

OXFORD ECONOMICS

**Economic Benefits
of Air Transport in El Salvador**



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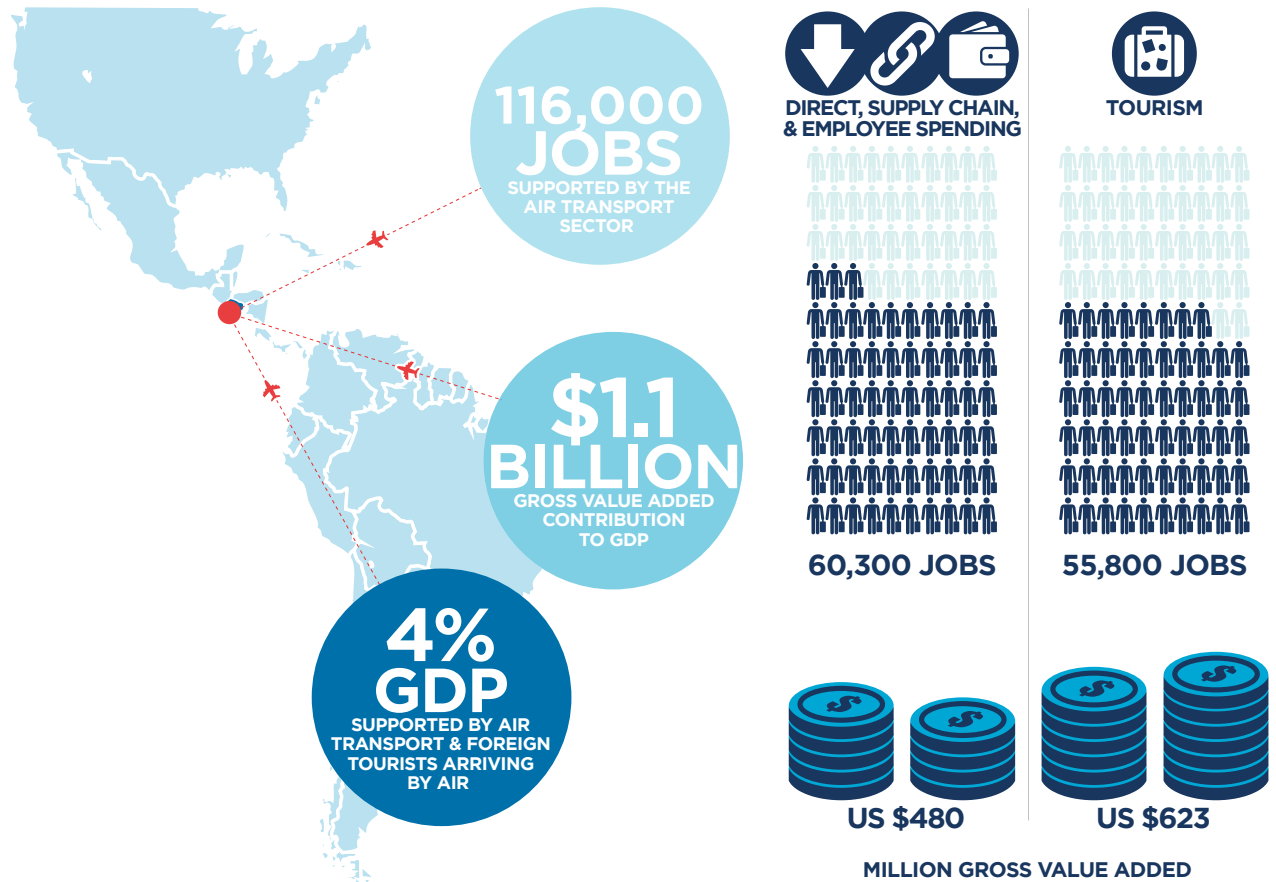
Acknowledgements

Oxford Economics acknowledges the assistance from the International Air Transport Association (IATA) in the preparation of this report.

Oxford Economics 2018

THE IMPORTANCE OF AIR TRANSPORT TO EL SALVADOR

The air transport sector makes a major contribution to the economy of El Salvador



It creates jobs...

Airlines, airport operators, airport on-site enterprises (restaurants and retail), aircraft manufacturers, and air navigation service providers employ 5,500 people in El Salvador.¹ In addition, by buying goods and services from local suppliers the sector supports another 29,000 jobs. On top of this, the sector is estimated to support a further 25,800 jobs by paying wages to its employees, some or all of which

are subsequently spent on consumer goods and services.

Foreign tourists arriving by air to El Salvador, who spend their money in the local economy, are estimated to support an additional 55,800 jobs.

...and generates wealth

The air transport industry is estimated to support a \$480 million gross value added contribution to GDP in El Salvador annually. Spending by foreign

tourists supports a further \$623 million gross value added contribution to the country's GDP.

