

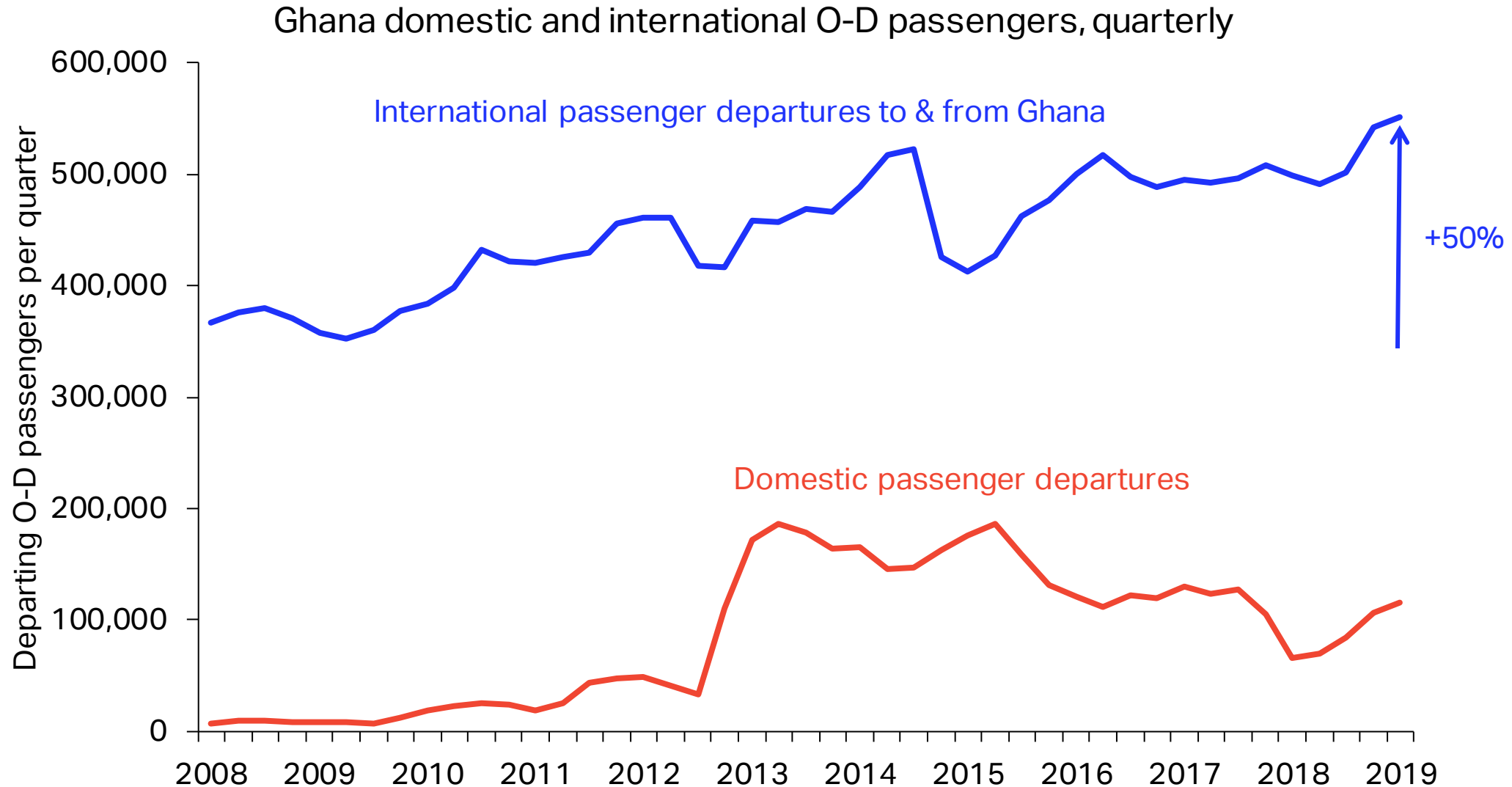
The potential benefits from air transport in Ghana

