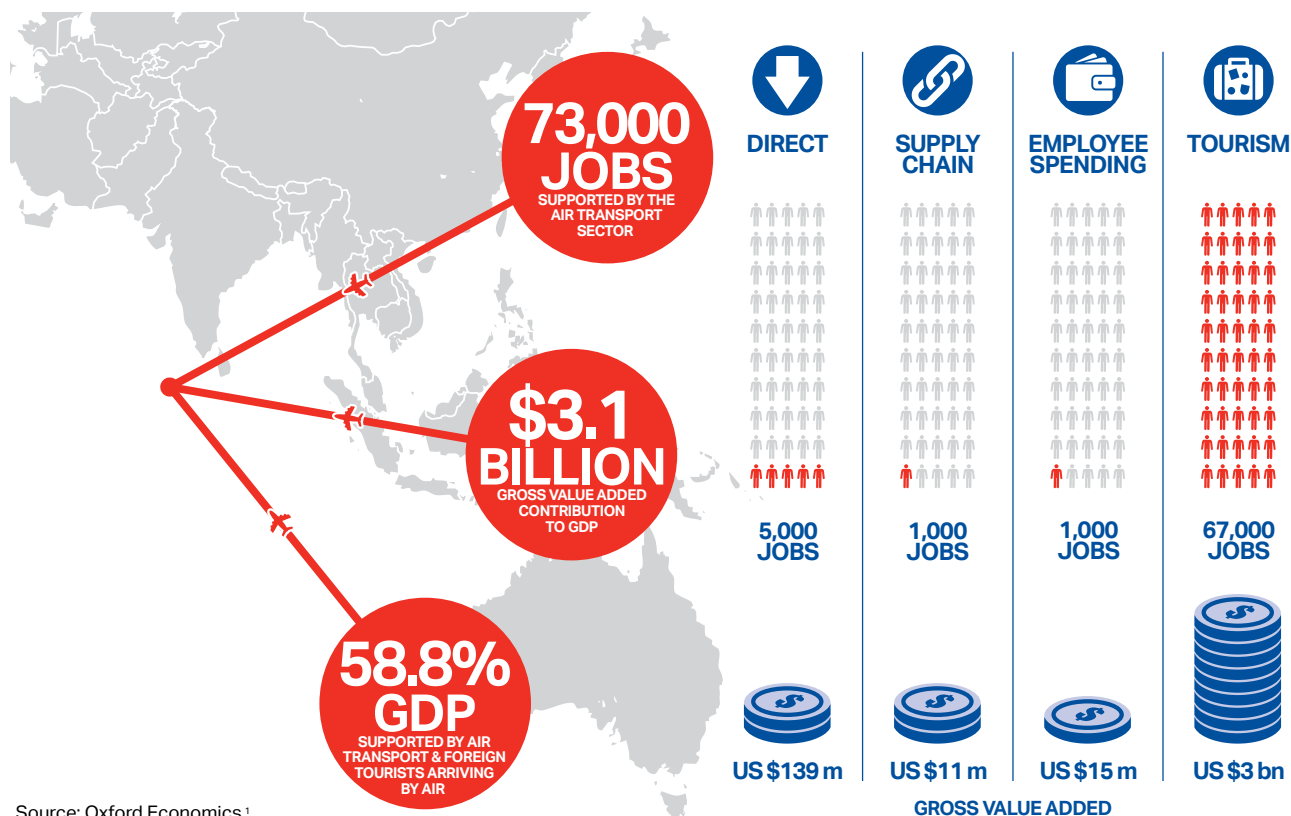


The air transport sector makes a major contribution to the Maldives's economy

There are different ways of measuring air transport's impact on an economy. We look at three: the jobs and spending generated by airlines and their supply chain, the flows of trade, tourism and investment resulting from users of all airlines serving the country, and the city pair connections that make these flows possible. All provide a different but illuminating perspective on the importance of air transport.



Source: Oxford Economics¹

The air transport sector supports...

