

OXFORD ECONOMICS

**Economic Benefits
of Air Transport in Honduras**



OXFORD
ECONOMICS

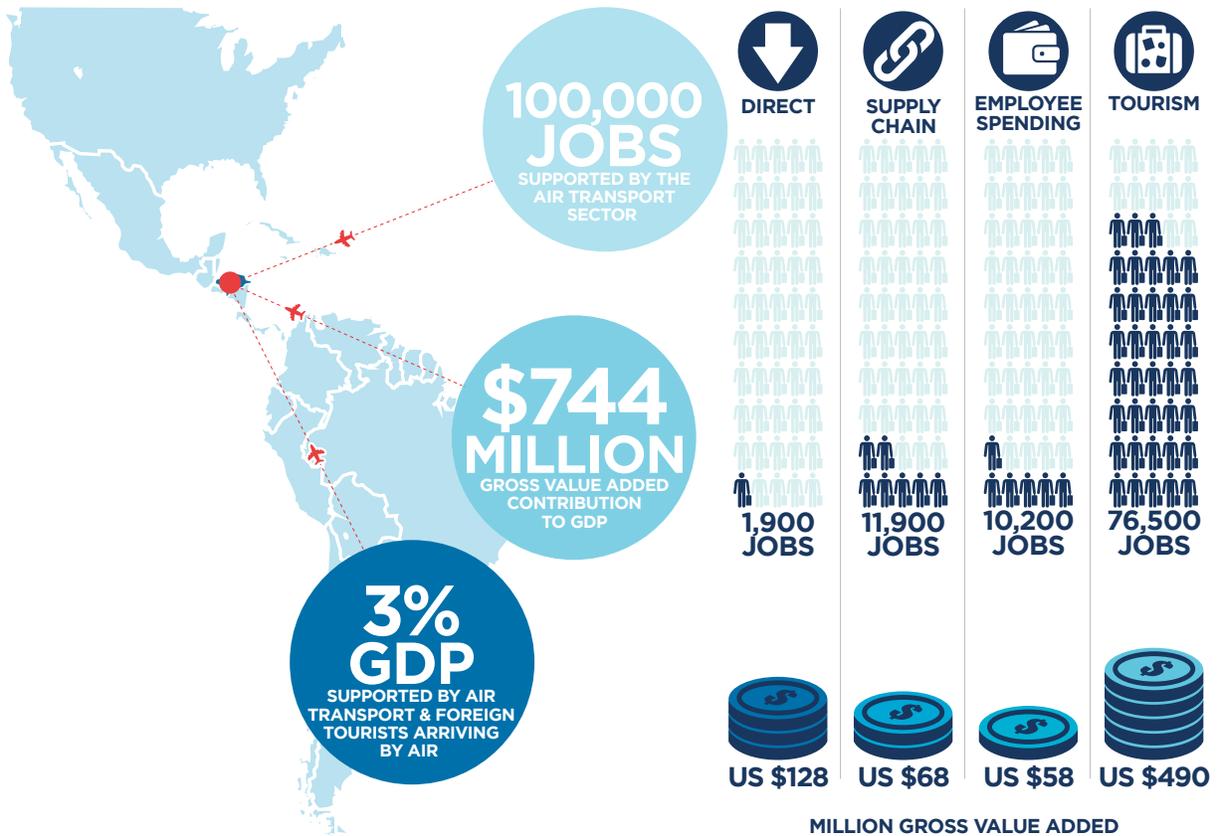
Acknowledgements

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 HONDURAS

The air transport sector makes a major contribution to Honduras's economy



It creates jobs...

Airlines, airport operators, airport on-site enterprises (restaurants and retail), aircraft manufacturers, and air navigation service providers employ 1,900 people in Honduras.¹ In addition, by buying goods and services from local suppliers the sector supports another 11,900 jobs. On top of this, the sector is estimated to support a further 10,200 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 Honduras, who spend their money in the local economy, are estimated to support an additional 76,500 jobs.

...and generates wealth

The air transport industry is estimated to support a \$254 million gross value added contribution to GDP in Honduras annually. Spending by foreign tourists supports

a further \$490 million gross value added contribution to the country's GDP.

