



Getting the Most Out of the Air Cargo System

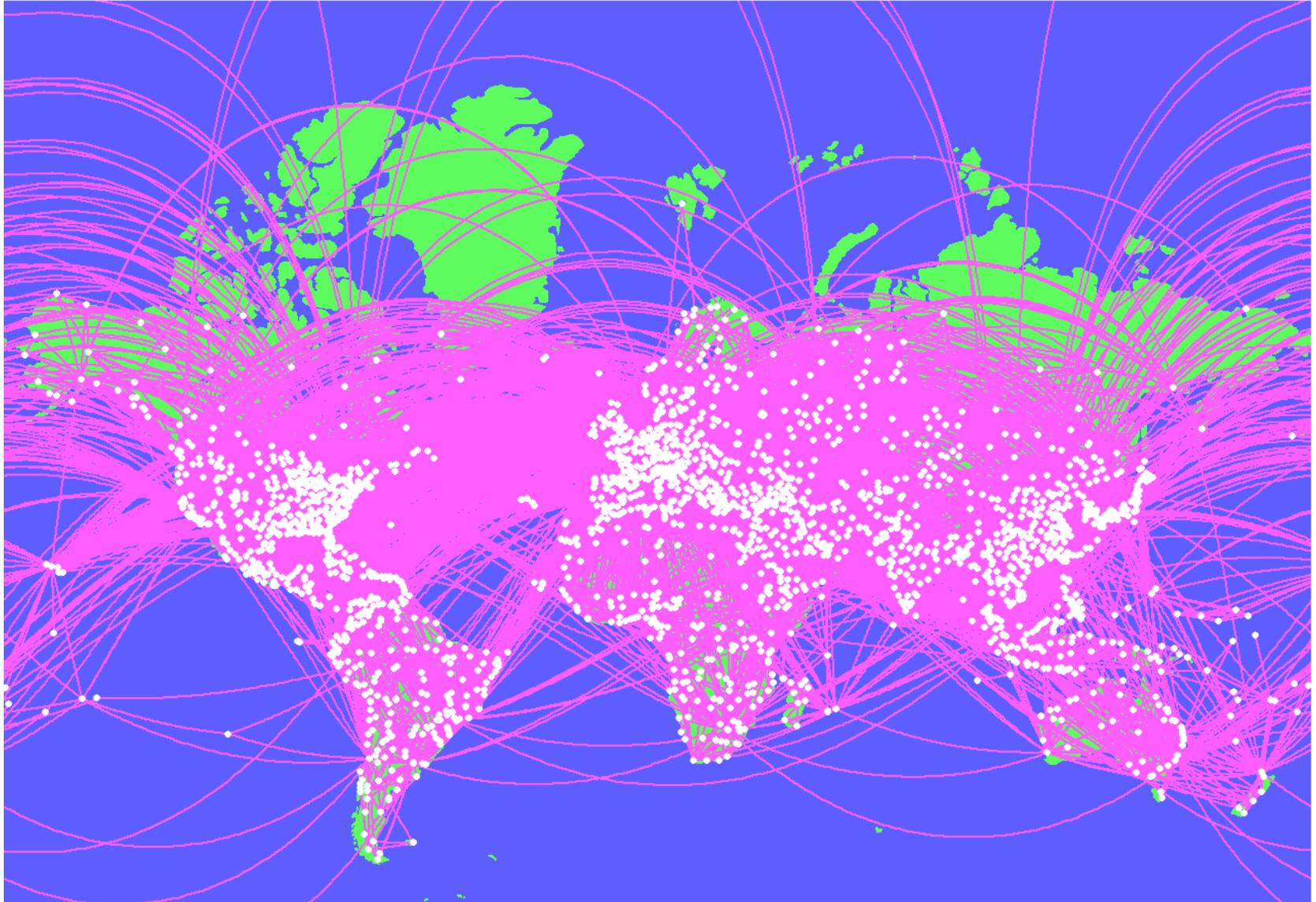
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08 May 2014