Airlines, airport operators, airport on-site enterprises (restaurants and retail), and air navigation service providers employ 5,000 people in the Maldives. In addition, by buying goods and services from local suppliers the sector supported another 1,000 jobs. On top of this, the sector is estimated to support a further 1,000 jobs through the wages it pays its employees, some or all of which are subsequently spent on

consumer goods and services. Foreign tourists arriving by air to the Maldives, who spend their money in the local economy, are estimated to support an additional 67,000 jobs. In total 73,000 jobs are supported by air transport and tourists arriving by air.

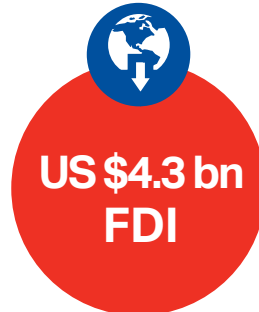
...and spending

The air transport industry, including airlines and its supply chain, are estimated to support US \$165 million of GDP in the

Maldives. Spending by foreign tourists supports a further US \$3 billion of the country's GDP, totaling US \$3.1 billion. In total, 58.8 percent of the country's GDP is supported by inputs to the air transport sector and foreign tourists arriving by air.

For forecasts of the industry's GDP and jobs contribution over the next 20 years see page 4

Air transport facilitates flows of goods, investment and people



Note: Data relate to all modes of transport. Foreign direct investment (FDI) figure represents cumulative inward stock at the end of 2017
Source: UNCTAD and World Bank²

The most important benefits from air transport go to passengers and shippers and the spillover impacts on their businesses. The value to passengers, shippers

and the economy can be seen from the spending of foreign tourists and the value of exports (though note these figures include all modes of transport). A key

economic flow, stimulated by good air transport connections, is foreign direct investment, creating productive assets that will generate a long-term flow of GDP.

Top five international tourist arrivals (all modes of transport) by country of residence³

1. People's Republic of China
2. Germany
3. United Kingdom
4. Italy
5. India

Top five busiest direct flights arrivals

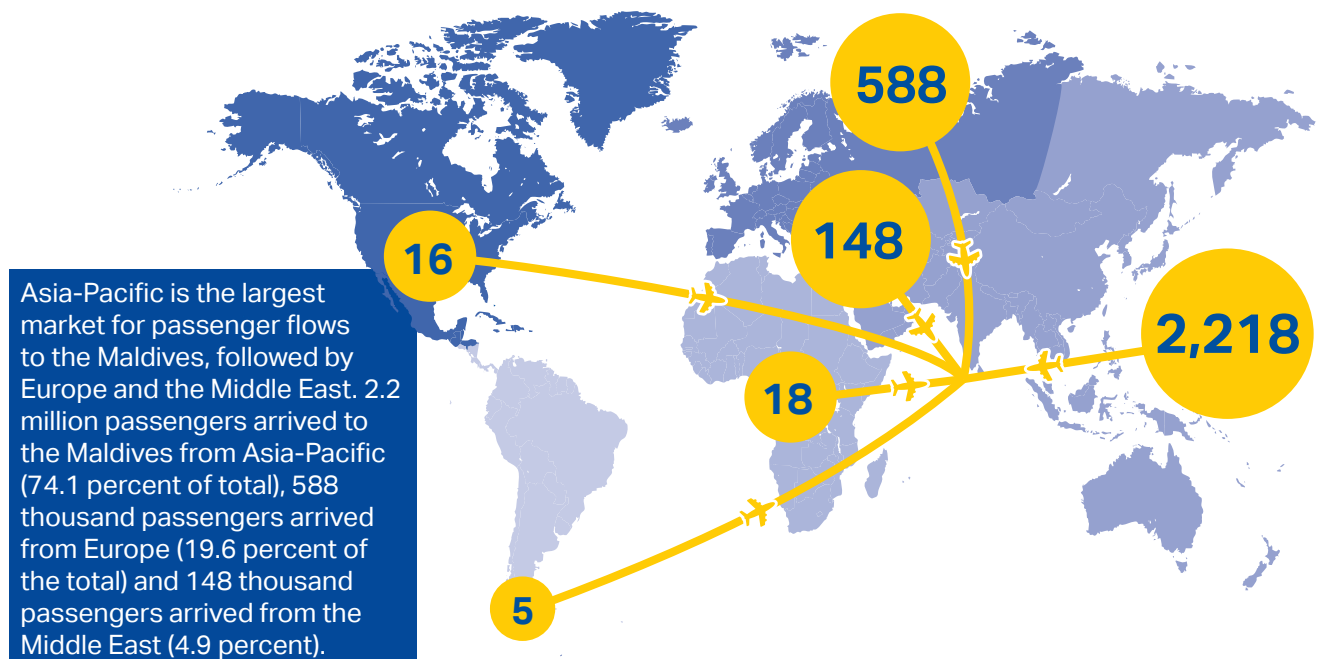
1. Sri Lanka
2. United Arab Emirates
3. India
4. Singapore
5. Thailand