Brian Pearce
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June 2019

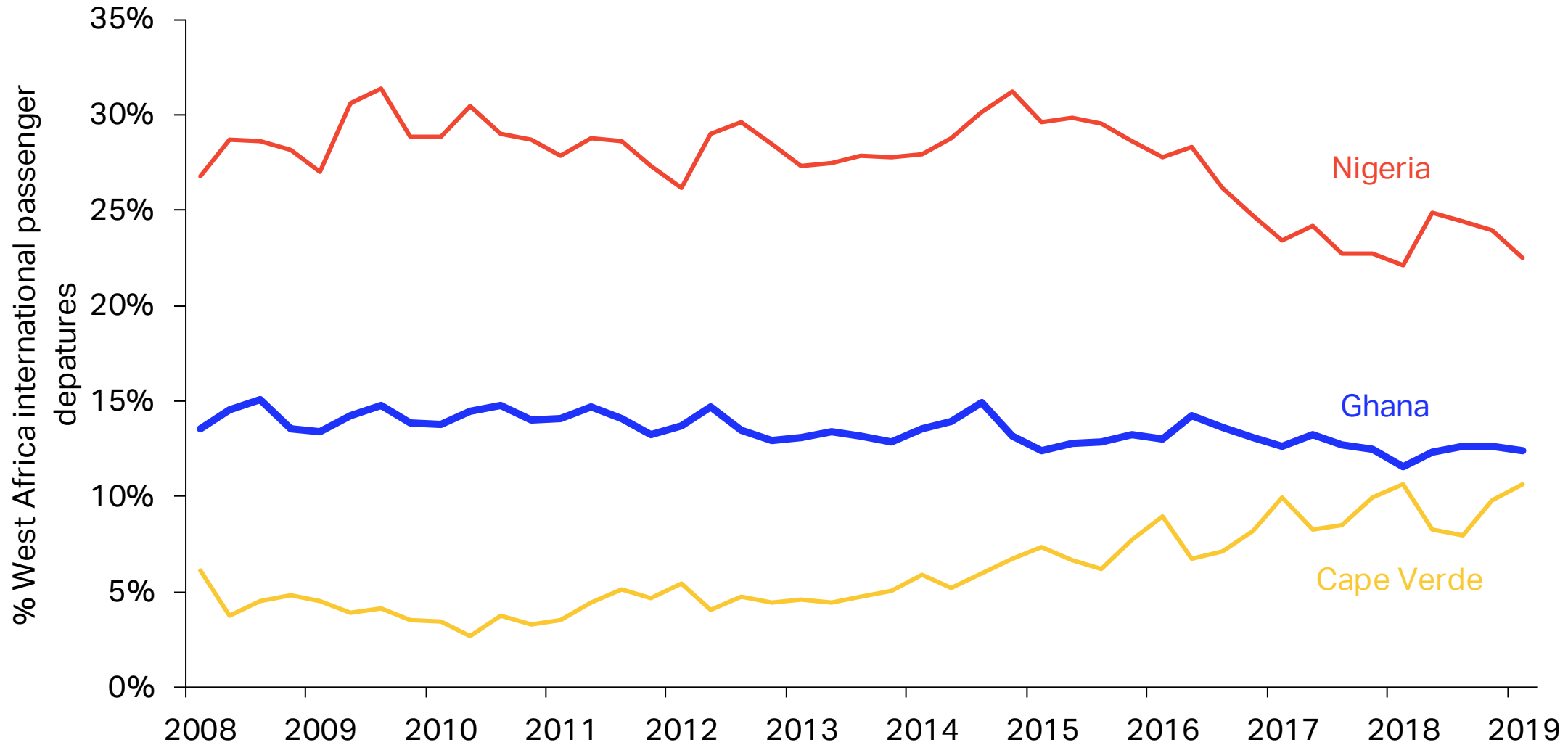


