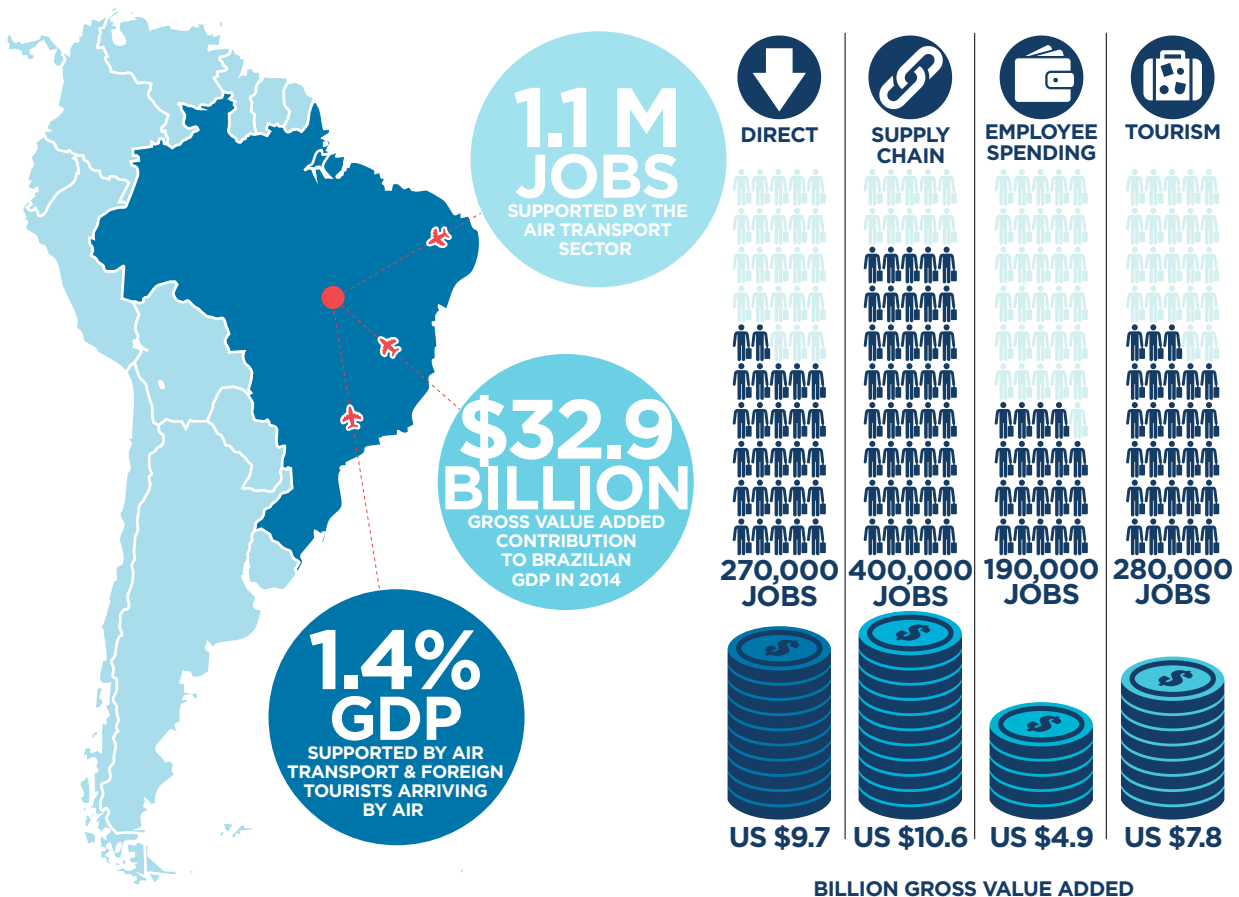


THE IMPORTANCE OF AIR TRANSPORT TO BRAZIL

The air transport sector makes a major contribution to the Brazilian economy



It creates jobs...

Airlines, airport operators, airport on-site enterprises (restaurants and retail), aircraft manufacturers, and air navigation service providers employed 270,000 people in Brazil in 2014. On top of this by buying goods and services from local suppliers, it supported another 400,000 jobs, and when these people spend their wages, it supported a further 190,000 jobs in 2014.

Foreign tourists arriving by air to Brazil, who spend their money in the local economy, are estimated to have supported an additional 280,000 jobs in 2014.

...and generates wealth

The industry also supported a \$25.1 billion gross value added contribution to GDP in Brazil. Spending by foreign tourists supported a further \$7.8 billion gross value added contribution to the country's GDP. This

means that 1.4 percent of the country's GDP is supported by the air transport sector and foreign tourists arriving by air. Aviation-supported jobs and gross value added were buoyed in 2014 by Brazil hosting the football World Cup.



