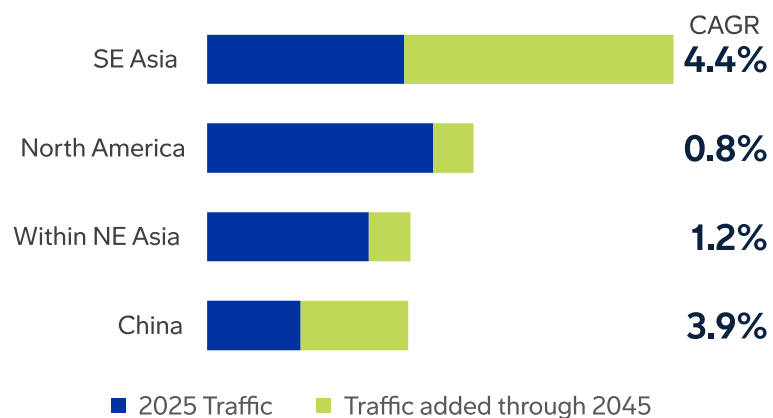
NORTHEAST ASIA



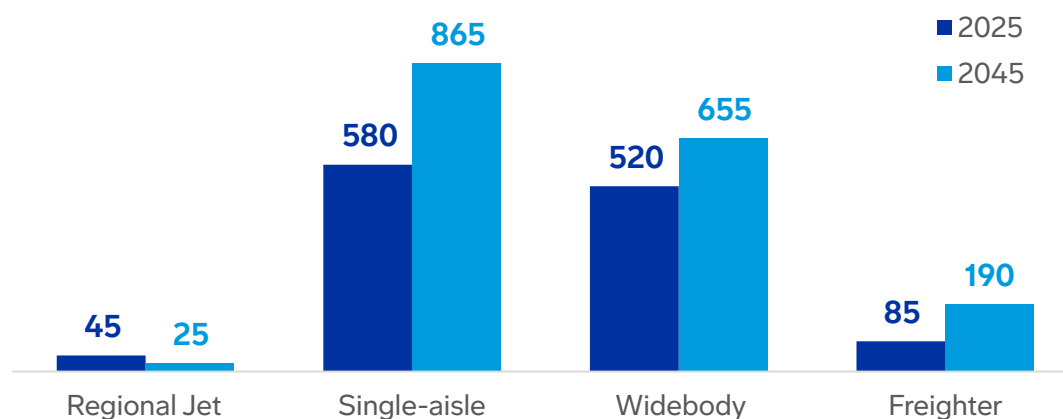
Northeast Asia's economic environment supports long-term aviation demand. While demographic headwinds such as aging populations and slower workforce growth are reshaping the region, they are also encouraging structural adjustment, productivity gains and policy reform. Northeast Asia continues to benefit from a strong industrial base, advanced manufacturing and technology-driven trade, which further support business and premium travel demand.

Northeast Asia is the most popular connecting point within Asia for passengers traveling between North America and Asia. Passengers connecting over the region have increased nearly 40% over the past decade. This rising share of long-haul traffic underpins the region's need for 635 new widebody airplanes to sustain and expand international connectivity.