Top five busiest air cargo routes

1. Qatar
2. United Arab Emirates
3. Sri Lanka
4. Singapore
5. Hong Kong (SAR), China

Source: UNWTO and IATA²

Annual passenger flows by region (origin-destination, '000s)

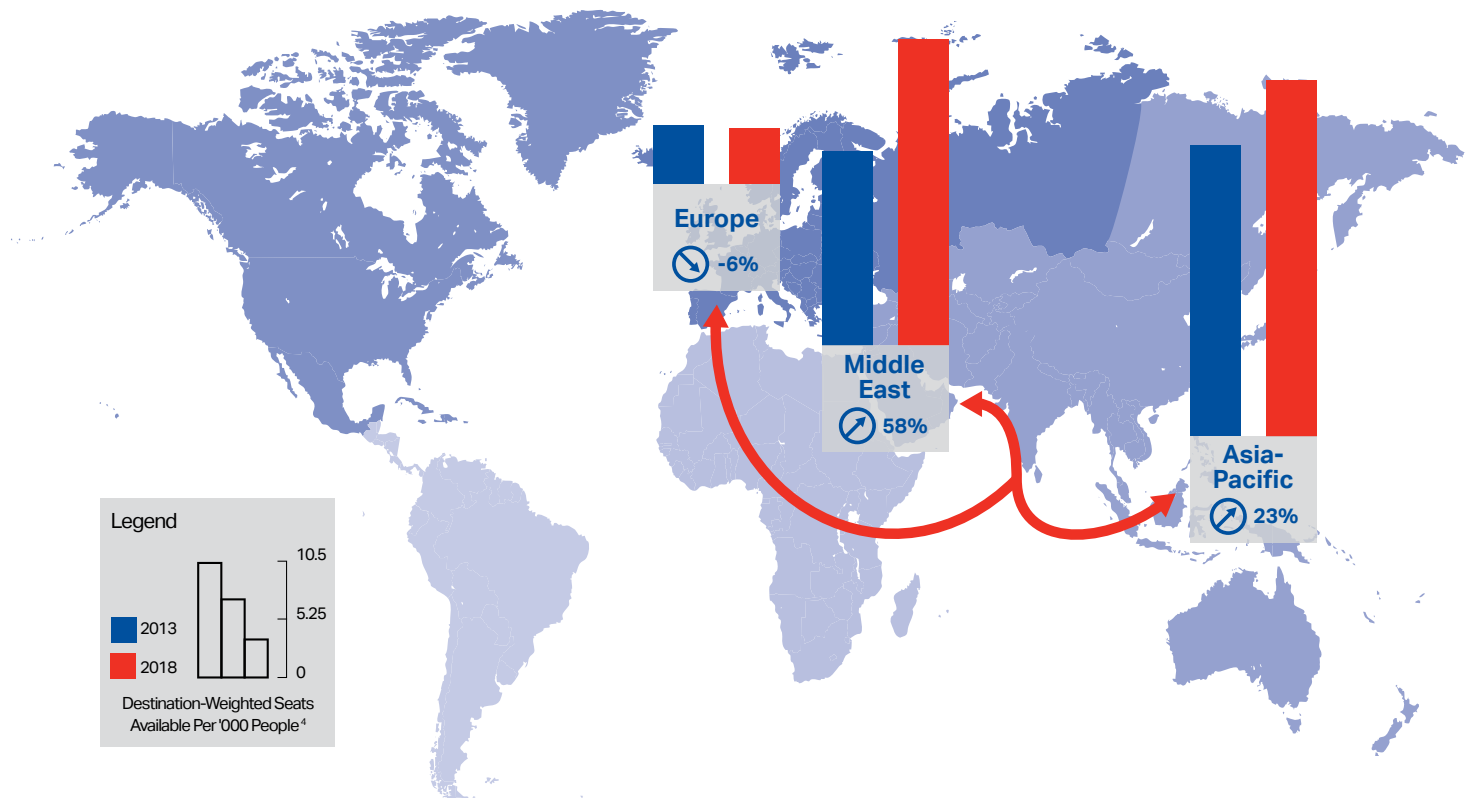


Source: IATA Direct Data Solutions

Air transport connects the Maldives to cities around the world

Air transport generates benefits to consumers and the wider economy by providing speedy connections between cities. These virtual bridges in the air enable the economic flows of goods, investments, people and ideas that are the fundamental drivers of economic growth.

Map of the Maldives air connectivity, by its largest markets (segment basis) ⁴



IATA's measure of how well a country is connected to economically important cities around the world is shown above. The map shows the Maldives

connectivity at a regional level and how it has evolved. The Maldives connections to the Middle East have grown the fastest over the five past years.

Number of international city pairs direct service in the top ten countries by passenger numbers in the world ⁵

- 0 United States
- 2 People's Republic of China
- 0 Japan
- 1 United Kingdom
- 6 India
- 0 Indonesia
- 0 Spain
- 1 Germany
- 0 Brazil
- 1 France

11
CITY PAIRS
IN THE TOP 10
COUNTRIES BY
PASSENGER
NUMBERS⁵



Source: IATA, Aviation Benefits Beyond Borders 2018 report

Forecast scenarios for passenger traffic, jobs and GDP footprint⁶

Air transport market in the Maldives is forecast under the “current trends” scenario to grow by 154% in the next 20 years. This would result in an additional 4.7 million passenger departures by 2038. If met, this increased demand would support approximately US \$8 billion of GDP and around 92,000 jobs.

