

OXFORD ECONOMICS

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**Economic Benefits  
of Air Transport in Guatemala**



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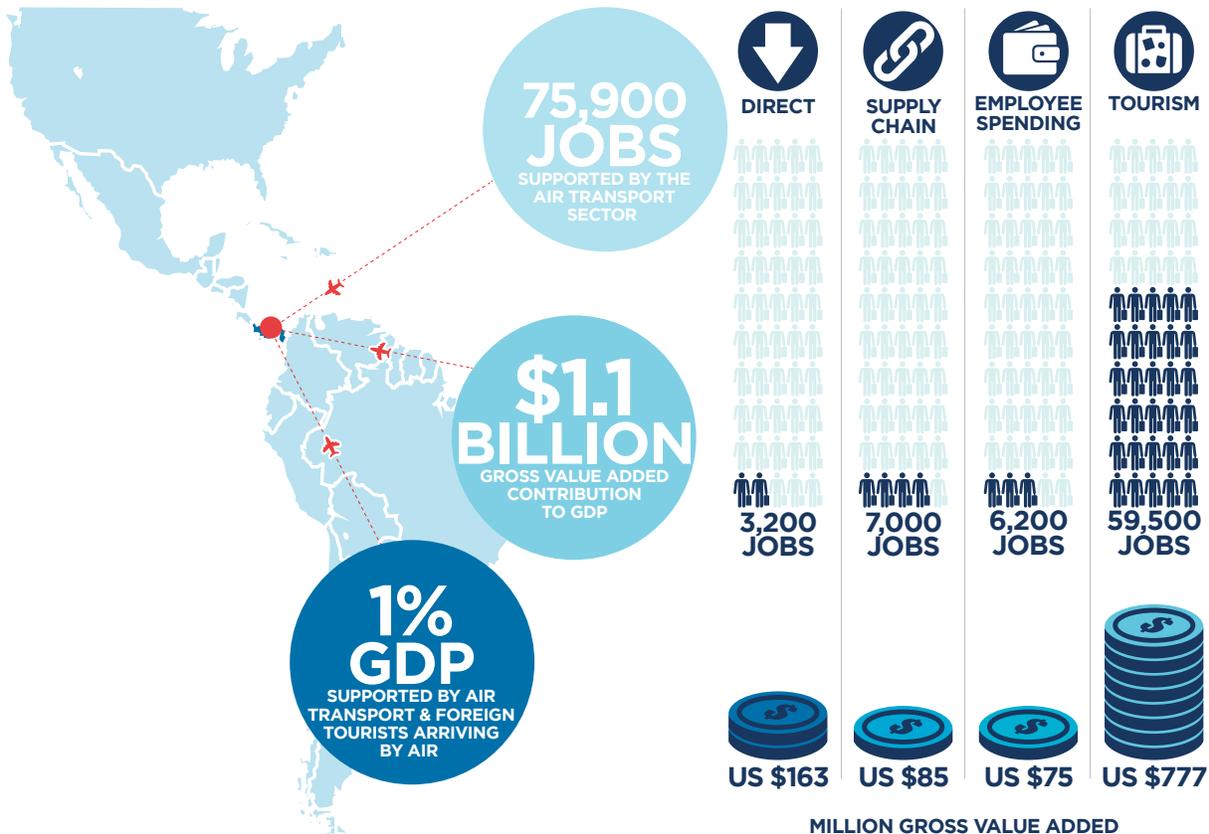
## **Acknowledgements**

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 GUATEMALA

## The air transport sector makes a major contribution to the economy of Guatemala



### It creates jobs...

Airlines, airport operators, airport on-site enterprises (restaurants and retail), aircraft manufacturers, and air navigation service providers employ 3,200 people in Guatemala.<sup>1</sup> In addition, by buying goods and services from local suppliers the sector supports another 7,000 jobs. On top of this, the sector is estimated to support a further 6,200 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 Guatemala, who spend their money in the local economy, are estimated to support an additional 59,500 jobs.

### ...and generates wealth

The air transport industry is estimated to support a \$323 million gross value added contribution to GDP in Guatemala annually. Spending by

foreign tourists supports a further \$777 million gross value added contribution to the country's GDP.

This means that 1 percent of the country's GDP is in some way dependent on the air transport sector and foreign tourists arriving by air.



<sup>1</sup> All figures relate to calendar year 2017 unless otherwise noted.