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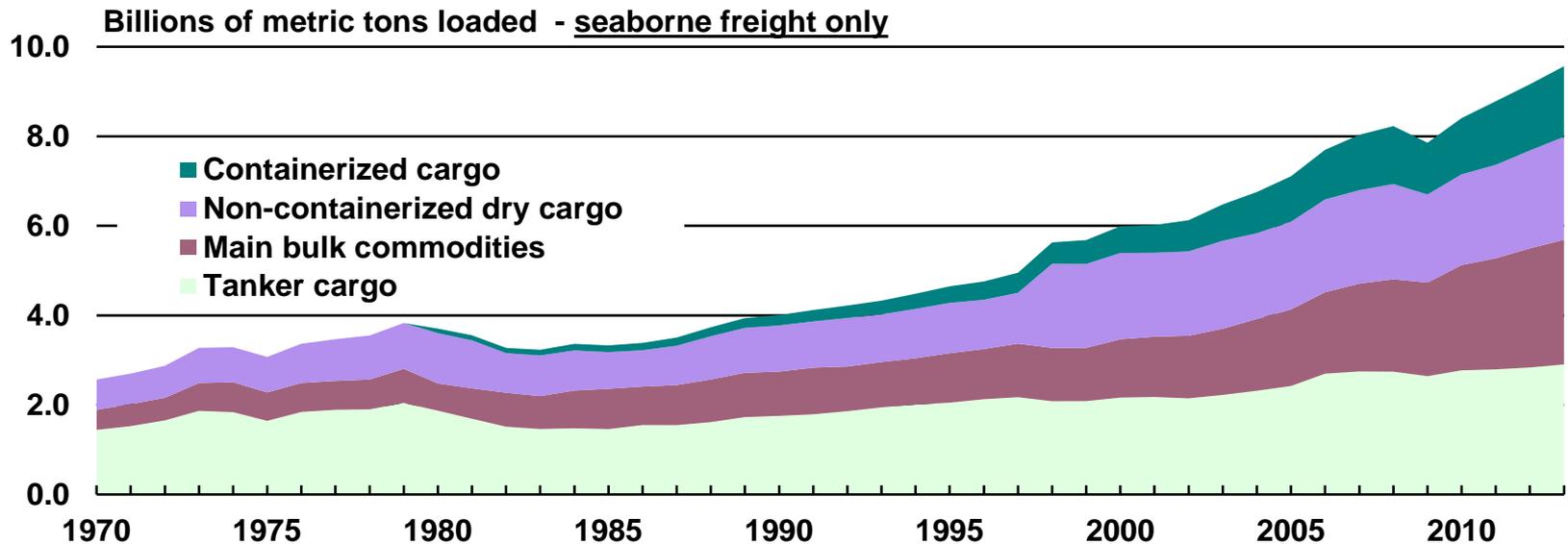
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3 billion passengers...44 million tons of air cargo...
..20,000 airport pairs



