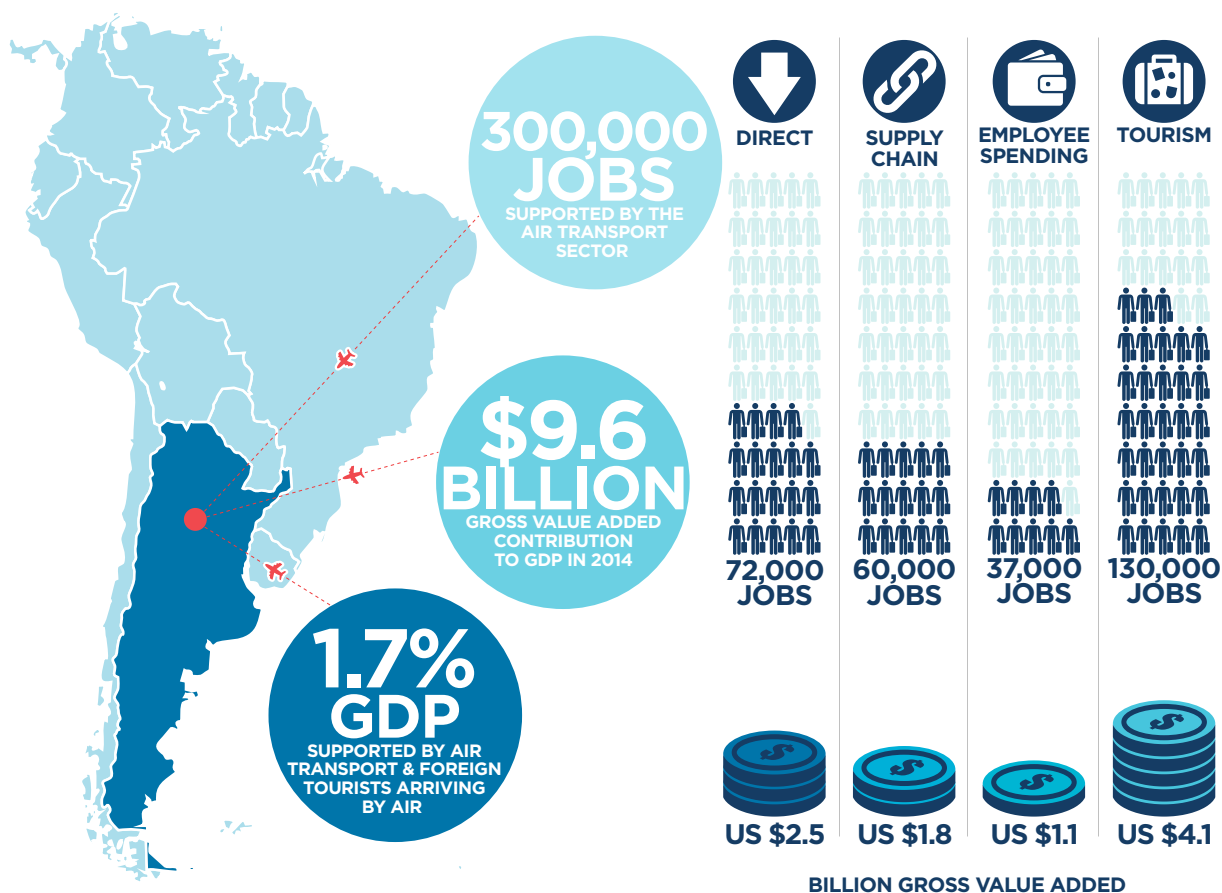




# THE IMPORTANCE OF AIR TRANSPORT TO ARGENTINA

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



### It creates jobs...

Airlines, airport operators, airport on-site enterprises (restaurants and retail), aircraft manufacturers, and air navigation service providers employed 72,000 people in Argentina in 2014. In addition, by buying goods and services from local suppliers the sector supported another 60,000 jobs. On top of this, the sector is estimated to have supported a further 37,000 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 Argentina, who spend their money in the local economy, are estimated to have supported an additional 130,000 jobs in 2014.

### ...and generates wealth

The air transport industry is estimated to have supported a \$5.4 billion gross value added contribution to GDP in Argentina in 2014. Spending

by foreign tourists supported a further \$4.1 billion gross value added contribution to the country's GDP. This means that 1.7 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. Brazil
2. Chile
3. Uruguay
4. United States
5. Peru
6. Spain
7. Paraguay
8. Panama
9. Bolivia
10. Ecuador



## The scale of investment, exports, and inbound spending in Argentina

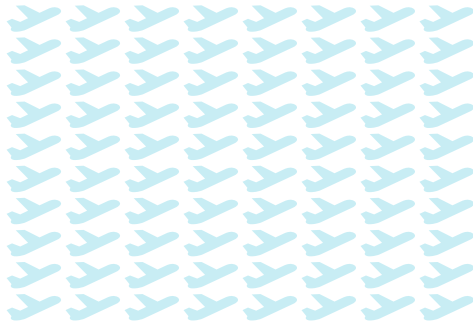
Air transport brings tourists and investment into Argentina, and helps businesses trade their goods and services around the world. In 2014, foreign tourists spent US \$4.6

billion in Argentina, supporting restaurants, hotels, transport providers, and others who cater to tourists. In addition, Argentina exported US \$81.2 billion worth of goods and services in 2014. Over time, the country has accumulated US \$82.2 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



