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Economic Benefits of Air Transport in Panama

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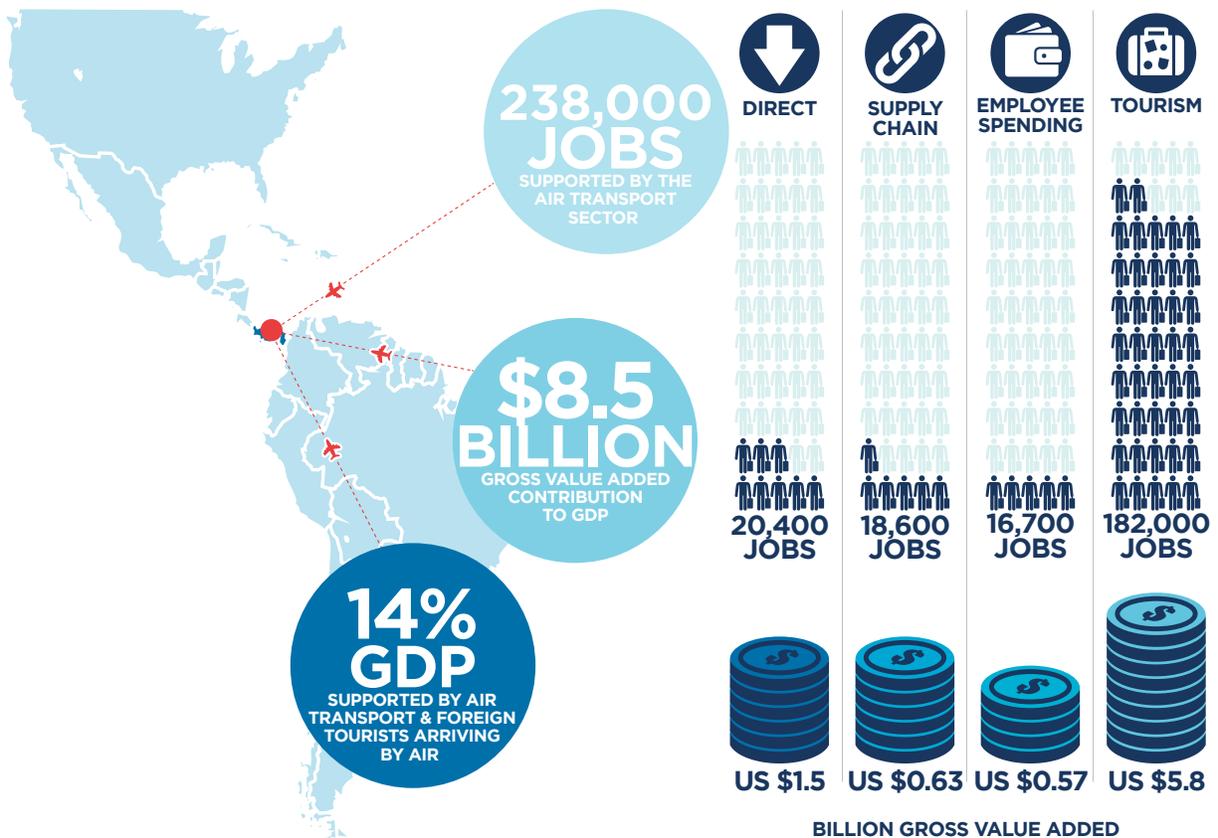
THE IMPORTANCE OF AIR TRANSPORT TO PANAMA

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

238,000 JOBS SUPPORTED BY THE AIR TRANSPORT SECTOR

$8.5 BILLION GROSS VALUE ADDED CONTRIBUTION TO GDP

14% GDP SUPPORTED BY AIR TRANSPORT & FOREIGN TOURISTS ARRIVING BY AIR

DIRECT	SUPPLY CHAIN	EMPLOYEE SPENDING	TOURISM
20,400 JOBS	18,600 JOBS	16,700 JOBS	182,000 JOBS
US $1.5	US $0.63	US $0.57	US $5.8

BILLION GROSS VALUE ADDED

It creates jobs...

Airlines, airport operators, airport on-site enterprises (restaurants and retail), aircraft manufacturers, and air navigation service providers employ 20,400 people in Panama.[1] In addition, by buying goods and services from local suppliers the sector supports another 18,600 jobs. On top of this, the sector is estimated to support a further 16,700 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 Panama, who spend their money in the local economy, are estimated to support an additional 182,000 jobs.

...and generates wealth

The air transport industry is estimated to support a $2.7 billion gross value added contribution to GDP in Panama annually. Spending by foreign tourists supports a further $5.8 billion gross value added contribution to the country's GDP.