Air travel has grown significantly in Ghana



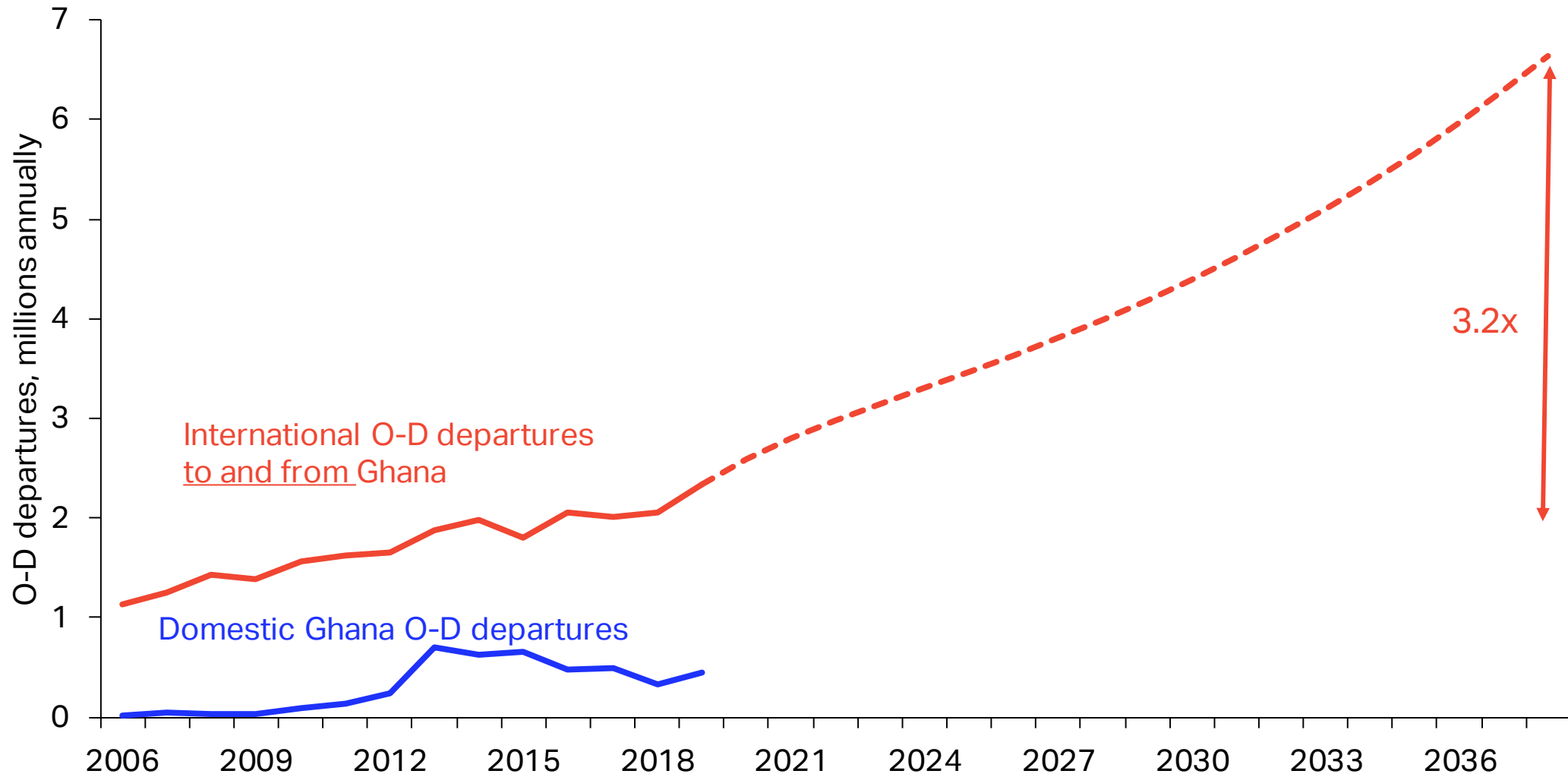
But Ghana's international traffic share declining