**0**  
DIRECT FLIGHT DESTINATIONS IN THE 10 FASTEST GROWING COUNTRIES

The air transport sector's ability to connect Argentina to emerging countries and fast growing cities can help drive economic growth. There are no direct flight destinations among the ten fastest growing countries in the world as measured by GDP growth but there are 2 direct flight destinations among the 20 fastest growing countries.<sup>1</sup>

## 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

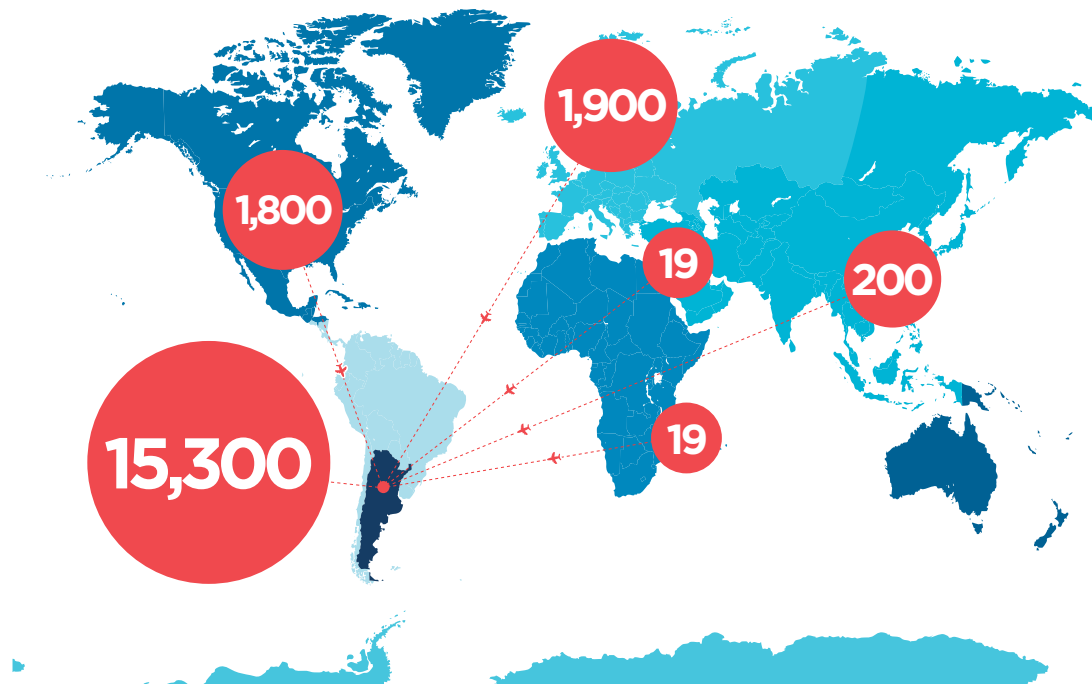


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DIRECT WEEKLY FLIGHTS TO THE TOP 10 FASTEST GROWING CITIES

## Arrivals by continent

Europe and North America are the largest sources of arrivals to Argentina after Latin America and the Caribbean. In 2014, 1.9 million passengers arrived to Argentina from Europe (9.9 percent of the total) and 1.8 million passengers arrived from North America (9.4 percent).

## Arrivals by continent, number of passengers (000s)



<sup>1</sup> 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 Argentina's air transport infrastructure quality ranks 18th out of 23 countries included in the survey in Latin America and the Caribbean and 106th globally. Argentina ranks 13th out of 23 in Latin America and the Caribbean for visa openness and 20th for cost competitiveness.



Infrastructure quality score: **4/7**



Visa openness score<sup>2</sup>: **3/10**



Cost competitiveness score<sup>3</sup>: **6/10**



## Key infrastructure facts about Argentinian air transport

Around 300,000 aircraft land or take off from Argentina every year. The country has no airports that are in the top 100 in the world (ranked by passenger numbers). Jorge Newbery airport carried the most passengers - 10.4 million - in 2014.



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



## 3 priorities to advance the aviation agenda:



1 Align investment in airport infrastructure needed to meet international traffic demand.



2 Review cost structure and productivity to be competitive, special focus on monopolistic activities such as ground handling and cargo terminal.



3 Promote consultative processes to align regulatory framework with international standards.

## December 2016

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 more information, please visit [IATA.org/Americas](http://IATA.org/Americas) or contact:

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

<sup>2</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>3</sup> Based on ticket taxes, airport charges, and VAT (10=low cost, 0=high cost).