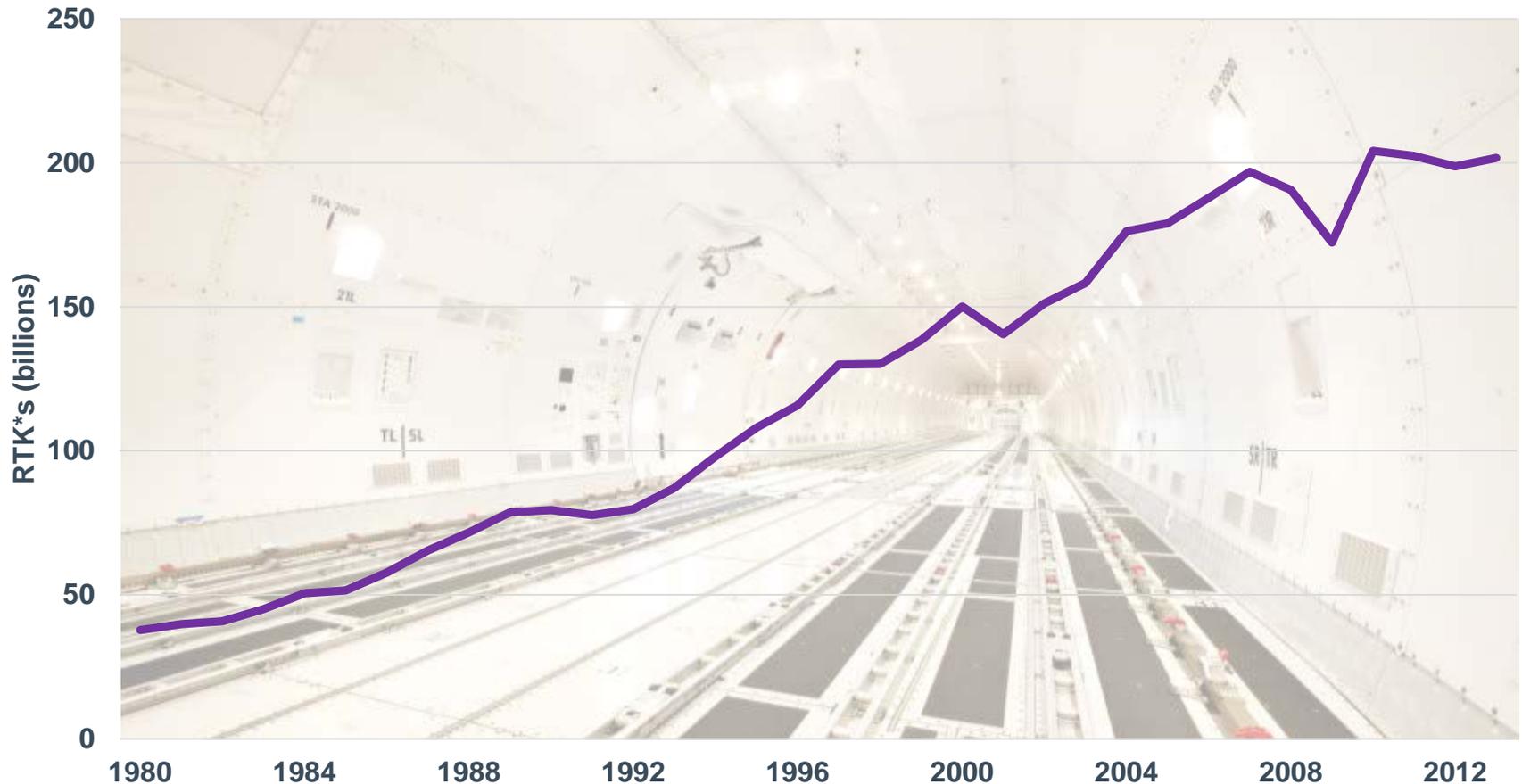


World seaborne traffic moves ~90% of all freight*;
 air cargo moves ~1/3 of goods in terms of value



Air cargo moves a very small portion of total freight weight, but a significant portion of goods by value

World air cargo traffic has grown 5.2% per year since 1980



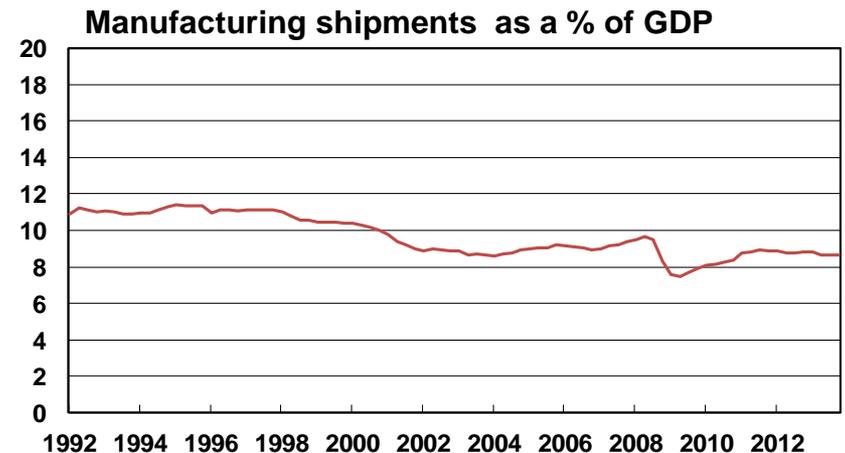
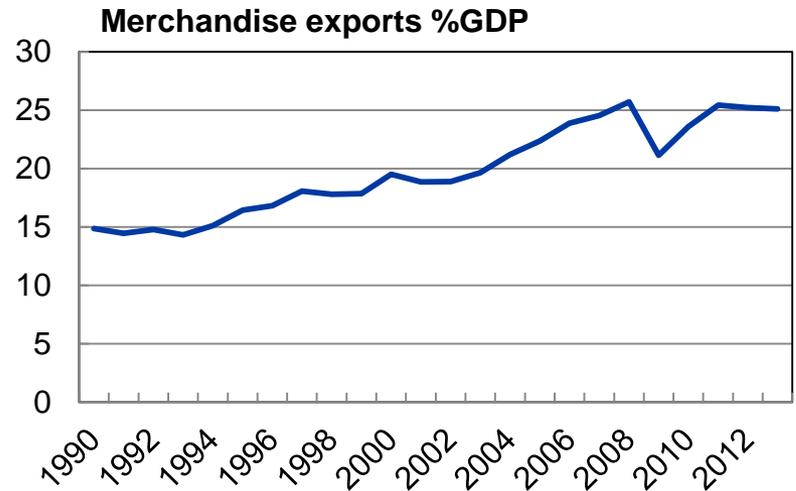
Air cargo traffic has slowed to about 1% growth per year since 2008