Share of West Africa international air passenger departures



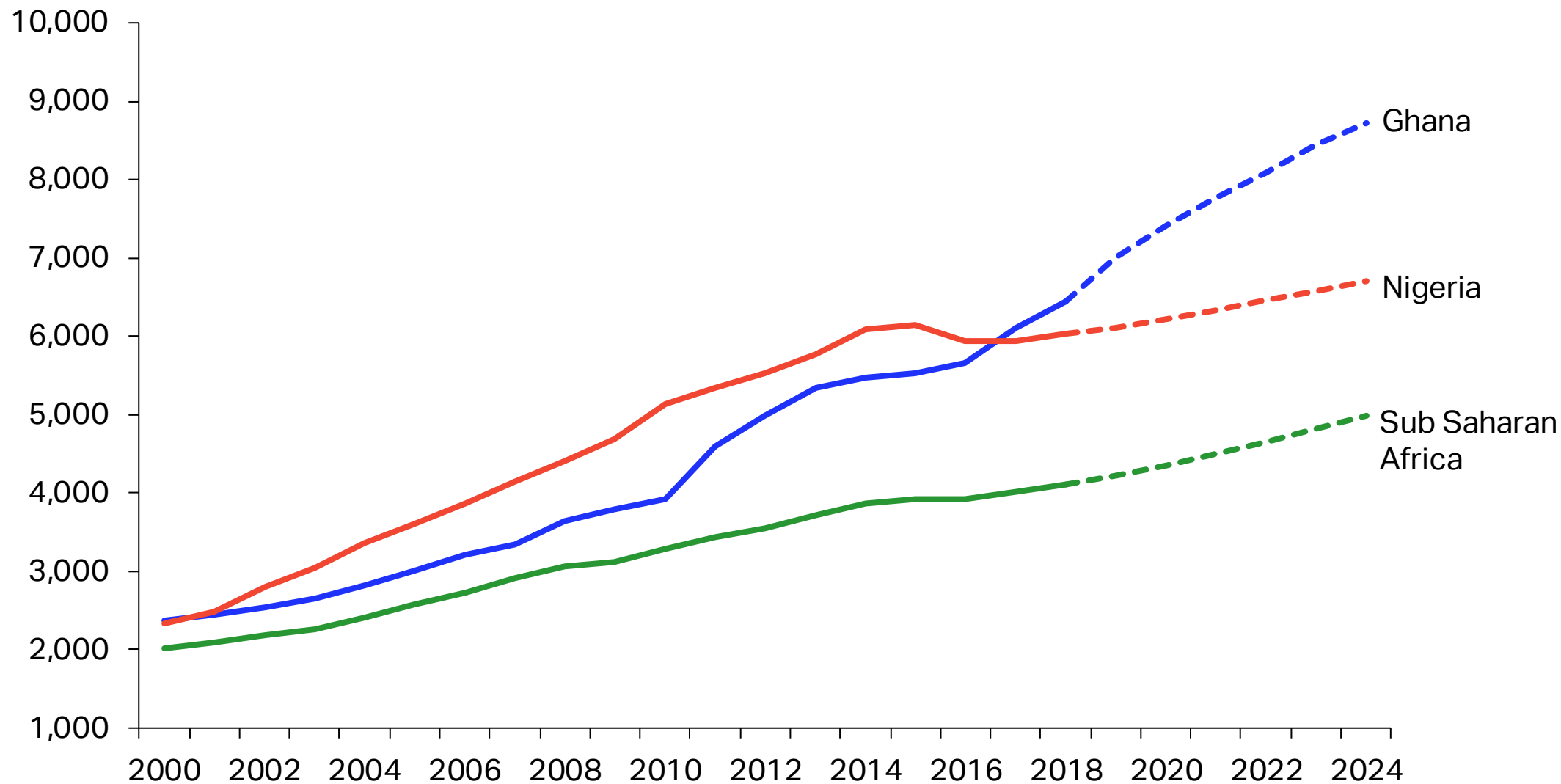
Large potential increase in air passenger demand