This means that 3 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 Honduras, and helps businesses trade their goods and services around the world. Foreign tourists spend \$700 million

in Honduras each year, supporting restaurants, hotels, transport providers, and others who cater to tourists. In addition, Honduras exports \$9.9 billion worth of

goods and services to other countries. Over time, the country has accumulated \$14 billion in foreign direct investment.²

The most popular direct flight links to Honduras:



US \$700 MILLION
FOREIGN TOURIST EXPENDITURE

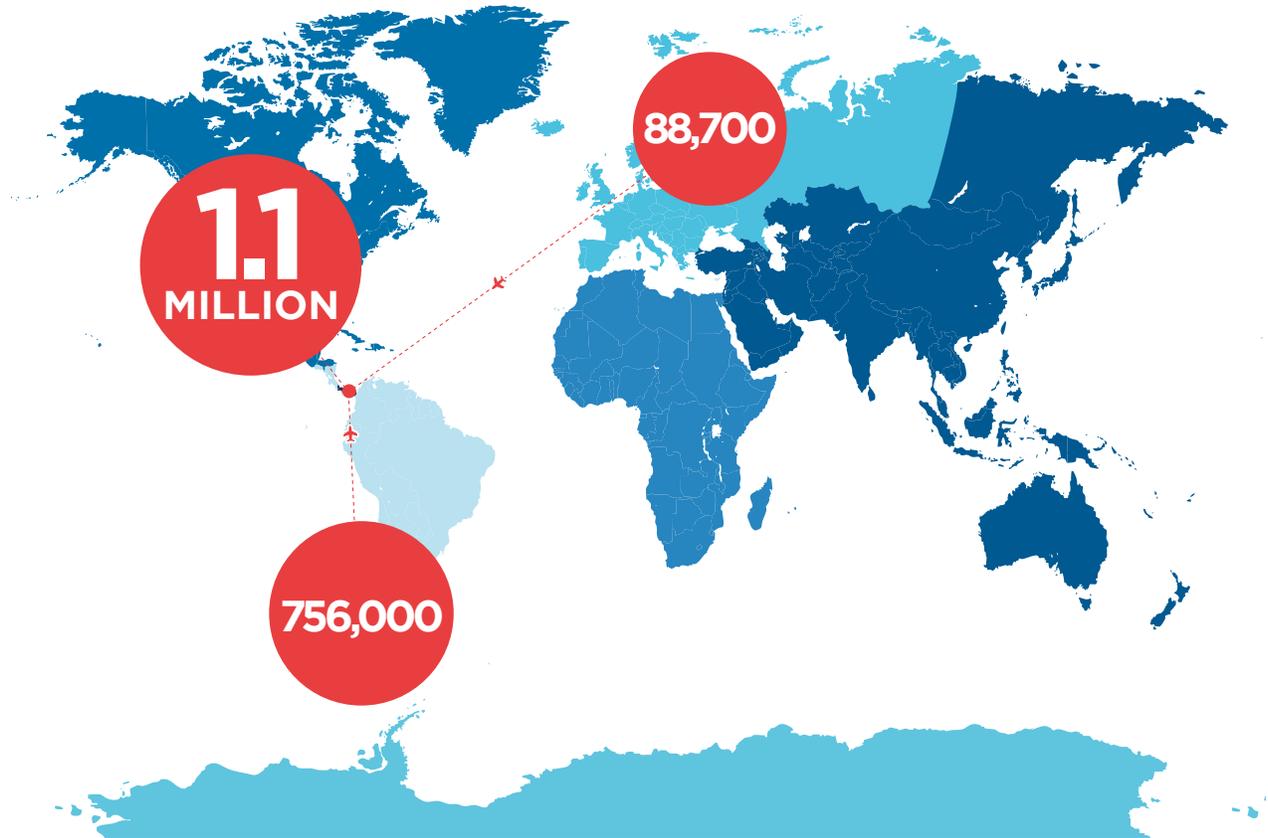
US \$9.9 BILLION
EXPORTS

US \$14 BILLION
INVESTMENT

MONEY FLOWING INTO HONDURAS

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 Honduras after North America.

756,000 passengers arrived to Honduras from Latin America and the Caribbean (39.9 percent of the total) and 88,700 passengers arrived from Europe (4.7 percent of the total).

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



15
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 Honduras' air transport

Around 52,600 aircraft land or take off from Honduras every year. Ramon V. Morales Intl airport carried the most passengers. The airport helps about 1.2 million people take flight annually.

Infrastructure quality score: **4/7**

Visa openness score³: **3/10**

Cost competitiveness score⁴: **4/10**

Survey evidence of infrastructure and ease of travel

Executives surveyed by the World Economic Forum suggest that Honduras's air transport infrastructure quality ranks 14th out of 24 countries included in the survey in Latin America and the Caribbean and 83rd globally.