This means that 4 percent of the country's GDP is in some way dependent on the air transport sector and foreign tourists arriving by air.



¹ All figures relate to calendar year 2017 unless otherwise noted.

Air transportation facilitates exports, foreign direct investment, and tourism

Exports, FDI, and inbound tourist spending

Air transport brings tourists and investment into El Salvador, and helps businesses trade their goods and services around the world. Foreign tourists spend \$872 million

in El Salvador each year, supporting restaurants, hotels, transport providers, and others who cater to tourists. In addition, El Salvador exports \$6.9 billion worth of

goods and services to other countries. Over time, the country has accumulated \$9.2 billion in foreign direct investment.²



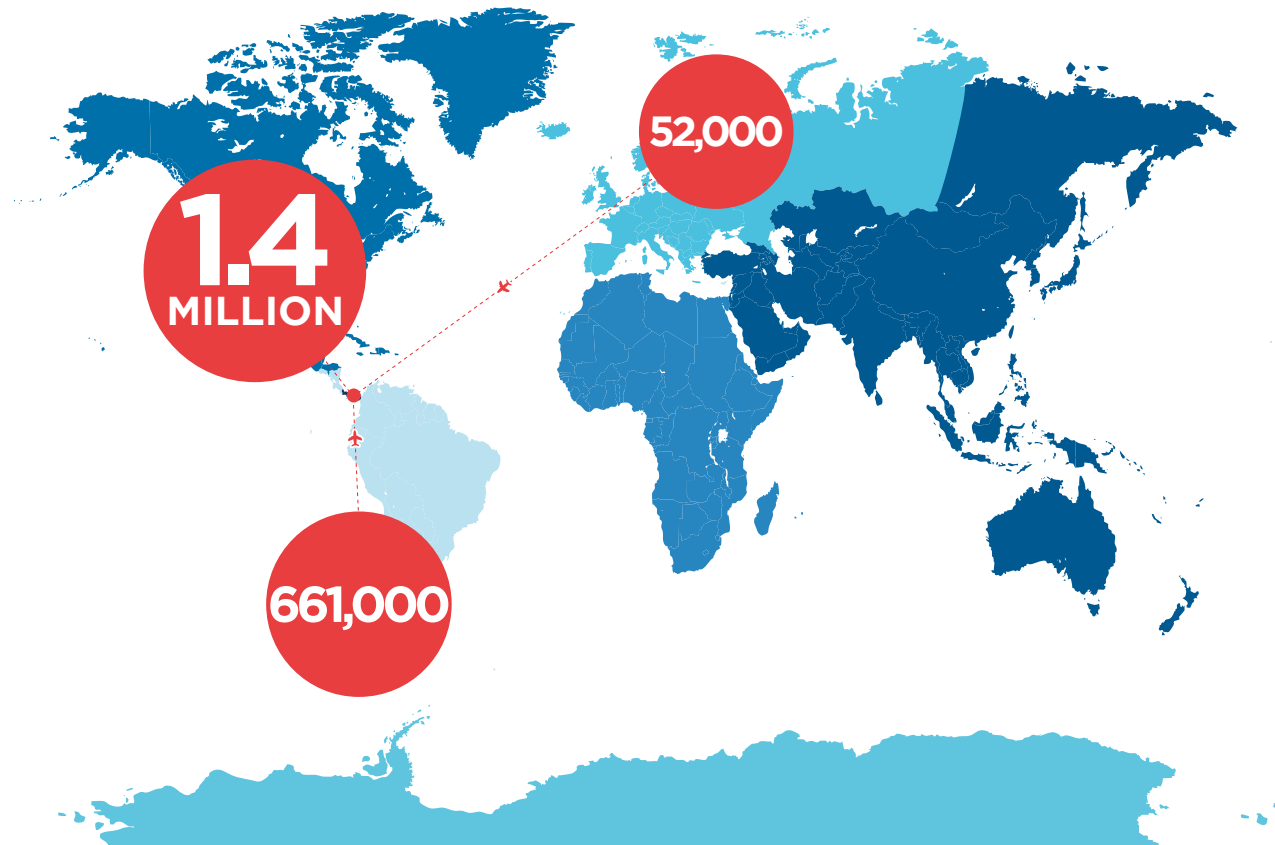
The most popular direct flight links to El Salvador:

Country	Flights per year
1. United States	6,700
2. Honduras	2,500
3. Costa Rica	1,900
4. Mexico	1,700
5. Colombia	1,700
6. Guatemala	1,700
7. Nicaragua	1,300
8. Panama	1,100
9. Ecuador	730
10. Peru	730

MONEY FLOWING INTO EL SALVADOR

² FDI is stated in 2016 prices and exchange rates.