International and domestic origin-destination passenger departures



Will help to accelerate the rise of living standards

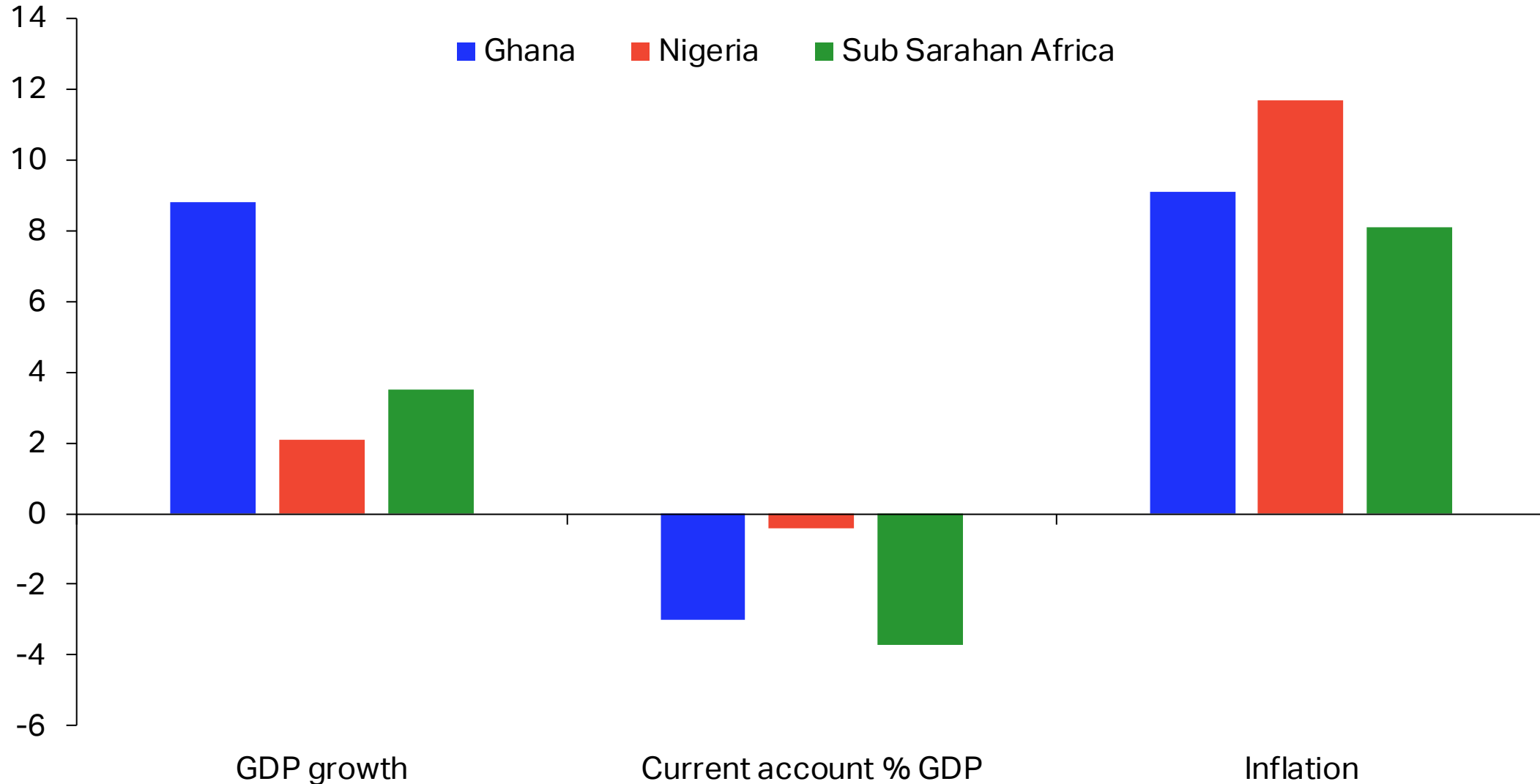
IMF forecasts for GDP per capita, US\$ PPP exchange rates