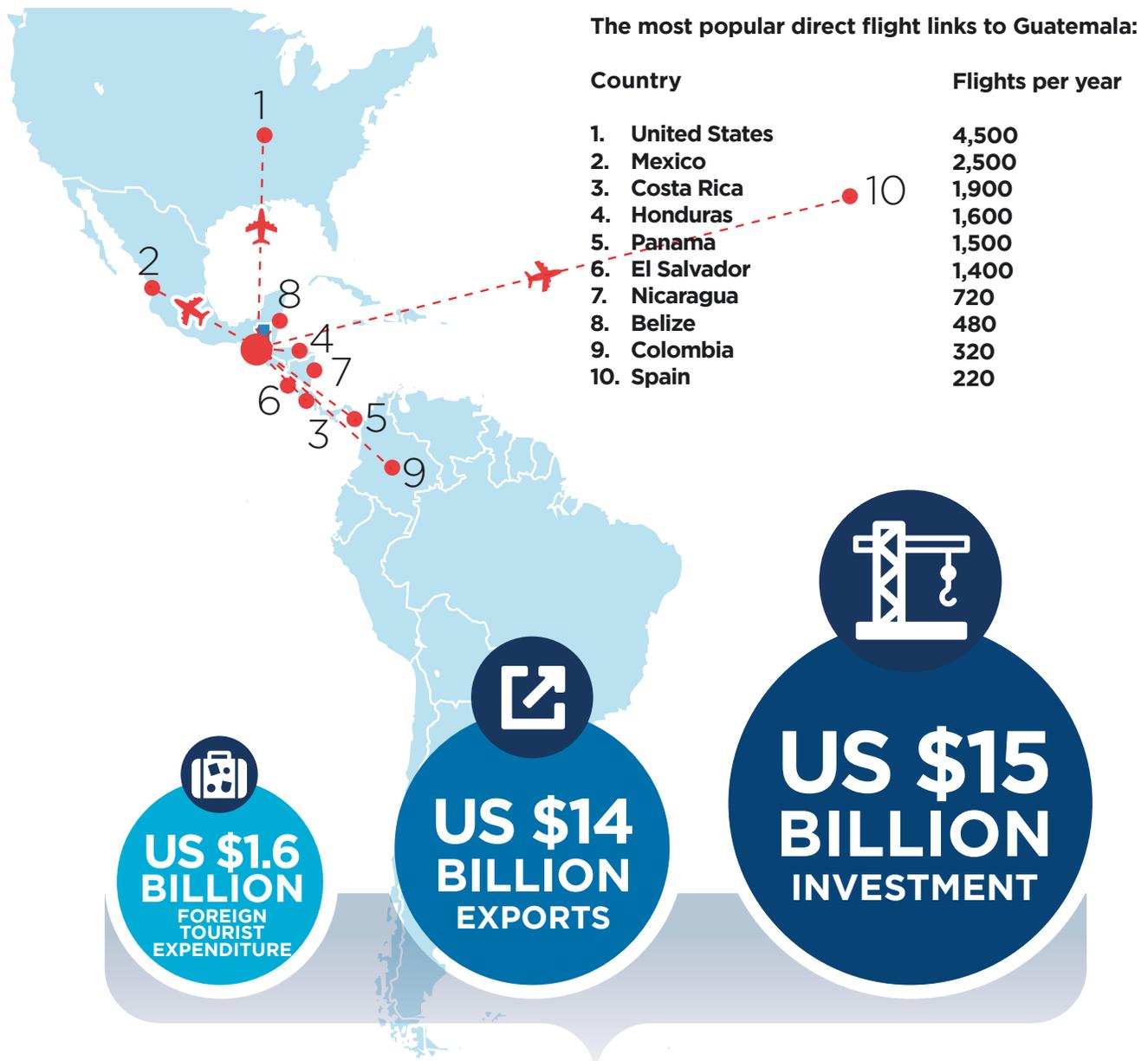
# Air transportation facilitates exports, foreign direct investment, and tourism

## Exports, FDI, and inbound tourist spending

Air transport brings tourists and investment into Guatemala, and helps businesses trade their goods and services around the world. Foreign tourists spend \$1.6

billion in Guatemala each year, supporting restaurants, hotels, transport providers, and others who cater to tourists. In addition, Guatemala exports \$14 billion worth of goods and

