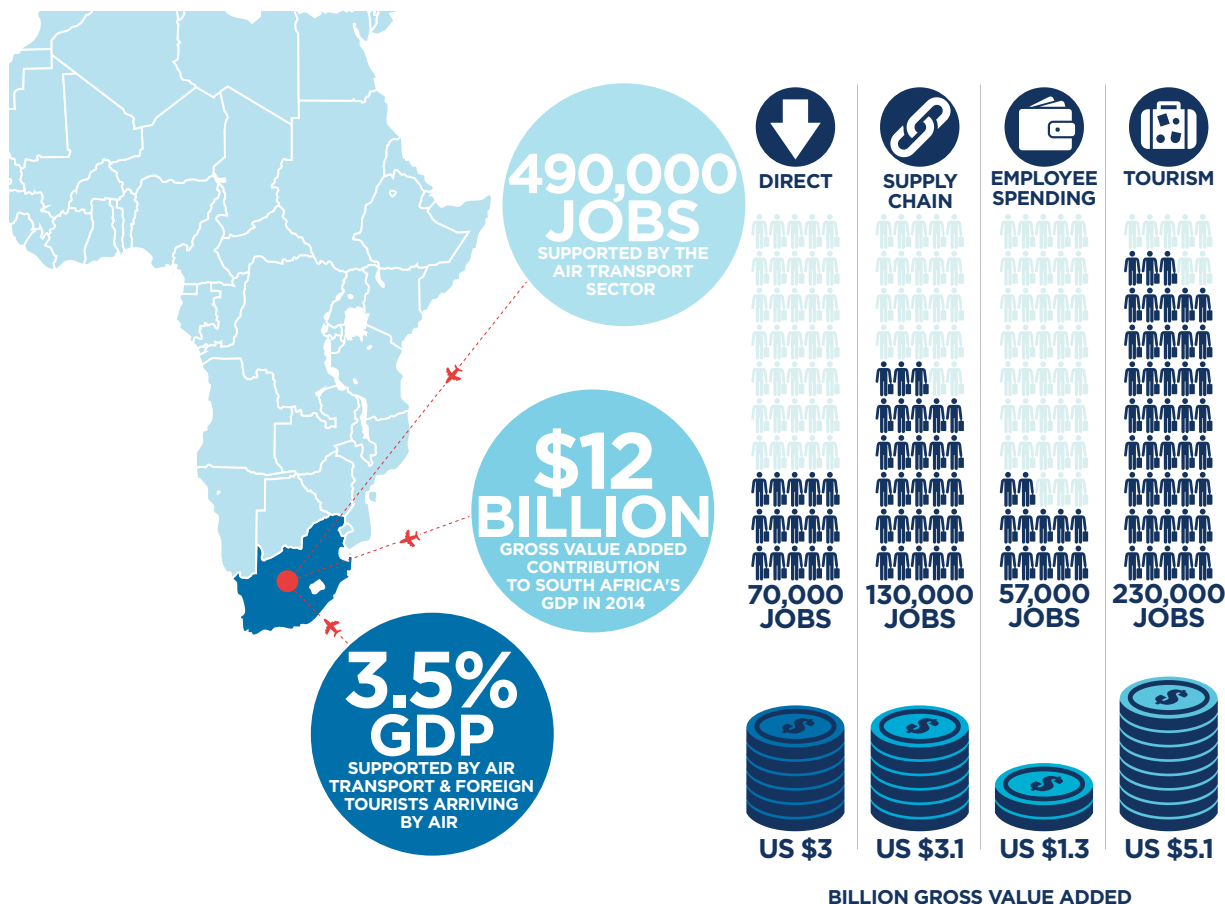


THE IMPORTANCE OF AIR TRANSPORT TO SOUTH AFRICA

The air transport sector makes a major contribution to the South African economy



It creates jobs...