This means that 14 percent of the country's GDP is in some way dependent on the air transport sector and foreign tourists arriving by air.

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[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 Panama, and helps businesses trade their goods and services around the world. Foreign tourists spend $4.6 billion in Panama each year, supporting restaurants, hotels, transport providers, and others who cater to tourists. In addition, Panama exports $26 billion worth of goods and services to other countries. Over time, the country has accumulated $45 billion in foreign direct investment.[2]

The most popular direct flight links to Panama:

Country	Flights per year
1. United States	12,600
2. Colombia	11,700
3. Costa Rica	5,000
4. Mexico	4,900
5. Brazil	4,200
6. Dominican Republic	3,500
7. Venezuela	3,200
8. Ecuador	3,100
9. Cuba	2,600
10. Peru	2,000

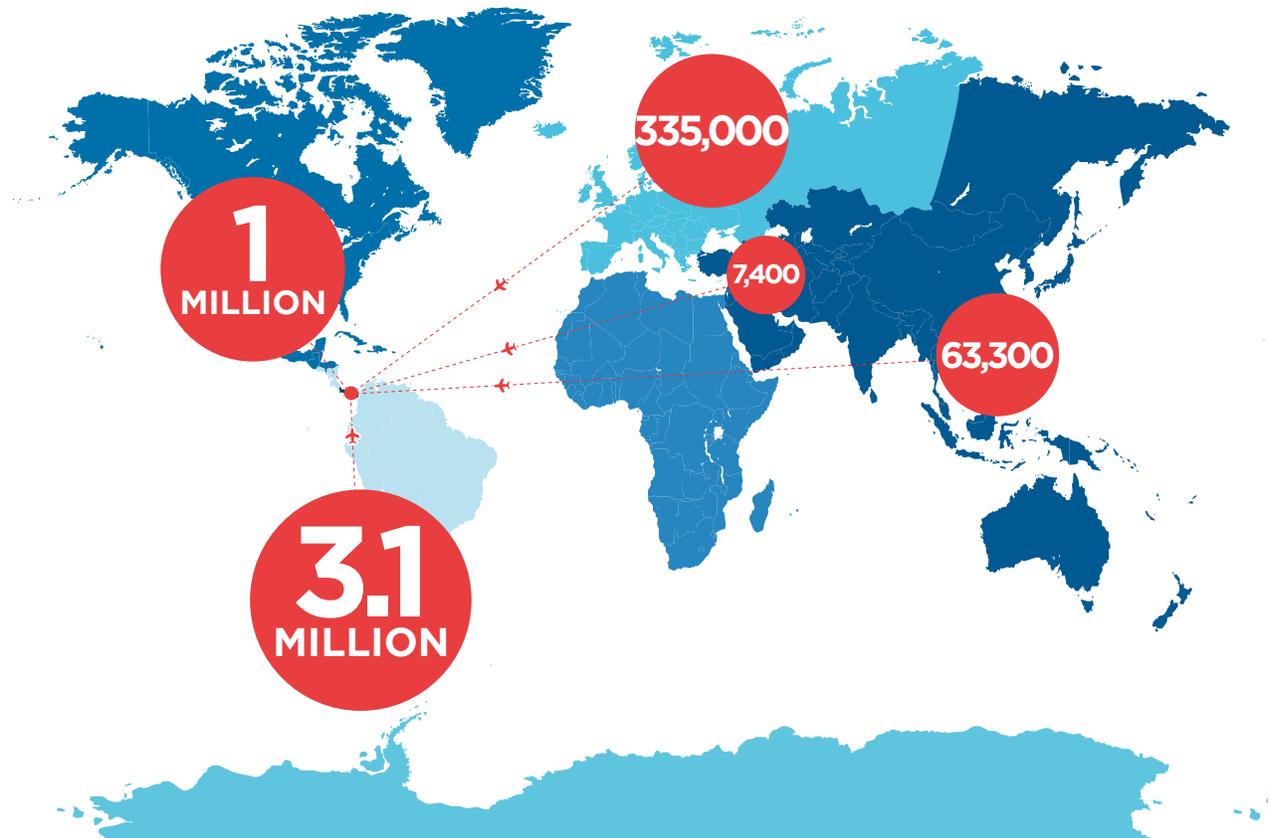US $4.6 BILLION FOREIGN TOURIST EXPENDITURE

US $26 BILLION EXPORTS

US $45 BILLION INVESTMENT

MONEY FLOWING INTO PANAMA

[2] FDI is stated in 2016 prices and exchange rates.