Air transportation facilitates exports, foreign direct investment, and tourism

The ten most popular direct flight links:

1. United States
2. Argentina
3. Chile
4. Panama
5. Portugal
6. Uruguay
7. Peru
8. Spain
9. France
10. Germany



The scale of investment, exports, and inbound spending in Brazil

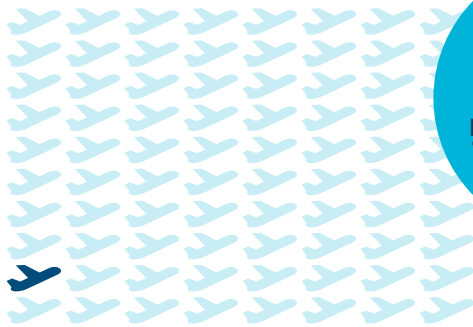
Air transport brings tourists and investment into Brazil, and helps businesses trade their goods and services around the world. In 2014, foreign tourists

spent US \$6.8 billion in Brazil, supporting restaurants, hotels, transport providers, and others who cater to tourists. In addition, Brazil exported US \$270 billion worth of goods and services in 2014. Over time, the country has accumulated US \$620 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



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DIRECT FLIGHT DESTINATION IN THE 10 FASTEST GROWING COUNTRIES

The air transport sector's ability to connect Brazil to emerging countries and fast growing cities can help drive economic growth. There is 1 direct flight destination among the ten fastest growing countries in the world as measured by GDP growth and 6 direct flight destinations among the 20 fastest growing countries. There are no direct weekly flights among the ten fastest growing cities in the world as measured by GDP growth but there are 7 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

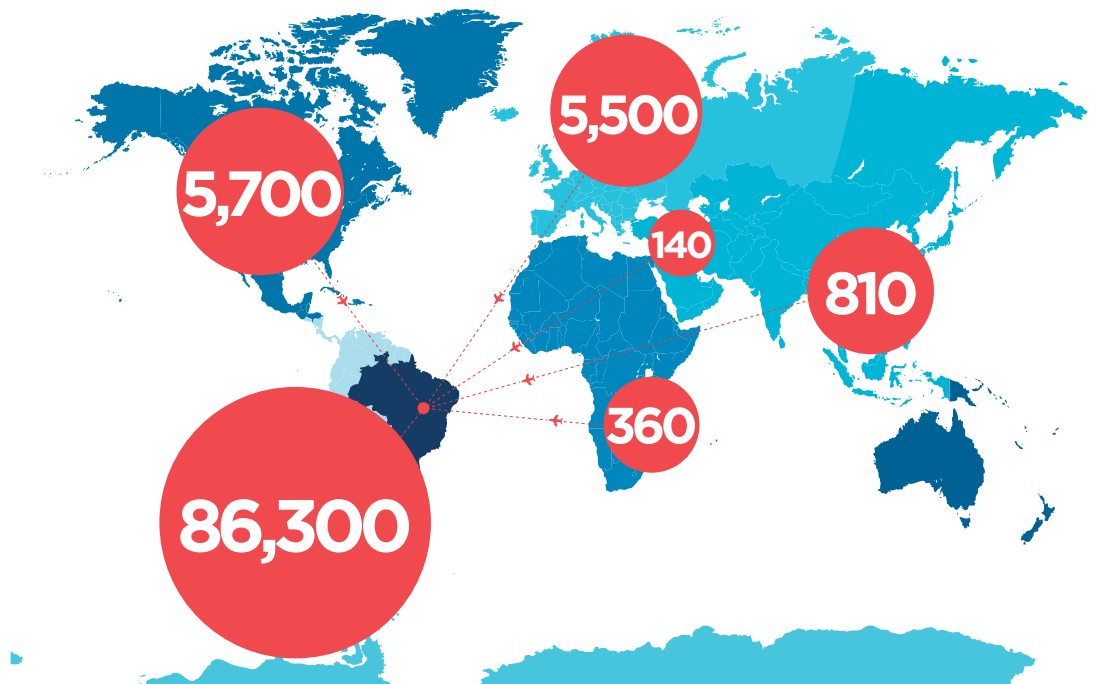


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DIRECT WEEKLY FLIGHTS TO THE TOP 10 FASTEST GROWING CITIES

Arrivals by continent

North America and Europe are the largest sources of arrivals to Brazil after Latin America and the Caribbean. In 2014, 5.7 million passengers arrived to Brazil from North America (5.8 percent of the total) and 5.5 million passengers arrived from Europe (5.5 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 Brazil's air transport infrastructure quality ranks 19th out of 23 countries included in the survey in Latin America and the Caribbean and 112th globally. Brazil ranks 21st out of 23 in Latin America and the Caribbean for visa openness and 14th for cost competitiveness.



Key infrastructure facts about Brazilian air transport

Around 2 million aircraft land or take off from Brazil every year. The country has 3 airports that are in the top 100 in the world (ranked by passenger numbers). Guarulhos Intl airport carried the most passengers—39.5 million—in 2014.



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



3 priorities to advance the Brazilian aviation agenda:

- 1 Align regulatory framework with global best practices.
- 2 Adopt industry standards in the area of consumer protection rights.
- 3 Review cost structures to global averages to be competitive.

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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.



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

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).