The air transport sector connects people around the world

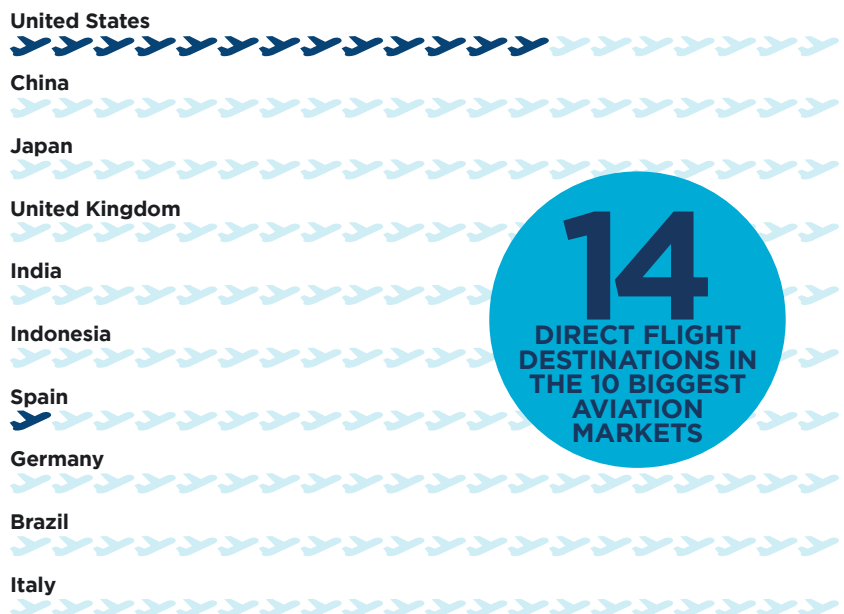


Arrivals by region, number of passengers

Latin America and the Caribbean and Europe are the largest sources of arrivals to El Salvador after North America.

661,000 passengers arrived to El Salvador from Latin America and the Caribbean (31.7 percent of the total) and 52,000 passengers arrived from Europe (2.5 percent of the total).

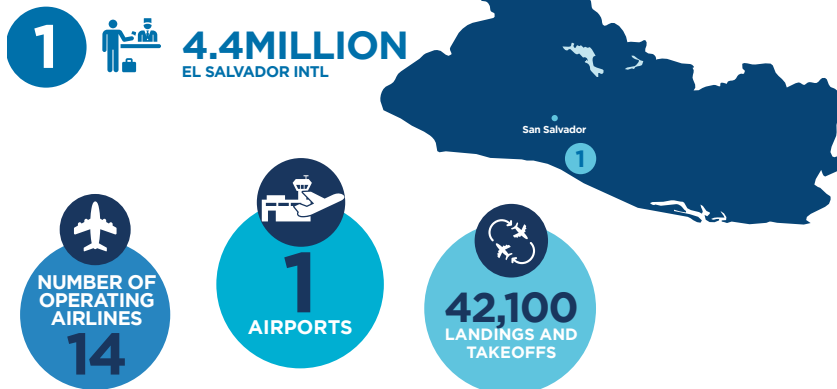
Number of direct flight destinations from El Salvador to the world's 10 biggest aviation markets, measured by passengers



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DIRECT FLIGHT DESTINATIONS IN THE 10 BIGGEST AVIATION MARKETS

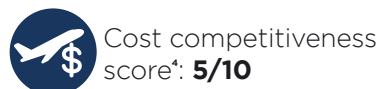
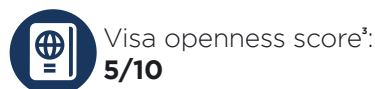
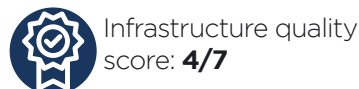
Ease of travel, cost competitiveness, and infrastructure are vitally important

Number of passengers travelling annually through the country's main airports



Key infrastructure facts about El Salvador's air transport

Around 42,100 aircraft land or take off from El Salvador every year. El Salvador Intl airport carried the most passengers. The airport helps about 4.4 million people take flight annually.



Survey evidence of infrastructure and ease of travel

Executives surveyed by the World Economic Forum suggest that El Salvador's air transport infrastructure quality ranks 10th out of 24 countries included in the survey in Latin America and the Caribbean and 74th globally.

El Salvador ranks 6th out of 24 in Latin America and the Caribbean for visa openness and 12th for cost competitiveness.

3 priorities to advance the aviation agenda

1. Align regulatory framework with global best practices.
2. Ensure competitive costs and efficient administration in airports through open communication with the industry.
3. Ensure transparency and participation of the industry in infrastructure planning and development across Central America.

³ Entry visa requirements for a tourism visit from worldwide source markets (10 = no visa required for visitors from all source markets, 0 = traditional visa required for visitors from every source market).

