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To Meet Aircraft Demand, Boeing Opens Offices In South Africa And Kenya

By Dana Sanchez
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Boeing 787 Dreamliners at the assembly plant in Everett, Washington, U.S. At 98 acres, it's the largest building in the world by volume and gets 110,000 visitors a year. Photo: Stephen Brashear/Getty

U.S.-based aerospace and defense company Boeing International plans to open two new offices in Johannesburg, South Africa and Nairobi, Kenya, the company said Tuesday in a statement.

Boeing already has a presence in the two African countries, but the two new offices will help meet anticipated aircraft demand in Africa, where an estimated 1,150 new aircraft will be needed by 2035, according to Joao Miguel Santos, Boeing's managing director for sub-Saharan Africa.

Santos will be heading the Johannesburg office. The Nairobi office will be headed by Chamsou Andjorin, Boeing's director of government affairs and market development.

"Africa is not new territory for Boeing," Santos said. "Since the introduction of the jet airplane, Boeing aircraft have formed the backbone of the continent's commercial fleet and Boeing continues to be one of the largest U.S.-based companies doing business on the continent."

The aerospace giant has been looking to expand its businesses in Africa through investments in manufacturing, biofuels, and training [African Business Magazine](#) reported.

Boeing is one of the world's largest aircraft manufacturers. It was ranked the second-largest defense contractor in the world in 2016 based on 2015 revenue, according to [Defense News](#).

"The aerospace industry needs to start paying closer attention to Africa, because this continent is clearly on the move economically and all the trends are pointing in the right direction for the expansion of the sector," Santos said. "Our job is to be ahead in understanding these emerging trends and opportunities."

[Boeing](#) says it expects air traffic to, from, and in Africa to grow by about 6.1 percent a year over the next 20 years as airplane technology continues to increase fuel efficiency. New international routes will open up. Flights between Africa and Europe

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efficiency. New international routes will open up. Flights between Africa and Europe account for the largest share of the region's air travel, but the market share is decreasing and is likely to continue doing so, according to Boeing's website.

The top three airline traffic-flow sources are Africa-Europe, Africa-Middle East and within Africa, Boeing said. These three account for more than 86 percent of the total capacity, with intra-Africa being the fastest growing by net capacity.

This growth, combined with the need to replace the region's aging fleet, will result in a demand for 1,150 new airplanes, Boeing said. Most of the demand will be for 810 single-aisle airplanes, but widebody airplane demand will also increase as air travel and the African middle class continue to grow.

Boeing's investment comes at a difficult time in African aviation, African Business Magazine reported:

Some international airlines have suspended flights to a few African countries because of an inability to repatriate their profits held in foreign currency. Meanwhile, both domestic and international airlines have blamed the lack of a coherent and liberalized airline market in Africa for stifling growth and ensuring flight prices remain above global averages.

The recent downturn in commodity prices hurt African economies but GDP decline was projected to slow in 2016, as prices stabilized, Boeing said. Despite the headwinds, the decline is projected to be short term, with a rebound starting in 2017. Price volatility can reduce long-term growth prospects but many African policymakers adopted better fiscal policies that allowed them to minimize the effects of downturns in the economic environment, Boeing said.

Boeing Defense, Space & Security does business with countries across Africa in security including surveillance aircraft, mobility systems, manned and unmanned airborne capabilities, intelligence and security systems, and communications, [Defence Web](#) reported.

that attracted attention, but it seemed Boeing was looking at the AHRLAC (Advanced High-Performance Reconnaissance Light Aircraft) with special interest.

In 2014 Boeing agreed to collaborate with Paramount Group, a privately owned South African defense and aerospace firm, on Paramount's AHRLAC (Advanced High-Performance Reconnaissance Light Aircraft).

Renamed the Mwari, it is billed as Africa's first indigenous military aircraft, [Air Insight](#) reported. Boeing provided advanced intelligence, surveillance and reconnaissance capabilities and weapons systems.

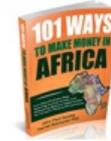
Paramount also operates the "Top Gun Pilot Training Academy," the only privately-owned school of its kind in Africa.

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