



45,000 MORE-FUEL-EFFICIENT AIRCRAFT, WORTH US\$2.9 TRILLION, PREDICTED TO BE DELIVERED BY 2040

News / Airlines, Finance, Manufacturer



The new 2021 Cirium Fleet Forecast reveals that US\$2.9 trillion is expected to be spent on approximately 45,000 new and more-fuel-efficient aircraft over the next 20 years. Published by Ascend by Cirium, the fleet forecast predicts that 20-year aircraft deliveries globally by 2040 will be 4% higher than previously predicted a year ago. This outlines a positive outlook for the aviation industry and its recovery from the COVID-19 pandemic.

COVID-19 significantly affected air travel and so aircraft deliveries, with a 43% reduction during 2020 — 600 fewer aircraft — before the recovery in 2021, albeit still 25% below the 2019 level. As vaccination programs have been increasing globally, air travel is reopening resulting in 300 more aircraft deliveries in 2021 — despite the issues surrounding Boeing's 787.

Rob Morris, Global Head of Consultancy at Ascend by Cirium said: “The 2021 Cirium Fleet Forecast provides an optimistic long-term forecast for aviation which sees the industry return — although structurally differently to before — to more traditional growth paths beyond 2024. Passenger traffic is predicted to grow annually at 3.7% and so the global

passenger fleet will be required to increase by almost 22,000 aircraft.”

“If this forecast is realised that would take the global passenger fleet to some 47,200 aircraft by the end of 2040. The aircraft deliveries that are predicted will not only meet the rising traffic demands but will also replace older less-fuel-efficient aircraft.”

China will receive the most deliveries

The number of aircraft deliveries will vary from airline region to region, with Asian markets expected to be the engine for growth.

China is forecast to have the highest passenger traffic growth rate at over 6% — making it the country with the largest amount of deliveries achieving a 20% share.

This is significantly ahead of all other Asia-Pacific countries, which have a combined 22% share in total.

North American airlines are forecast to have 20% share and European carriers to have 17%.

The Middle East is estimated to take a 7% share, but in value terms it will be 11% by virtue of the high number of twin-aisle aircraft deliveries.

Latin America mirrors that of the Middle East with a 7% share, followed by Russia and CIS on 4% and Africa at 3%.

Majority of deliveries will be single-aisle jets

The Fleet Forecast reveals that single-aisle jets will account for 70% of total aircraft deliveries and 55% of delivery value in the next 20 years.

The core of this US\$1.6 trillion market continues to be the 150-seat size aircraft, typified by the Airbus A320neo and Boeing 737 Max 8, which will make up 50% of deliveries.

Popular 180+ seater aircraft, including the A321 neo and B737 Max 10, will take an increasing annual share, with 40% of deliveries over the two decades.

New single-aisle aircraft programs from both Airbus and Boeing are forecast to be developed in the early to mid-2030s.

The US\$1.1 trillion twin-aisle aircraft market will focus on B787s and A350s, with ‘mid-sized’ 250-300 seaters taking some 65% of delivery value. The highest capacity markets will be fought over by the A350-1000 and B777-9.

Deliveries in the regional markets are forecast to be worth US\$150 billion. Around a third of this figure is for turboprops, led by the 70-seat sector aircraft, with a larger 90-seat size from the 2030s. Future programs include China’s MA700 and an expected new series from Embraer.

Older fleets will be replaced with new generation aircraft

About 80% of the current passenger fleet is forecast to be retired from passenger service between 2021 and 2040.

The replacement of these older aircraft — which have higher fuel burn — with new models, is becoming more important as the industry looks to drive reductions in carbon emissions and focus

on sustainability.

Overall, there will be some 19,000 retirements from the end-2020 passenger fleet, in addition to the early phasing out of several relatively young aircraft.

Ascend by Cirium's analysis forecasts an average economic life of 22 years for single-aisle aircraft and 20 years for twin-aisle aircraft.

Freighters: New builds and conversions are rising

As cargo remains strong, freighter capacity (based on available tonne kilometers) is forecast to grow at 3.3% compared to 2019 and the supply of freighter aircraft is predicted to be around 3,500 aircraft over the next 20 years.

Of this total, 30% are expected to be newbuild freighters and 70% are conversions from passenger to freighter aircraft. Around 1,050 new aircraft are forecast worth US\$121 billion.

Passenger-to-freighter conversions are being driven by the growth of e-commerce, which has been boosted by more online shopping during lockdowns.

These conversion programs are focused on newer-generation aircraft types, such as the A321, B737-800, A330 and B777-300ER.

The Cirium Fleet Forecast is an independent outlook of the global commercial passenger and freighter aircraft market, based on the largest data portfolio in aviation and years of expertise.

To download an Executive Summary of the 2021 Cirium Fleet Forecast, [click here.](#)

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