The air transport sector connects people around the world

335,000

1 MILLION

7,400

63,300

3.1 MILLION

Arrivals by region, number of passengers

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

1 million passengers arrived to Panama from North America (22.5 percent of the total) and 335,000 passengers arrived from Europe (7.5 percent of the total).
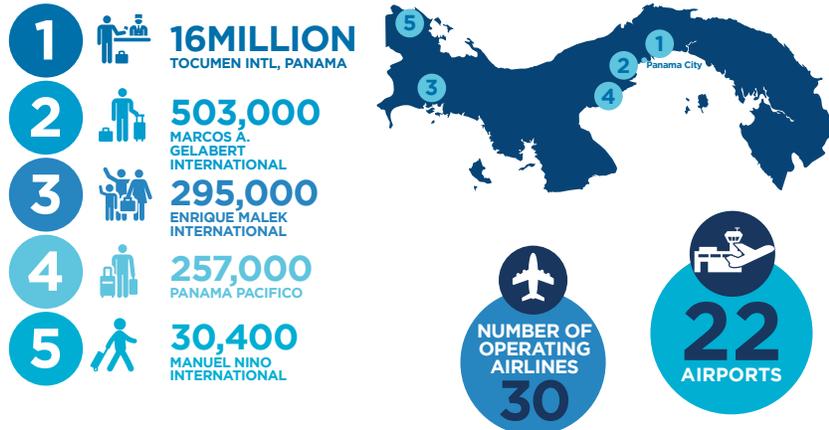
Number of direct flight destinations from Panama to the world's 10 biggest aviation markets, measured by passengers

United States

China

Japan

United Kingdom

India

Indonesia

Spain

Germany

Brazil

Italy
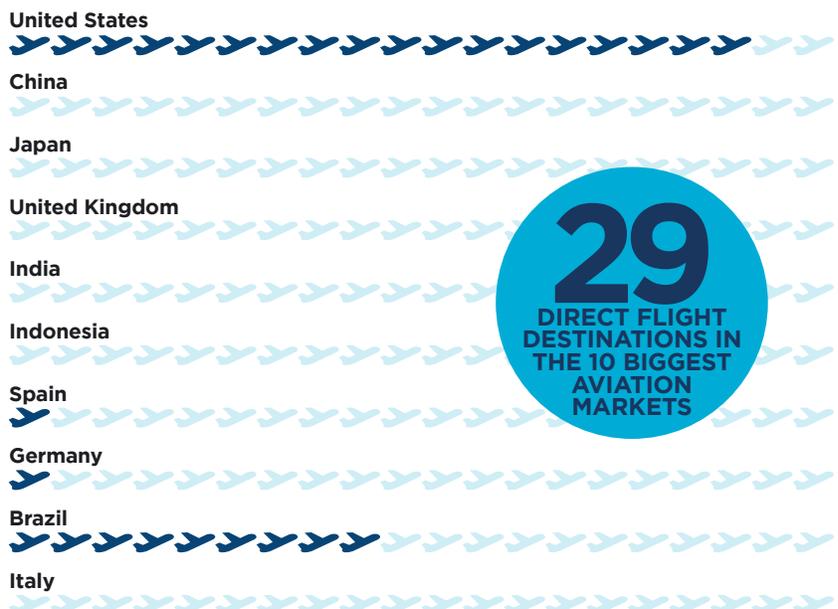
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DIRECT FLIGHT DESTINATIONS IN THE 10 BIGGEST AVIATION MARKETS

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

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

1 **16 MILLION**
TOCUMEN INTL, PANAMA

2 **503,000**
MARCOS A. GELABERT INTERNATIONAL

3 **295,000**
ENRIQUE MALEK INTERNATIONAL

4 **257,000**
PANAMA PACIFICO

5 **30,400**
MANUEL NINO INTERNATIONAL

Panama City

NUMBER OF OPERATING AIRLINES
30

22
AIRPORTS

160,000
LANDINGS AND TAKEOFFS

Key infrastructure facts about Panama's air transport

Around 160,000 aircraft land or take off from Panama every year. Tocumen Intl, Panama airport carried the most passengers. The airport helps about 16 million people take flight annually.

Infrastructure quality score: **6/7**

Visa openness score[3]: **4/10**

Cost competitiveness score[4]: **7/10**
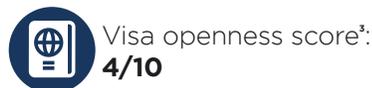
Survey evidence of infrastructure and ease of travel

Executives surveyed by the World Economic Forum suggest that Panama's air transport infrastructure quality ranks 1st out of 24 countries included in the survey in Latin America and the Caribbean and 6th globally. Panama ranks 9th out of 24 in Latin America and the Caribbean for visa openness and 4th 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).