Airlines, airport operators, airport on-site enterprises (restaurants and retail), aircraft manufacturers, and air navigation service providers employed 70,000 people in South Africa in 2014. In addition, by buying goods and services from local suppliers the sector supported another 130,000 jobs. On top of this, the sector is estimated to have supported a further 57,000 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 South Africa, who spend their money in the local economy, are estimated to have supported an additional 230,000 jobs in 2014.

...and generates wealth

The air transport industry is estimated to have supported a \$7.4 billion gross value added contribution to GDP in South Africa in 2014. Spending by

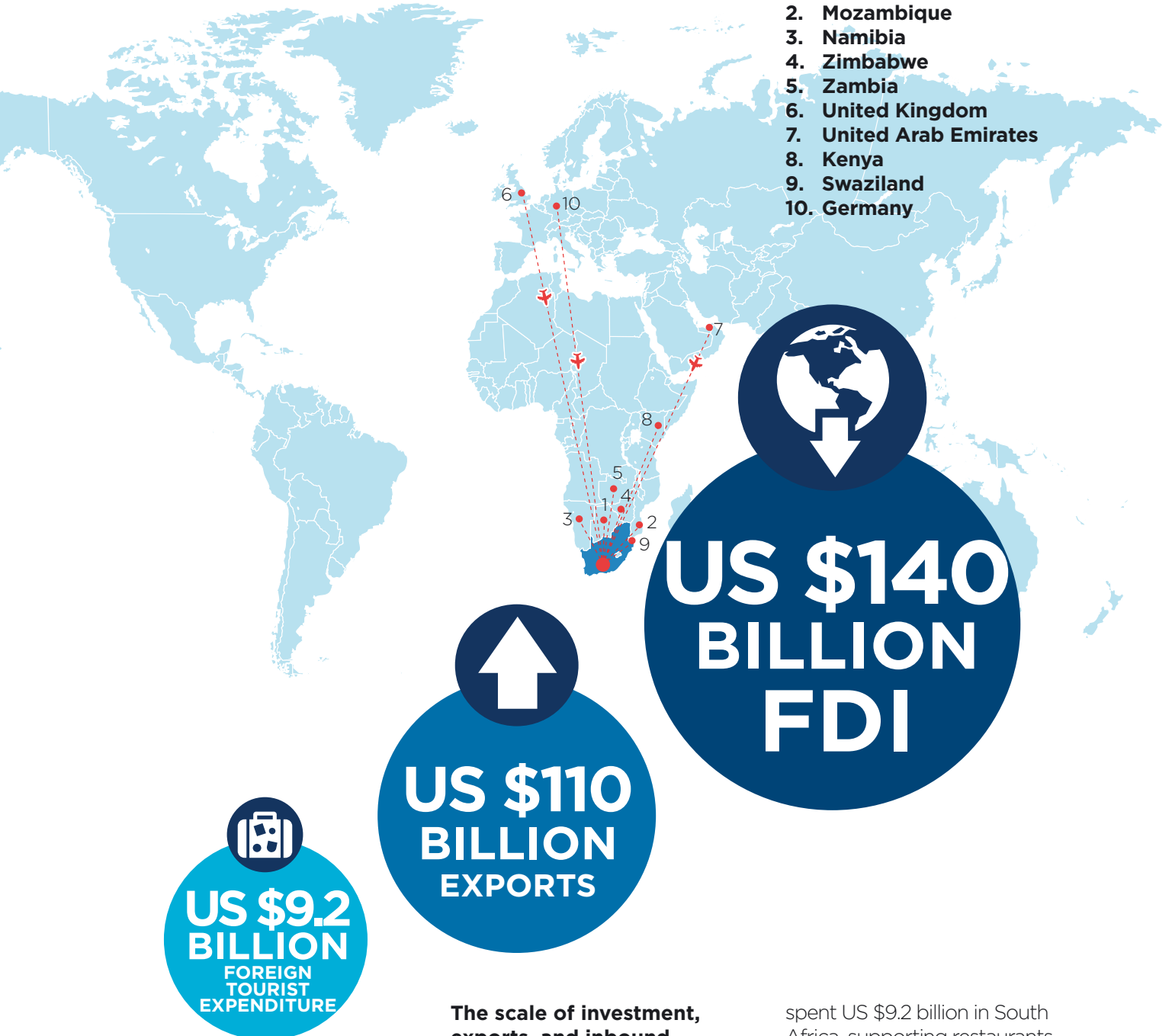
foreign tourists supported a further \$5.1 billion gross value added contribution to the country's GDP. This means that 3.5 percent of the country's GDP is supported by the air transport sector and foreign tourists arriving by air.