Passenger Traffic & Annual Growth



Fleet Composition





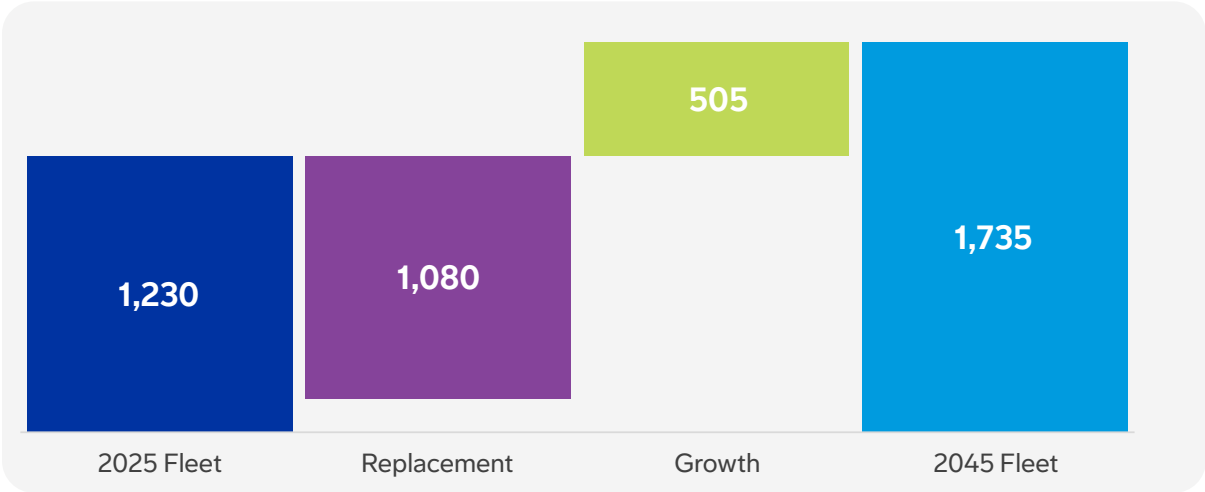
NORTHEAST ASIA

The single-aisle fleet in the region has become more productive over the last decade with average seats per flight increasing by 6% and stage-length increasing by 12%. This trend is expected to continue as 825 new, more capable single-aisle airplanes enter the fleet.

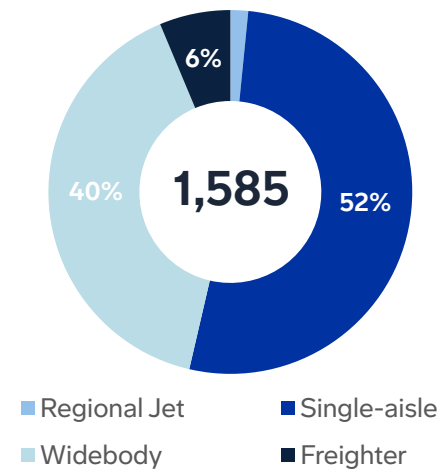
Companies in the region currently generate over 35% of global semiconductor sales. To transport these and other AI-related goods, the region's freighter fleet is projected to more than double by 2045. 6% of all new airplane deliveries in Northeast Asia will be freighters. On a share basis, this is the highest globally.

Strong trade, hub connectivity and rising cargo demand will drive Northeast Asia's fleet growth.

Fleet & Deliveries



Deliveries by Type





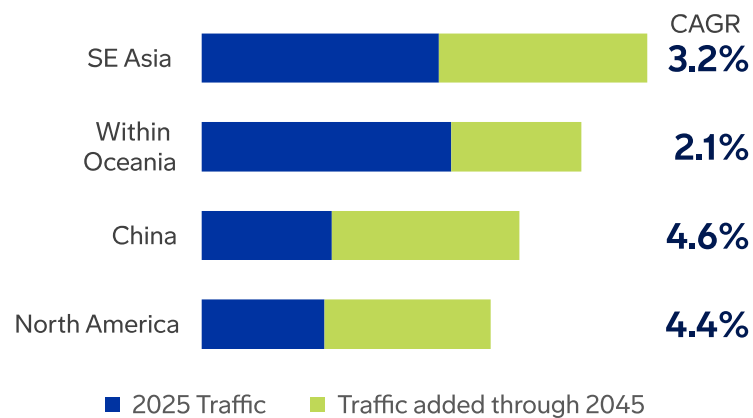
OCEANIA



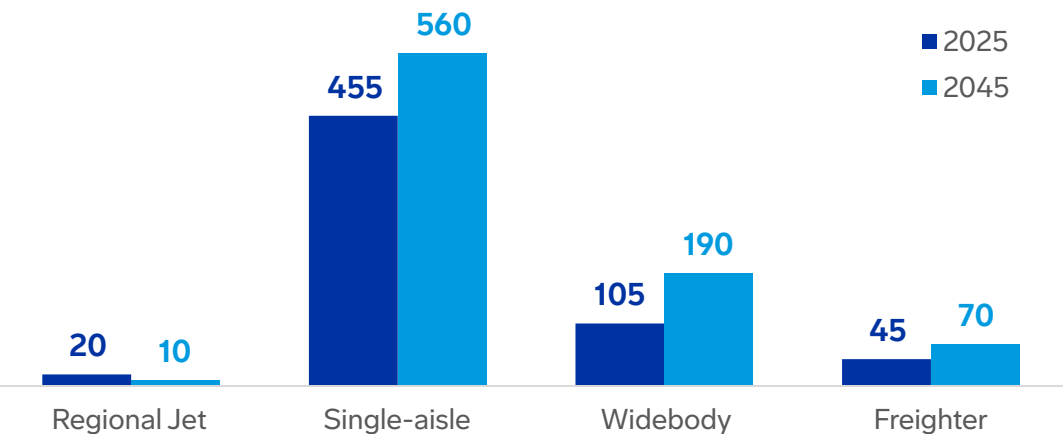
Airport investment, tourism promotion and open-skies agreements are key economic and policy drivers that will enable airlines to expand networks and increase service frequency across Oceania.