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:

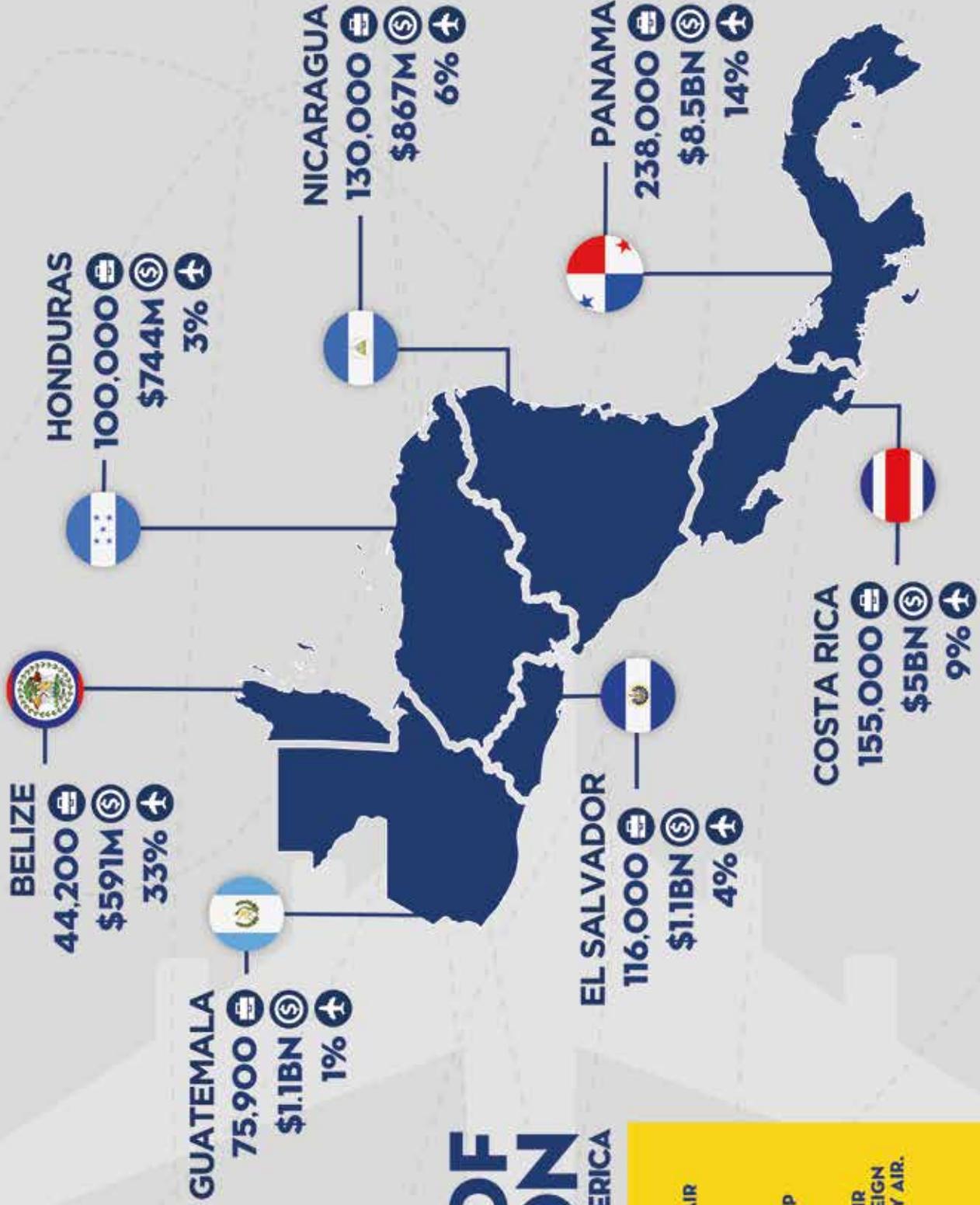**Ian Saxon**
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HOW THE VALUE OF AVIATION
IMPACTS CENTRAL AMERICA

NICARAGUA
130,000
$867M
6%

PANAMA
238,000
$8.5BN
14%

HONDURAS
100,000
$744M
3%

COSTA RICA
155,000
$5BN
9%

BELIZE
44,200
$591M
33%

EL SALVADOR
116,000
$1.1BN
4%

GUATEMALA
75,900
$1.1BN
1%

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.

SOURCE: IATA/OXFORD ECONOMICS

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