

Boeing eyes rivals as it turns 100

NEW YORK, USA: Boeing, creator of some of the world's most iconic aircraft of the 20th century, commemorated its centennial on Friday facing multiple challenges to remain at the forefront of global aerospace innovation.



Jeff McNeill via [Wikimedia Commons](#) - Boeing 747-8

At the top of the list is European archrival Airbus, which has topped Boeing in commercial orders in recent years and made inroads into the American market by building planes on US shores. Boeing also faces tough going in defense, having lost a US contract for the long-range strike bomber to Northrop Grumman, and another from the US and allies for a joint strike fighter to Lockheed Martin.

That leaves Boeing with only the delay-plagued KC-46 tanker program for the US Air Force, a deal it controversially wrested out of Airbus' hands. "Boeing's biggest challenge is Airbus," said Loren Thompson, chief operating officer of the Lexington Institute. "Whether Boeing keeps up or beats Airbus will determine the future of the company."

To stay strong in defense, Boeing must beef up its operations in maintenance of military vehicles, analysts say.

Space travel sector

In space travel, another longtime core activity, Boeing faces upstarts like SpaceX, which has been aggressive on price.

"Technologically they are positioned, but they are not well positioned in terms of pricing" in space travel, said Marco Caceres of Teal Group. "They are going to have to figure out how to become leaner, or otherwise they won't be able to compete for much longer."

Boeing insists it will stay at the top. Chief executive Dennis Muilenburg told USA Today in June that it is building a rocket that will let man set foot on Mars. "It's about 50 percent bigger than the Saturn V that took humans to the moon," he said.

Boeing also faces obstacles on Capitol Hill, where lawmakers have sought to block a controversial contract to sell some \$25 billion in planes to Iran. That came after a lengthy fight over the Export-Import Bank weakened an institution that has long supported Boeing.

Still a global icon

Still, analysts say Boeing continues to have cache as a "global icon," as Teal Group's Richard Aboulafia put it.

Boeing had revenues of \$96 billion in 2015 and has a multi-year backlog of orders for a civil aviation market that it believes will be worth nearly \$6 trillion over the next 20 years.

First founded July 15 in 1916 in Seattle by William Boeing as the Pacific Aero Products Co., Boeing has evolved into the biggest exporter in the United States. The company grew rapidly during and after World War I, expanding into air transport, but was broken up by the US government in 1934 on antitrust grounds. William Boeing sold his holdings in the company.

The company's ability to survive without its founder positioned it for growth when World War II sparked huge demand for its B-17 and B-29 bombers. Strong US military demand for the subsequent B-47 and B-52 bombers boosted Boeing during the Cold War.

Growth was then fueled by a succession of popular commercial planes unveiled in later decades, especially the famous Boeing 747. But today's competitive landscape also includes smaller rivals, such as Canada's Bombardier and China's Comac.

Source: AFPM

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