* Revenue tonne-kilometers

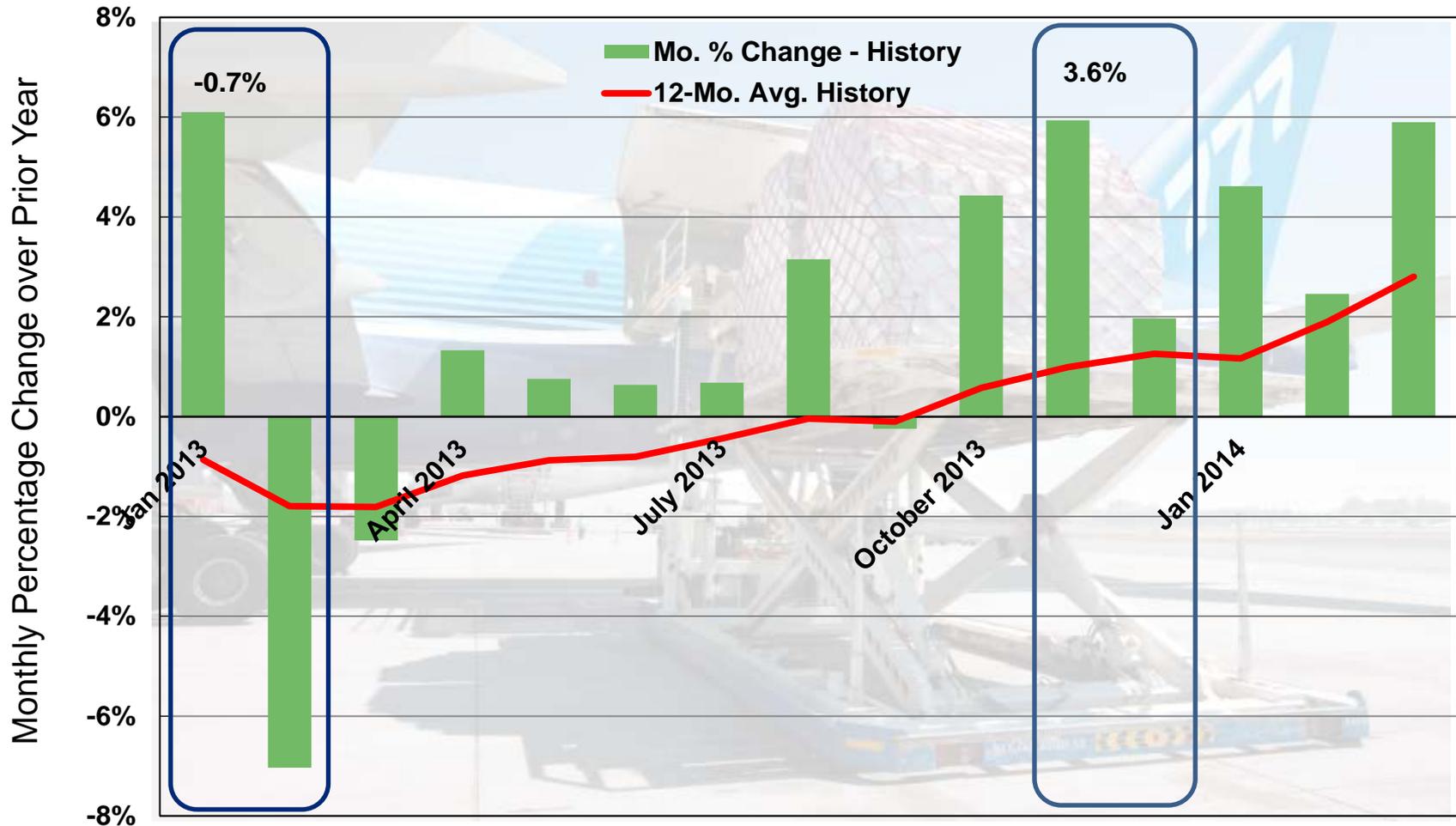
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Slow trade and air cargo growth mostly driven by weak demand growth