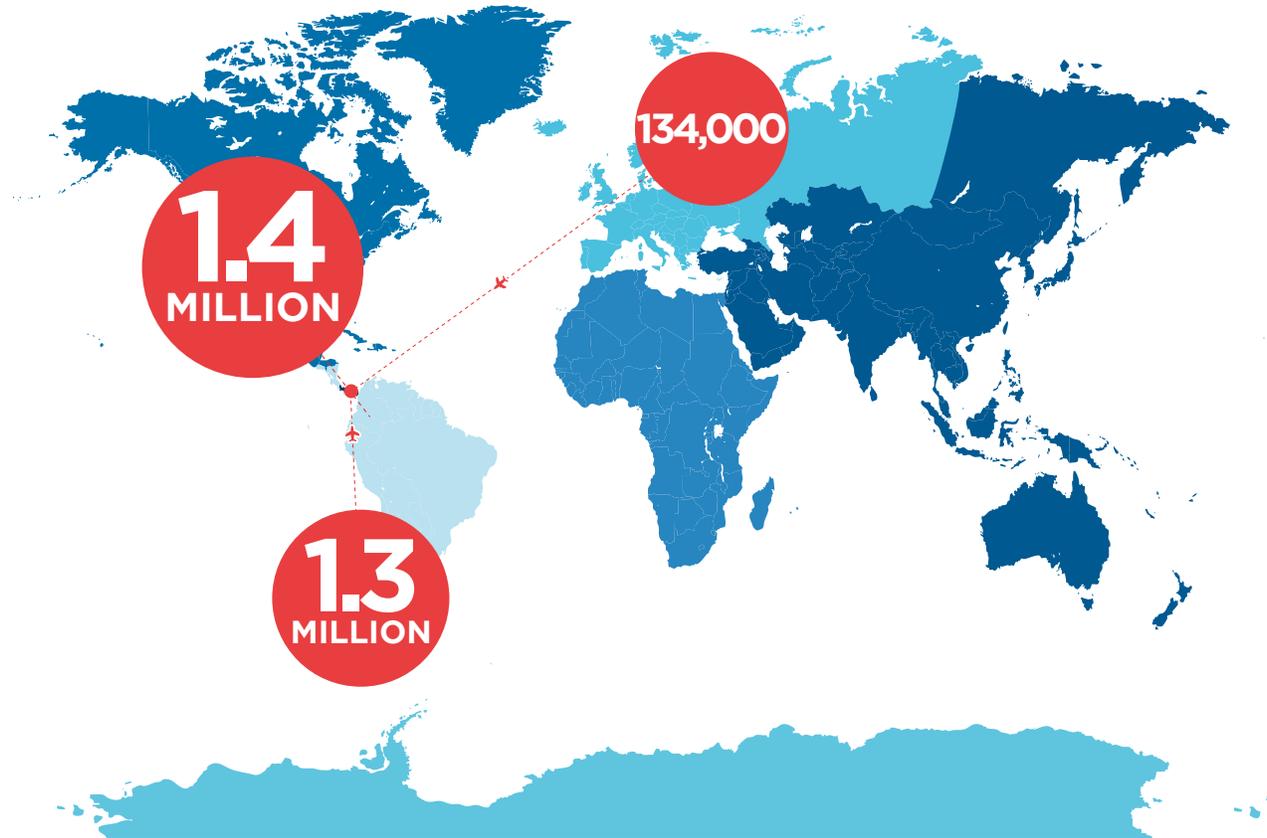
services to other countries. Over time, the country has accumulated \$15 billion in foreign direct investment.<sup>2</sup>



## MONEY FLOWING INTO GUATEMALA

<sup>2</sup> 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 Guatemala after North America.

1.3 million passengers arrived to Guatemala from Latin America and the Caribbean (46.4 percent of the total) and 134,000 passengers arrived from Europe (4.7 percent of the total).

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



**11**  
DIRECT FLIGHT DESTINATIONS IN THE 10 BIGGEST AVIATION MARKETS

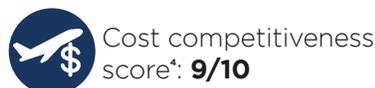
# Ease of travel, cost competitiveness, and infrastructure are vitally important

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



## Key infrastructure facts about Guatemala's air transport

Around 40,600 aircraft land or take off from Guatemala every year. La Aurora International airport carried the most passengers. The airport helps about 3 million people take flight annually.



