



BOEING SEES SIGNIFICANT GAIN IN CHINA TRAFFIC ON VISA CHANGES

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Boeing Co. is seeing a significant uptick in China traffic as the government eases travel restrictions and moves toward a service-based economy, even as the Chinese economy grows at its slowest pace in more than 20 years.

"We see no slowdown in traffic domestically, traffic regionally, and actually see an uptick, significant internationally, especially as the Chinese government has changed policies around visas," Randy Tinseth, vice president of marketing at Boeing Commercial [Airplanes](#), said in a Bloomberg Television interview Thursday.

Boeing has announced plans for the company's first facility in China, as it predicts the country will displace the U.S. as the world's largest aircraft and travel market over the next two decades. Travel to and from China has received a boost from relaxed visa requirements to China and as

higher disposable income lets more Chinese travel overseas.

"We have seen definitely a slowdown in economic growth, but we are also seeing a restructuring of the economy, one that's based more on retail sales and services," Tinseth said. "This seems to help our industry, which is around travel."

The number of outbound Chinese tourists will reach 200 million a year by 2020 as income rises and other nations relax visa requirements to compete for their spending, CLSA Asia-Pacific Markets said in a 2014 report.

The U.S. and China last year agreed to extend the duration of short-term visas each country grants the other, to as long as 10 years. Since January, Japan has relaxed requirements for multi-entry visas for Chinese tourists with "substantially high income."

China Center

Boeing and Commercial Aircraft Corp. of China Ltd. will open a facility in China to paint, finish the interiors and deliver single-aisle 737 planes to Chinese companies, the U.S. planemaker said Sep. 23.

The plant will help speed jet deliveries from Boeing's Renton, Washington, factory as the company plans to raise production from 42 a month now to 47 in 2017 and 52 by 2018, aiming to meet "strong demand" for the world's most fuel-efficient airplane, according to Boeing.

The facility's location and the timing of initial deliveries will be provided later, Boeing said last month.

"We will be putting a number of airplanes through that completion center, probably all that's delivered into China," Tinseth said. "It's going to be a huge marketplace."

Wide-Body Glut

Tinseth also said it's normal for Boeing to experience pricing pressures as operators move from one aircraft model to another. The pricing has been within Boeing's expectations, he said.

Tinseth's comments come as Boeing shares fell the most in almost a year Wednesday, after Delta Air Lines CEO Richard Anderson said he sees a "huge bubble" in the market for used wide-bodied jets.

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