- **Very deep recession followed by weak recovery in developed economies**
 - Trade growth also slowed in early 1990s and 2000s after recessions
- **Protectionist measures have increased but their impact is often overstated**
 - Very few countries have become more “closed” e.g. Argentina, Venezuela, Ecuador, Egypt
- **Benefits from trade liberalization not exhausted**
 - Bali package signed; TPP & TTIP possible
- **Supply chains are not becoming less global**
 - No evidence of U.S. manufacturing renaissance
 - Trade patterns becoming more complex
- **Trade forecast for “addressable market” is 5% through 2030 per IHS Economics**



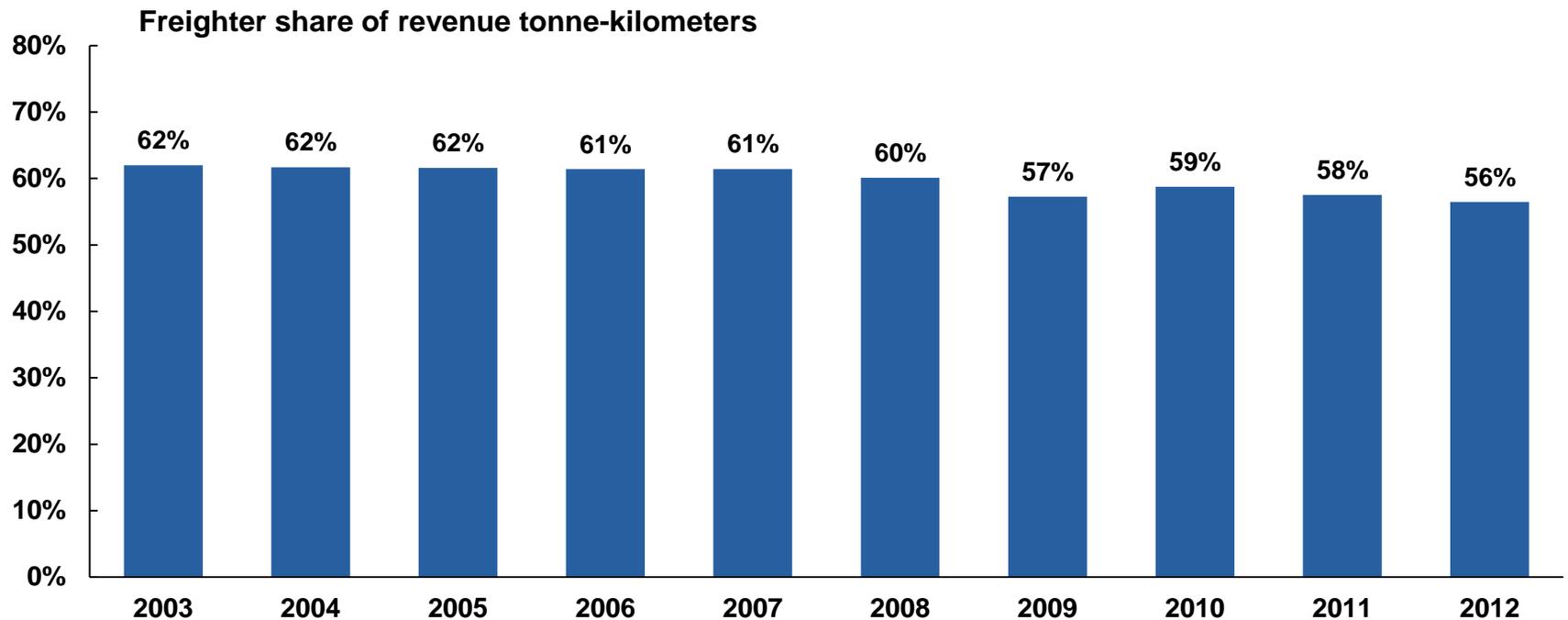
World air cargo traffic growth moving toward trend



