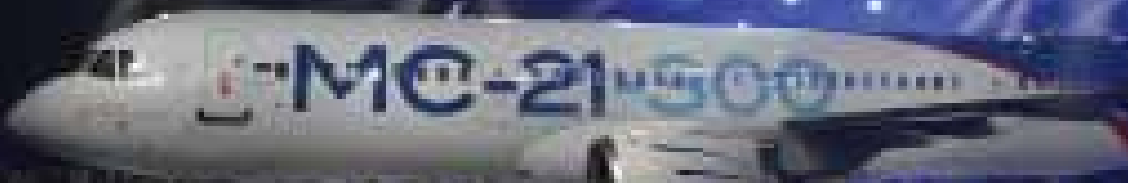


# Cautious Commitments



## Russia's MC-21 airliner

The combined output of Airbus A320 and Boeing 737 narrowbody airliners is presently around eighty aircraft its month and is projected to rise to 120 by 2020. With a planned *annual* output of 70 aircraft, the Irkut MC-21 is unable to pose an existential threat to the existing duopoly and so realistically, UAC can only hope for a small share in the global market for new narrow body jets, which Boeing estimates at 26,730 units in 2015-2034.

In today's market, demand far exceeds supply. The European manufacturer sold 1,253 A320s in 2013, 1,321 in 2014 and 966 in 2015, while deliveries in those years numbered 493, 490 and 491 respectively. As of January 2016, the backlog was 5,535 aircraft, 401 airliners more than the backlog a year earlier. This backlog is so massive that it ensures Airbus ten years of production at today's rates. But orders continue to come and the European manufacturer does not expect to be able to match its manufacturing capacity against the new order intake earlier than 2020. Boeing delivered 495 Boeing 737s in 2015 and has a broadly similar situation.

Thus, would any airline wanting a brand new narrowbody airliner be content to wait for ten years? Surely some would prefer to have their aircraft earlier. This gives an opportunity to new entrants such as the Bombardier CSeries, AVIC C919 and the Irkut MC-21. They can, and indeed hope to, claim a portion of the huge market, measured in the hundreds of billions of dollars, and so justify the investments into R&D and production.



Russian Prime Minister Dmitry Medvedev speaking at the MC-21 rollout ceremony on 8 June 2016