Honduras ranks 13th out of 24 in Latin America and the Caribbean for visa openness and 15th 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:

Ian Saxon

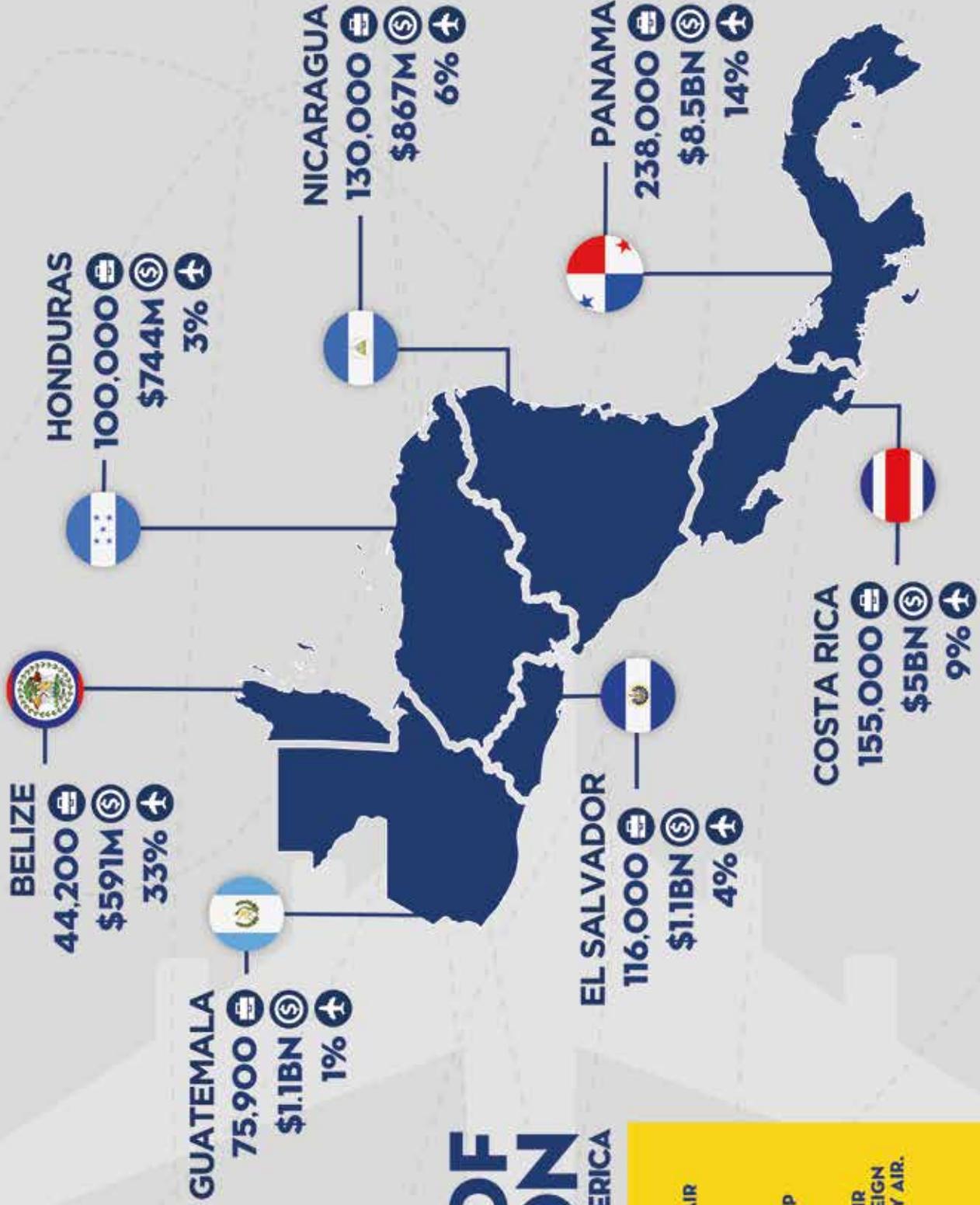
isaxon@oxfordeconomics.com
Tel: +44 (0)203 910 8064

London

Broadwall House, 21 Broadwall, London, SE1 9PL, UK
www.oxfordeconomics.com



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.

OXFORD

Abbey House, 121 St Aldates
Oxford, OX1 1HB, UK
Tel: +44 1865 268900

LONDON

Broadwall House, 21 Broadwall
London, SE1 9PL, UK
Tel: +44 207 803 1400

BELFAST

Lagan House, Sackville Street
Lisburn, BT27 4AB, UK
Tel: +44 28 9266 0669

NEW YORK

5 Hanover Square, 19th Floor
New York, NY 10004, USA
Tel: +1 646 503 3050

PHILADELPHIA

303 Lancaster Avenue, Suite 1b
Wayne PA 19087, USA
Tel: +1 610 995 9600

SINGAPORE

Singapore Land Tower, 37th Floor
50 Raffles Place
Singapore 048623
Tel: +65 6829 7068

PARIS

9 rue Huysmans
75006 Paris, France
Tel: + 33 6 79 900 846

email: mailbox@oxfordeconomics.com

www.oxfordeconomics.com



**OXFORD
ECONOMICS**