# BOEING TAKES FRESH VIEW AT MIDDLE EAST MARKET

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**Boeing** is looking at the **Middle East** in a new way as it broadens its outlook and steers clear of involvement in the spat between U.S. and Middle East airlines. Bernard J. Dunn, president of Boeing Middle East, said that a new framework for BCA’s management of sales in the region had been adopted, introducing Turkey into the Middle East and North Africa region, now to be known as “MENAT.”

Meanwhile Randy Tinseth, vice president marketing, Boeing Commercial Airplanes (BCA), speaking at the same briefing here in Dubai last week, refused to comment on the spat between the “Gulf 3” and “U.S. 3,” saying only, “We are advocates for deregulation and liberalization.” Tinseth and Dunn were speaking to reporters at the company’s Dubai regional headquarters ahead of the 2015 Dubai Airshow.

Boeing expects Middle East operators to require 3,180 new airplanes worth $730 billion over the next 20 years, with 70 percent of demand coming from fleet expansion, and the rest to replace aging aircraft.

The U.S. company forecasts that the region will require 880 new medium-sized widebody aircraft, such as the 777-family, costing $310 billion, as well as and 300 large widebodies such as the Airbus A380 worth $130 billion, and 560 small wide-bodies such as the Boeing 787 costing around $150 billion.

Twin-aisle aircraft are twice as likely to be found in Middle East fleets, underlining the importance of the segment to the region’s three leading airlines, Emirates, Etihad and Qatar Airways, Boeing said.

Boeing’s Current Market Outlook forecast predicts that the world’s airlines will require 38,050 new aircraft, valued at $5.6 trillion, over the next 20 years.

While praising governments and others for the investments in regional airport infrastructure, Boeing believes that the growing number of aircraft in the region presents challenges to the existing air traffic control network.

“We are starting to see the skies really fill up with a lot of airplanes, and the question is what type of investments will have to be made in order for this growth to continue,” said Tinseth.

He said Middle East economies had grown 3.1 percent per year since 2010, with passenger growth robust at 9.9 percent and industry profits steady at $5.7 billion.

In the past 15 years, Middle East revenue passenger kilometer (RPK) growth has often outperformed the global average at double-digit rates, Boeing data shows.

Tinseth forecast regional economic growth of 3.8 percent a year over the next 20 years, while regional passenger traffic would grow 6.5 percent.

He said that growing industrial development, biofuels collaboration and academic initiatives characterized the relationship between Boeing and the Gulf carriers, as well as that with companies like Al Ain’s Strata, a unit of Abu Dhabi’s Mubadala Development Co., now producing advanced composites components for Boeing 787 and 777 programs.

Tinseth said that while global airlines had made profits of $60 billion over the past five years, with traffic growth around 6.5 per cent a year, in 2015 they were expected to make $30 billion, for a “very good year.”

Boeing expects to deliver a total of 755-to-760 aircraft this year.

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