Air transportation facilitates exports, foreign direct investment, and tourism

The ten most popular direct flight links:

1. Botswana
2. Mozambique
3. Namibia
4. Zimbabwe
5. Zambia
6. United Kingdom
7. United Arab Emirates
8. Kenya
9. Swaziland
10. Germany



The scale of investment, exports, and inbound spending in South Africa

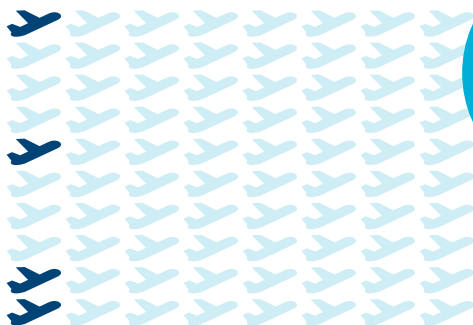
Air transport brings tourists and investment into South Africa, and helps businesses trade their goods and services around the world. In 2014, foreign tourists

spent US \$9.2 billion in South Africa, supporting restaurants, hotels, transport providers, and others who cater to tourists. In addition, South Africa exported US \$110 billion worth of goods and services in 2014. Over time, the country has accumulated US \$140 billion in foreign direct investment.

The air transport sector connects people around the world

Number of direct flight destinations in the ten fastest growing countries

India
Bangladesh
Vietnam
Pakistan
China
Indonesia
Philippines
Kazakhstan
Angola
Nigeria

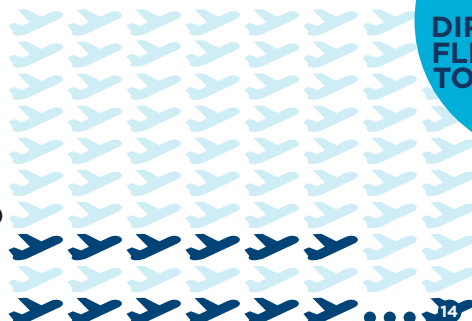


4
DIRECT FLIGHT
DESTINATIONS IN
THE 10 FASTEST
GROWING
COUNTRIES

The air transport sector's ability to connect South Africa to emerging countries and fast growing cities can help drive economic growth. There are 4 direct flight destinations among the ten fastest growing countries in the world as measured by GDP growth and 8 direct flight destinations among the 20 fastest growing countries. There are 20 direct weekly flights among the ten fastest growing cities in the world as measured by GDP growth and 43 direct weekly flights among the 100 fastest growing cities.¹

Number of direct flights to the top ten fastest growing cities

Surat
Ahmedabad
Ho Chi Minh City
Hà Noi
Delhi
Bengaluru
Hyderabad (India)
Kinshasa
Dhaka
Lagos