Single-aisle airplanes will remain the backbone of regional connectivity. They currently provide an estimated 40% of seat capacity between the South Pacific and Asia and link island states to larger regional hubs for commerce, point-to-point leisure and visiting friends and relatives (VFR) travel. The single-aisle fleet is expected to increase by nearly 25% over the next 20 years. Airlines will need 565 new deliveries to support this increase.

Passenger Traffic & Annual Growth



Fleet Composition





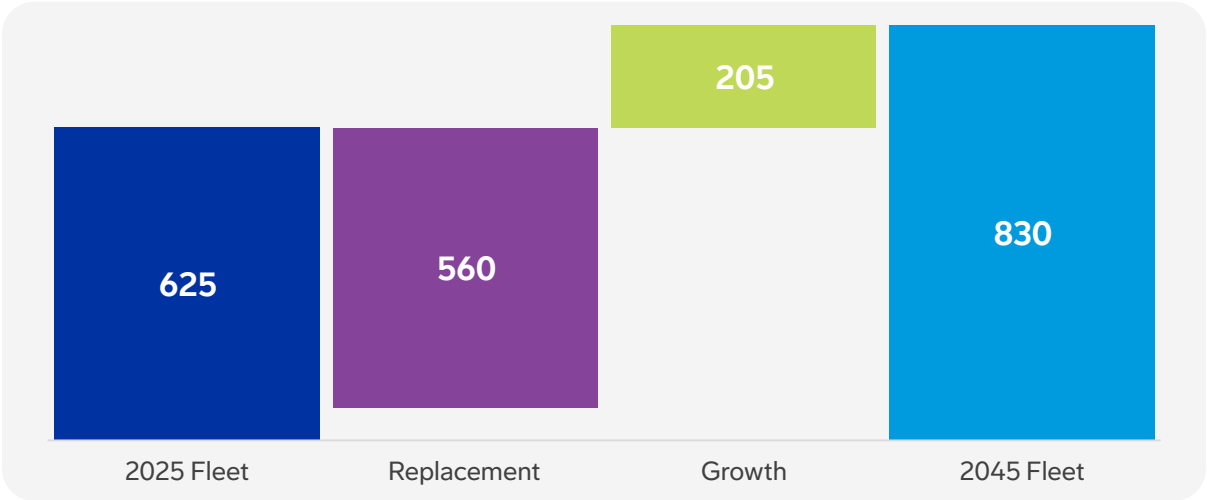
OCEANIA

Six of the 10 longest commercial flights in the world connect Oceania with other regions, highlighting the need for 185 new widebody airplanes to support long-haul network growth and more frequent medium-haul services. Of the 765 projected deliveries, 24% are expected to be widebody airplanes supporting tourism, trade and international connectivity.

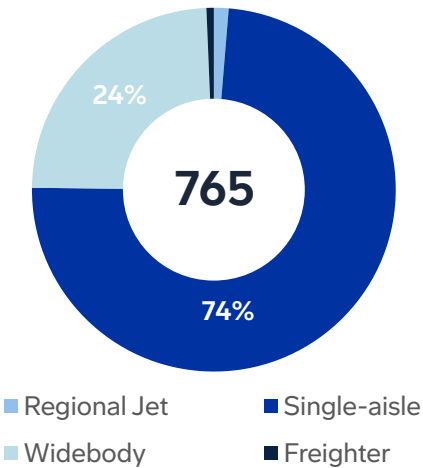
Airlines in Oceania are expected to renew their fleets aggressively, with more than seven of every 10 in-service airplanes replaced by newer, more fuel-efficient jets. This rate is well above the global replacement rate and reflects a focus on operational efficiency and environmental performance.

