Boeing Relying on Exports for Military Planes

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PARIS (AP) -- Boeing's defense business plans to compensate for an expected weakening of U.S. military sales through a sharp rise in international exports, the company's president said Sunday.

"We're seeing a flattening of the (U.S.) defense budget, but we see a lot of opportunities for us internationally," said Jim Albaugh, president and CEO of Boeing Integrated Defense Systems (IDS).

Boeing IDS already has moved aggressively into the international marketplace, and brought foreign sales up from 5 percent five years ago to a current export business worth $5 billion, or 16 percent of its sales.

"We think we can easily grow that to about 20 percent in the next five years," Albaugh told reporters ahead of the opening on Monday of the Paris Air Show.

Chicago-based Boeing, which makes military aircraft, civilian jetliners and surveillance systems, faces heavy competition from a number of other manufacturers in the United States and Europe for military orders.

In November, the company was forced to lay off 800 workers at its Wichita defense plant due to a delay of a U.S. Air Force tanker replacement program and the completion of other work projects.

But Albaugh said Boeing IDS was optimistic about prospects for sales of its newly unveiled and revamped prototype of the F-15 tactical jet fighter, which has been in production since the 1970s.

The latest model, called the F-15 Silent Eagle, is designed specifically for customers in the Middle East and Asia Pacific. It is meant to compete against Lockheed Martin Corp.'s F-35 Joint Strike Fighter, which incorporates extensive stealth technology.

Boeing is hoping that its new F-15 will appeal to countries that are interested in the F-35, but are concerned about its rising costs and lack of flexibility. The new F-15 is equipped with redesigned fuel tanks that can be converted into internal weapons bays, as well as slanted tails, an improved cockpit design and special coatings that reduce radar visibility.

"We are not trying to say that this is an airplane that has full-aspect stealth capability. It doesn't. But from a front-radar cross-section it has all the stealth that has been approved for export by the U.S. government," Albaugh said. "We think it gives customers an alternative to have some stealth."

Several foreign countries are looking to equip their fighter and attack fleets with

new jets, including India with 120 new planes; Denmark and Brazil each seeking 48 jets; and Greece and South Korea, each wanting 40.

Another warplane that Boeing will aggressively market is the U.S. Navy's F/A-18 Super Hornet, which Australia has bought 24 of. This, too, represents an alternative for many nations that ordered the ultra-expensive F-35 jet, but are uncertain if deliveries can be made on time.

"On the Super Hornet side, right now we can see an international marketplace in excess of 250 airplanes," Albaugh said.

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