Boeing Designing New Planes With China In Mind

Christopher Bodeen, Associated Press

BEIJING (AP) -- China's fast growing demand for aircraft has become a strong influence on how Boeing Co. designs and markets its newest planes, one of the company's executives said Wednesday.

Ihssane Mounir also said Boeing welcomes future competition from China's state-owned COMAC, which is developing a pair of passenger jets, but warned the commercial aircraft business could be punishing.

"It needs a lot of money, it needs a lot of patience, and the learning curve is tough," Mounir, senior vice president of sales and marketing for greater China and Korea, told The Associated Press.

Mounir's comments at the Aviation Expo China in Beijing follow Boeing raising its estimate for Chinese commercial aircraft purchases over the next 20 years to 5,000 jets, at which time China will be the world's second largest plane market after the United States.

"The number is pretty staggering. It's mind boggling actually," Mounir said.

Boeing aims to capture a least 50 percent of that demand, and is developing its planes with an eye specifically on the Chinese market, he said.

"You would be a fool to ignore the requirements of China. China is one of the drivers" of how Boeing designs and builds its planes, Mounir said, listing size, seating configuration, range, and fuel efficiency as areas in which Boeing takes its customers' requirements into account.

A similar trend has already taken hold in the auto industry, where global car makers including Ford Motor Co., General Motors Co., and BMW have introduced new models with the Chinese consumer in mind.

Chinese airlines have tripled the size of their fleets over the past decade to a total of 1,593 jets and plane maker AVIC estimates an additional 4,583 passenger planes need to be added over the next 20 years to keep up with passenger growth and to replace aging aircraft.

AVIC helped set up COMAC to build China's entrants into the large commercial airplane industry: the 150-seat C919 that would compete with the Airbus and Boeing models and the 78-90-seat AR-J21 to serve regional routes. While more than 300 of the planes have been ordered, mainly by Chinese carriers, they both remain in development, with a C919 prototype yet to be built. Four ARJ21s have flown and have undergone testing in extreme conditions.

AVIC is also developing a turbofan engine to one day power the C919, although it was shown at the Beijing exhibition only in model form. The ARJ-21 is powered by engines from General Electric Co.

While warning of the high entry costs, Mounir said it entirely understandable that China would want to take advantage of a booming market in an important industry. He said competition will force Boeing and other industry leaders to stay on their toes.

"I worry about it to that extent, but also welcome it because it makes us build better planes," Mounir said.

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