Strong tourism and long-haul demand will drive Oceania’s aviation outlook with fleet renewal taking center stage.

Fleet & Deliveries



Deliveries by Type





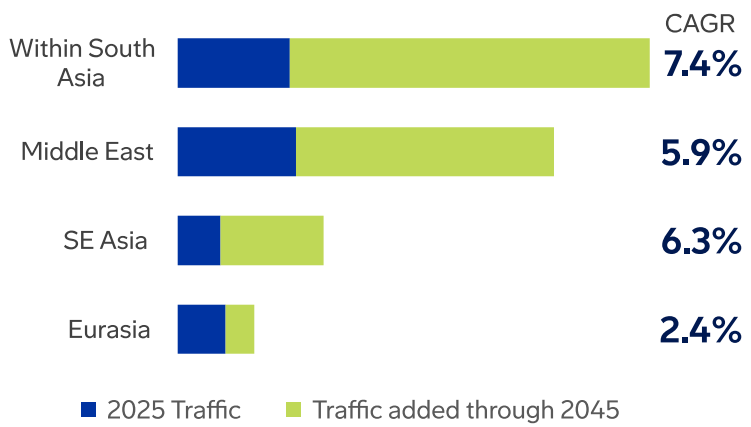
SOUTH ASIA



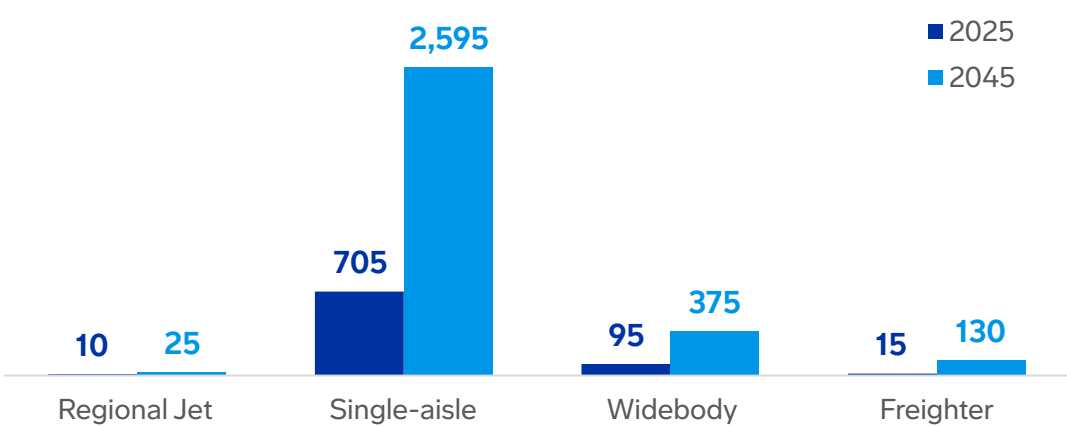
South Asia is projected to account for roughly 25% of the world’s population by 2045, sustaining aviation demand driven by India’s consumption growth, services expansion and deepening trade ties. Rapid urbanization, rising incomes and a surging digital economy together with trade liberalization and shifting global supply chains will underpin both passenger and cargo growth.

Passenger traffic to, from and within the region is expected to triple and the South Asian fleet is expected to grow at an average annual rate of 6.9%, the fastest regional fleet growth worldwide. Large-scale airport investment, including about 80 planned new airports in India over the next five years, and private capital will be critical to building connectivity and capacity.