The air cargo market grew about 6% in March 2014



More than half of air cargo traffic is carried on freighters





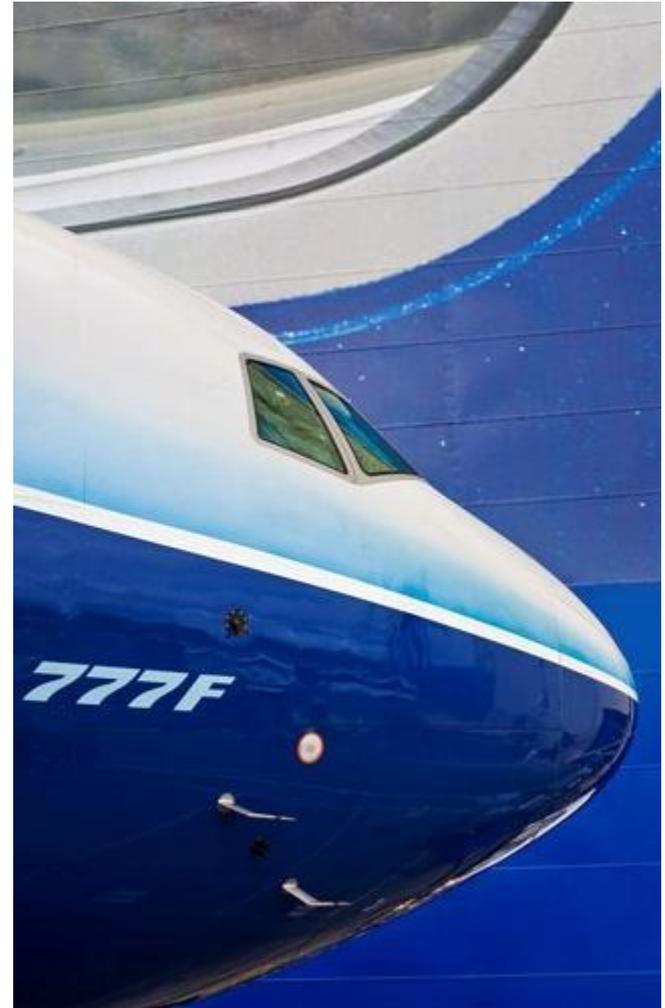
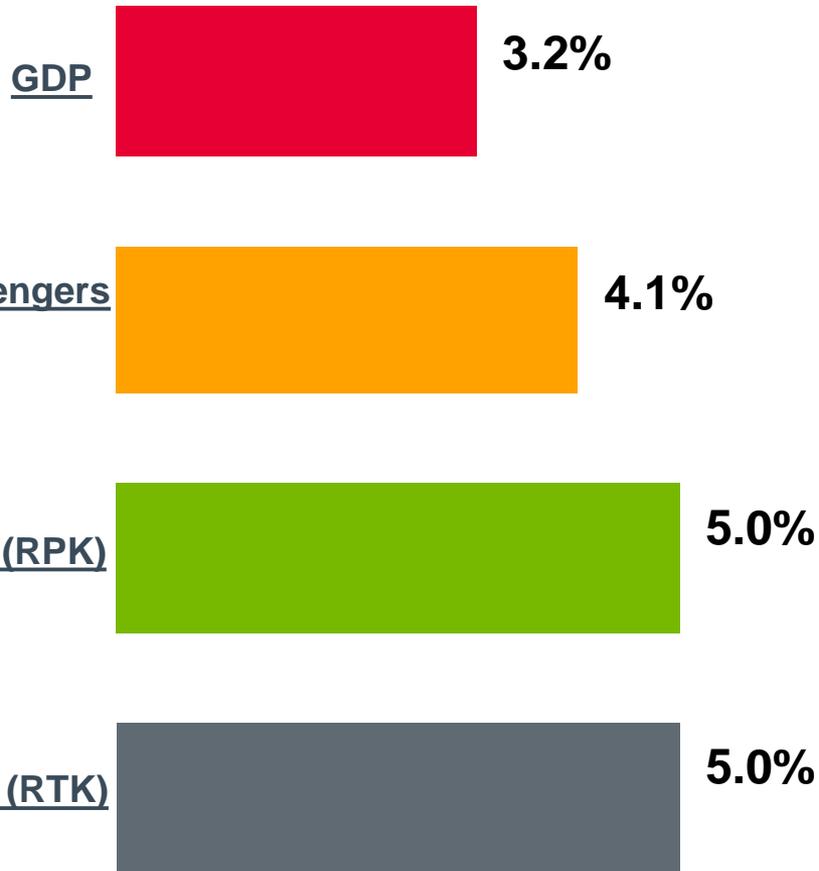
Freighter service advantages over passenger belly