⁴ Based on ticket taxes, airport charges, and VAT (10=low cost, 0=high cost).

August 2018

Oxford Economics prepared this report with IATA's support.

All currency values are in US dollars at 2017 prices and exchange rates, unless otherwise stated.

All figures pertain to calendar year 2017, unless otherwise stated.

This report is one of several that examine the air transport sector's importance around the world. Access them all from IATA's website.

Sources: IATA, Oxford Economics, UNCTAD, International Monetary Fund, and national statistics.

For more information, please visit www.IATA.org or contact:

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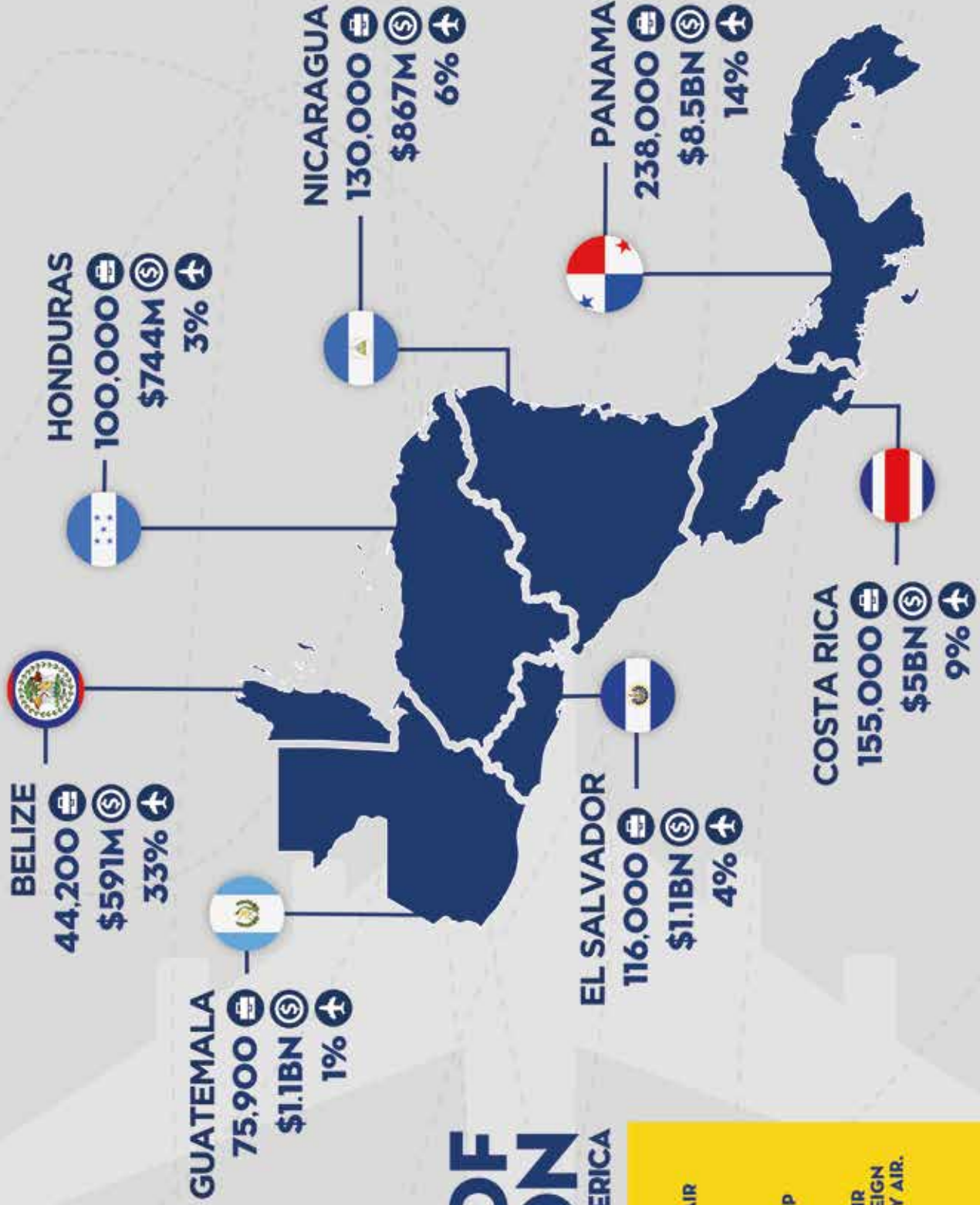
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HOW THE VALUE OF AVIATION IMPACTS CENTRAL AMERICA



✈️ JOBS SUPPORTED BY AIR TRANSPORT SECTOR.

💰 GROSS VALUE ADDED CONTRIBUTION TO GDP IN 2017.

✈️ GDP SUPPORTED BY AIR TRANSPORT AND FOREIGN TOURISTS ARRIVING BY AIR.

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