Passenger Traffic & Annual Growth



Fleet Composition





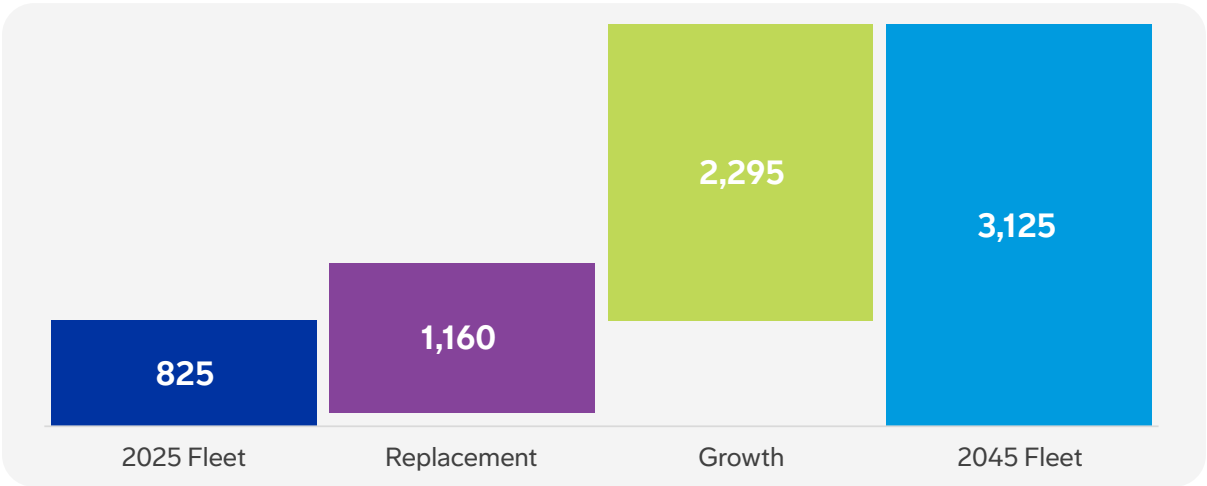
SOUTH ASIA

Market structure will remain split, with LCCs dominating high-frequency domestic markets and full-service network carriers expanding long-haul networks as regional hubs mature. Airlines will favor modern single-aisle airplanes to increase frequency and flexibility while reducing per-seat costs on short- and medium-haul routes. Single-aisle jets are expected to account for 87% of total deliveries.

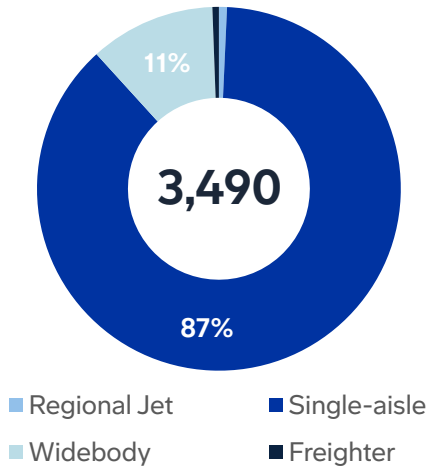
The region's widebody fleet will almost quadruple as long-haul networks to the Middle East, Europe and North America develop. South Asia's new and converted freighter fleet will grow roughly five-fold to 130 airplanes to support rising exports. Combined growth and replacement will expand the region's fleet from roughly 825 to about 3,125 airplanes by 2045, a nearly four-fold increase.

South Asia's fleet will quadruple by 2045 driven by India's domestic demand, airport investment and growing international connectivity.