## Survey evidence of infrastructure and ease of travel

Executives surveyed by the World Economic Forum suggest that Guatemala's air transport infrastructure quality ranks 18th out of 24 countries included in the survey in Latin America and the Caribbean and 97th globally.

Guatemala ranks 13th out of 24 in Latin America and the Caribbean for visa openness and 2nd 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.

<sup>3</sup> 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).

<sup>4</sup> 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](http://www.IATA.org) or contact:

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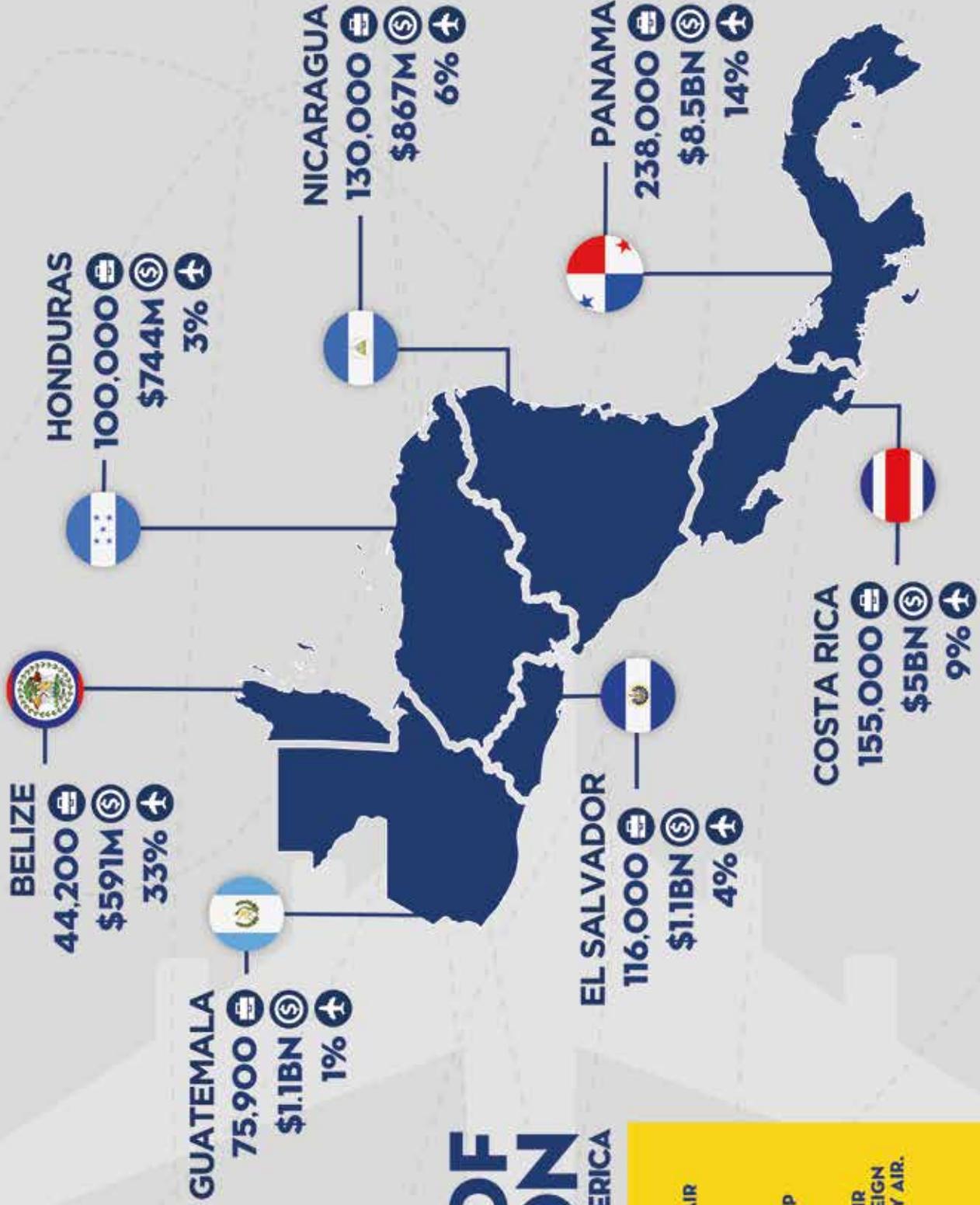
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# HOW THE VALUE OF AVIATION IMPACTS CENTRAL AMERICA



✈️ 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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