	PASSENGERS	US \$ GDP	JOBS
2018	3.1 m	\$3.1 bn	72,561
2038	Current Trends	\$7.9 bn	91,737
	Upside	\$9.5 bn	110,374
	Downside	\$6.5 bn	75,191

¹ Source: Oxford Economics (all currency is in the United States dollars at 2018 prices).

² FDI (Foreign Direct Investment) and exports data relates to 2018, foreign tourist expenditure data relates to 2017.

³ Arrivals of non-resident tourists at national borders or in all types of accommodation establishments, by country of residence.

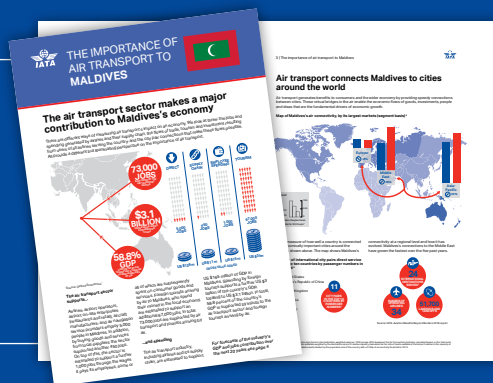
⁴ The air connectivity scores reported are total destination weighted seats per 1000 people. IATA developed the Air Connectivity Indicator calculated based on the total route capacity (in terms of seats available) weighted by the destination airport’s relative capacity (calculated as the ratio of seats available at that airport relative to the capacity at the airport with most available seats) divided by the population size of the country with a 0.15% of connectivity threshold in 2013.

⁵ A threshold of at least one flight per week is applied.

⁶ Passengers are counted as departures, including connections. The passenger forecasts are based on the IATA 20-year passenger forecast (April 2019). Data on GDP and jobs 2018 are from Oxford Economics. GDP and jobs forecasts are from IATA Economics.

* All data relate to 2018 or most recent unless stated otherwise.

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



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