Fleet & Deliveries



Deliveries by Type





SOUTHEAST ASIA

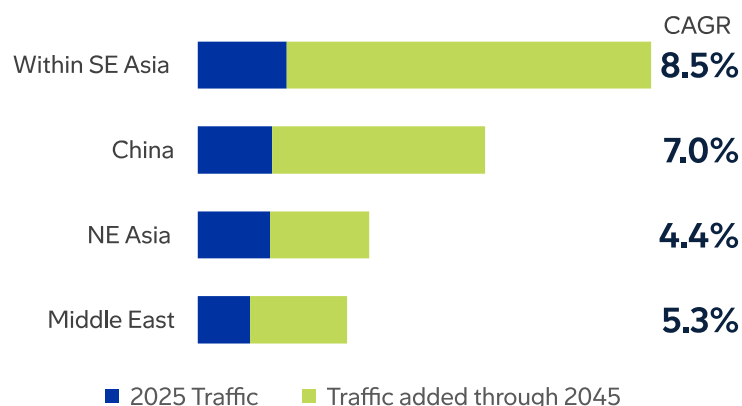
4.1% **6.7%** **6.5%**

GDP Growth Traffic Growth Fleet Growth

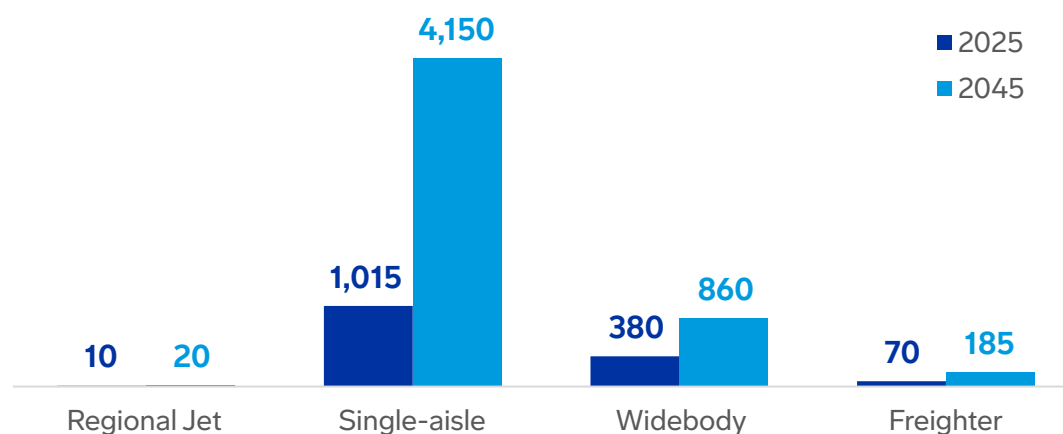
Southeast Asia will be one of the fastest-growing aviation markets as passenger traffic rises about 6.7% annually by 2045, supported by a young population, rising incomes and strong export and tech sector performance in markets such as Vietnam, Indonesia and Malaysia. Collectively, this growth will support sustained demand for domestic and international travel.

LCC single-aisle fleets will grow nearly 7.5% annually through 2045. More than three out of every four new single-aisle deliveries over the next 20 years will be operated by LCCs as they expand point-to-point networks and broaden affordability.

Passenger Traffic & Annual Growth



Fleet Composition





HOI AN, VIETNAM

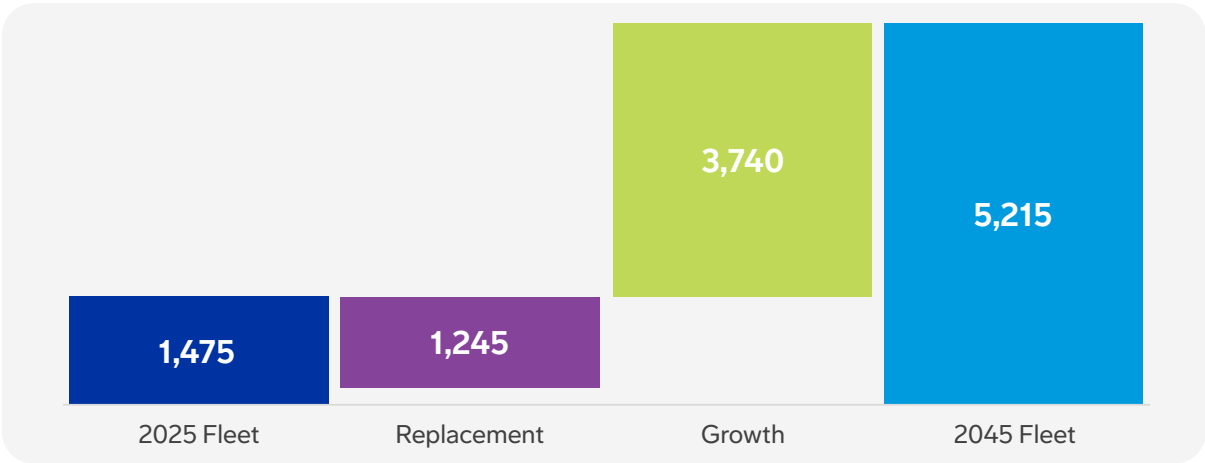
SOUTHEAST ASIA

Overall, airlines in Southeast Asia will need 4,080 new single-aisle airplanes for fleet renewal and growth. Network carriers will continue to expand long-haul links as outbound tourism and business travel increase. Long-haul flights to and from Southeast Asia operated by Southeast Asian airlines rose more than 50% in the last decade while airlines outside the region have seen increases of 30%. To support international network growth and fleet renewal, the region's carriers will need about 855 new widebody airplanes by 2045.