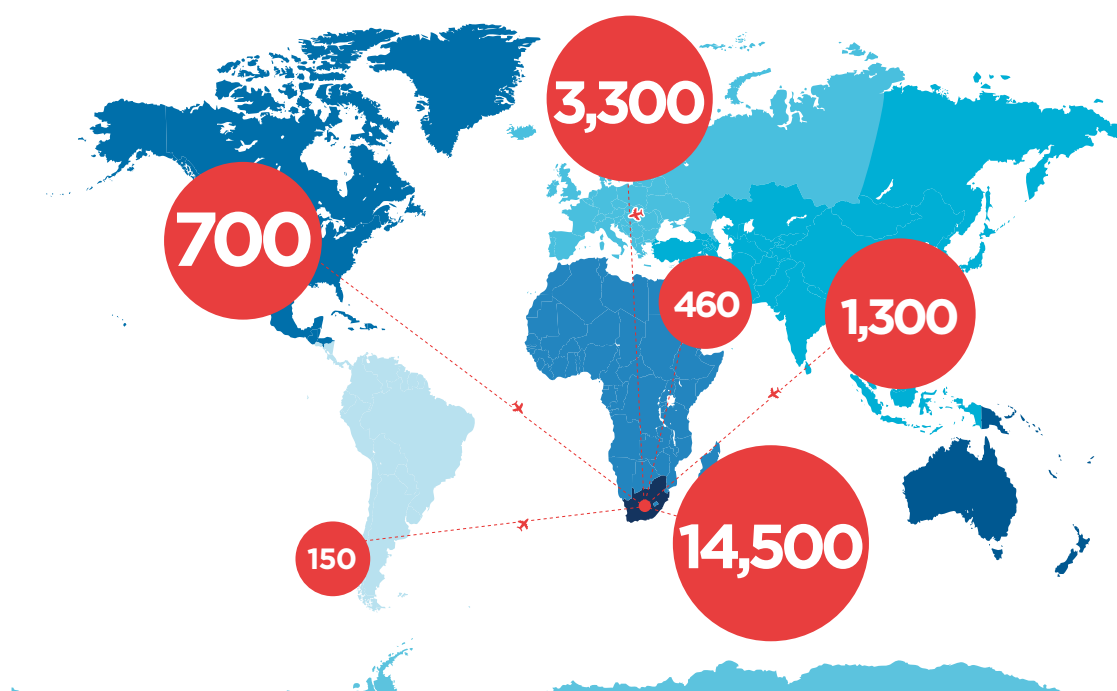


20
DIRECT WEEKLY
FLIGHTS TO THE
TOP 10 FASTEST
GROWING
CITIES

Arrivals by continent

Europe and Asia-Pacific are the largest sources of arrivals to South Africa after Africa. In 2014, 3.3 million passengers arrived to South Africa from Europe (16.3 percent of the total) and 1.3 million passengers arrived from Asia-Pacific (6.5 percent).

Arrivals by continent, number of passengers (000s)



¹ Fastest growing countries are Ranked by Oxford Economics' forecasted real GDP growth 2015-2030, with a threshold of >US \$100 million GDP. Fastest growing cities are ranked by Oxford Economics' forecasted real GDP growth 2015-2030, with a minimum city size of 5 million.

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

Survey evidence of infrastructure and ease of travel

Executives surveyed by the World Economic Forum suggest that South Africa's air transport infrastructure quality ranks 1st out of 37 countries included in the survey in Africa and 48th globally. South Africa ranks 19th out of 37 in Africa for visa openness and 17th for cost competitiveness.

Key infrastructure facts about South African air transport

Around 390,000 aircraft land or take off from South Africa every year. The country has 1 airport that is in the top 100 in the world (ranked by passenger numbers). O.R. Tambo International Airport carried the most passengers - 18.5 million - in 2014.



Number of passengers travelling annually through the five busiest airports in the country (000s)



² 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).

³ Based on ticket taxes, airport charges, and VAT (10=low cost, 0=high cost).

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Oxford Economics prepared this report with IATA's support.

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



For further information contact:

Ian Saxon

isaxon@oxfordeconomics.com

Tel: +44 (0)20 7803 1418

London

Broadwall House, 21 Broadwall, London, SE1 9PL, UK

www.oxfordeconomics.com