- **Cargo focus and control**
- **Timing and routing**
- **Capacity (volume, weight, hazmat & dimensional)**
- **Handling location and ramp proximity**
- **Reliability and predictability**

Freighters will remain the leading cargo capacity provider

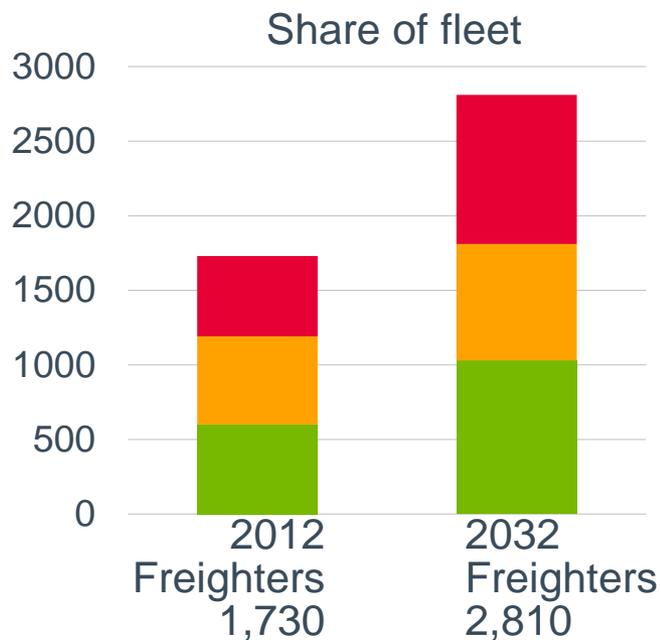
20-year forecast: strong long-term growth

2012 to 2032

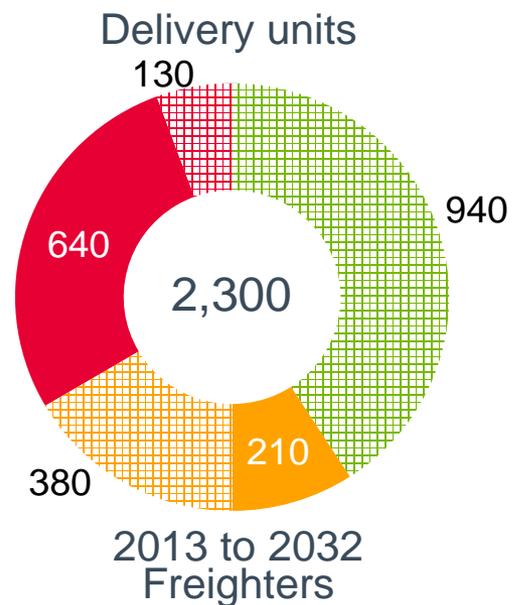




New freighter demand -- 850 new, 1,450 converted



- Large
>80 tonnes
- Medium
40 to 80 tonnes
- Standard
<45 tonnes
- Converted





Keys to a successful air cargo operation

- A base of operations located in the middle of multiple growing trade lanes
- The ability to feed to and “de-feed” passenger bellies and freighters:
 - multi-modal connectivity to both domestic and international flows
 - a reliable truck network – where roads exist!
- A dedicated sales and marketing staff
- Industry presence: press, advertising, relationships with shippers & forwarders
- Timely and reliable market information: trade & traffic data, capacity data, economic and industrial forecast information
- Reliable aircraft with the lowest per-tonne costs.



Things to remember

Slow trade & air cargo growth has been mostly driven by weak demand growth

World air cargo traffic is now recovering toward trend growth

Freighters will continue to carry the majority of air cargo traffic

Successful cargo operations require investment in information, personnel, and equipment



For more information, please visit our market forecast websites:

[Current Market Outlook](http://www.boeing.com/cmo)
www.boeing.com/cmo

[World Air Cargo Forecast](http://www.boeing.com/commercial/cargo)
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