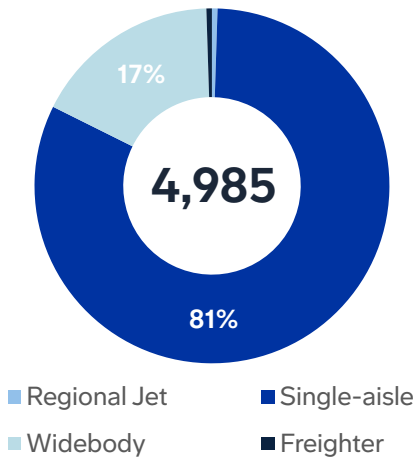
The resulting fleet mix, predominately single-aisle with strategic widebody and freighter investments, will boost efficiency, expand route options and strengthen regional connectivity and logistics capabilities over the next two decades.

Southeast Asia will emerge as one of aviation's fastest-growing markets led by LCC expansion and fleet growth.

Fleet & Deliveries



Deliveries by Type



METHODOLOGY

Boeing publishes the CMO each year to assess aviation trends and forecast future airplane demand. The CMO combines top-down traffic and capacity analysis with bottom-up airline fleet data to match passenger and cargo demand with the airplanes required to serve it. The forecast covers at least 180 airlines and all commercial passenger jets with more than 30 seats. Passenger demand is forecast across 53 regional and inter-regional traffic flows. Since the factors driving passenger demand vary across countries and regions, a range of forecast methodologies are used to project these flows.

Air Travel Demand Factors

The CMO is a long-term forecast designed to look past short-term disruptions and project enduring industry trends. Generally, factors that influence air travel market growth can be grouped into three categories: economic activity, ease of travel and local market attributes.

Local Market Attributes

Travel demand also depends on local conditions. Passenger demand grows as countries become more prosperous. Emerging markets consistently demonstrate that air travel spending increases disproportionately as households join the middle class. In more mature markets, growth is influenced by productivity, evolving tourism flows and changes in propensity to travel. Regional travel propensities may also be influenced by demographic and socioeconomic factors. Geography also influences travel within a region: island regions and areas with distant population centers often generate more air traffic.

Economic Activity

Economic growth is the primary driver of air travel demand. Key indicators include:

- Economic output at the country and regional levels, measured by GDP
- Population and per capita income growth
- Labor force trends
- International trade, investment and business linkages

Ease of Travel

Air travel demand increases when aviation industry developments make travel easier and more affordable. Examples include:

- More open skies and liberalized air service agreements
- Deregulated domestic markets
- Emerging technology (e.g., new airplanes that enable new routes)
- Business model innovation (e.g., low-cost airlines driving down fares)
- Airline network improvements (e.g., new nonstop city pairs, greater frequencies)

Airplane Demand

The final step in the CMO process is converting traffic demand into airplane demand. Boeing uses detailed information on airline fleets, replacement plans, growth plans and manufacturer backlogs to estimate how many new airplanes will be needed. The process also considers airline strategy, network expansion and airplane size and performance needs. The goal is to ensure future fleet capacity matches projected demand.

Forecast Utility

Boeing employs the CMO forecast outputs to make key business decisions, including future production rates, product development planning and future production capacity and personnel planning. Boeing also uses the forecast to inform industry stakeholders, including governments, regulatory bodies, suppliers and airlines, and to strive for alignment on future aviation industry prospects.

GLOSSARY

ASK

Available Seat Kilometer. A metric of passenger capacity defined as the number of seats onboard multiplied by the kilometers flown.

CAGR

Compound Annual Growth Rate.

Cargo

For the purposes of this document, freight, express or airmail.

CTK

Cargo Tonne Kilometer. A metric of freight traffic defined as the weight carried multiplied by the distance flown.

Frequency

How often an airline operates between two locations.

GDP

Gross Domestic Product. A metric of all goods and services produced within a country's border during a specific period.

Load Factor

A measure of the use of an airplane's capacity that compares Revenue Passenger Kilometers (RPKs) as a proportion of Available Seat Kilometers (ASKs).

LCC

Low-cost carrier.

Payload

The portion of airplane load that provides revenue.

RPK

Revenue Passenger Kilometers. A metric used to measure traffic defined as the total distance flown multiplied by revenue passengers.

Utilization

The number of hours flown by an airplane per day.