Source: IATA Economics using data from IMF World Economic Outlook, April 2019

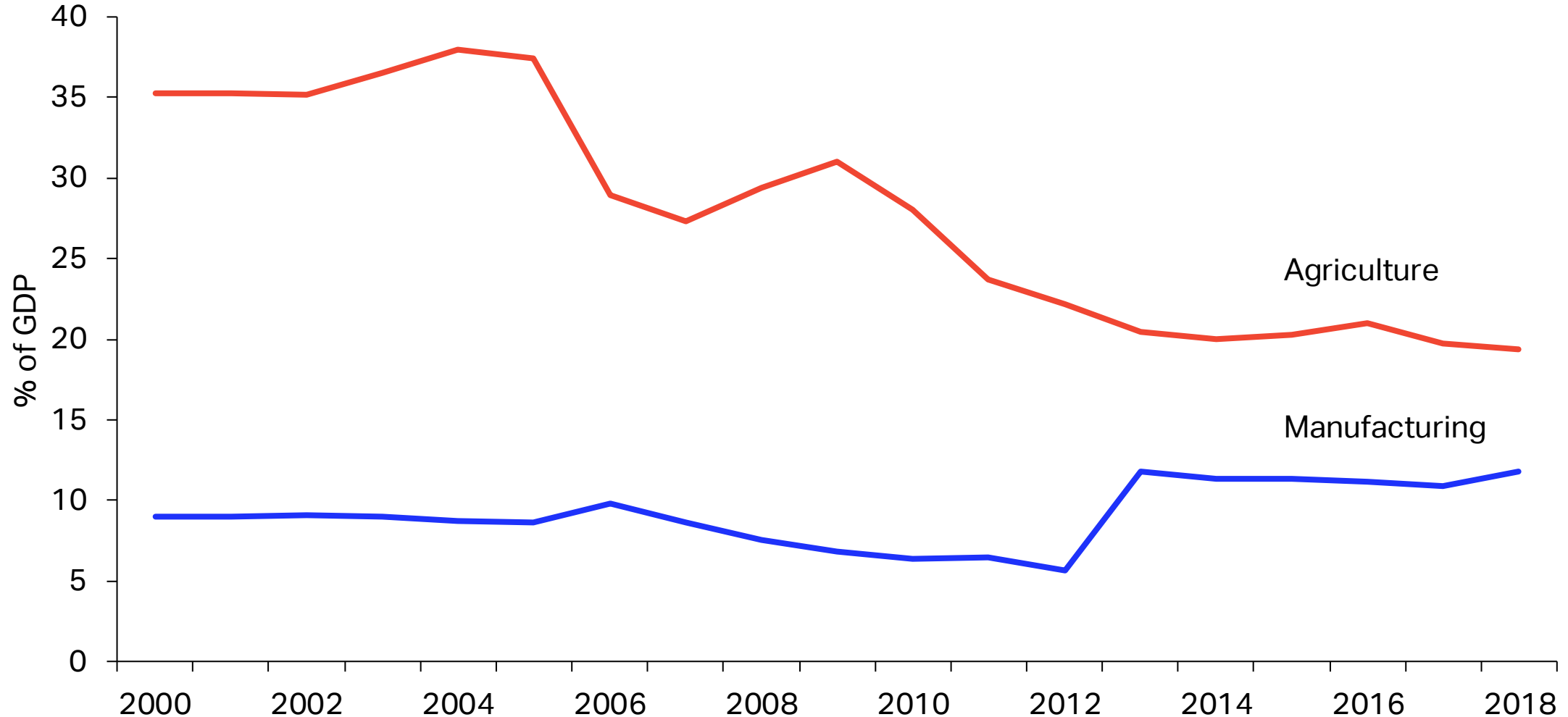
Ghana's economy in reasonable shape today

IMF economic forecasts for 2019



But further economic diversification needed

Share of manufacturing and agriculture in Ghana's GDP



Travel & tourism is one source of diversification

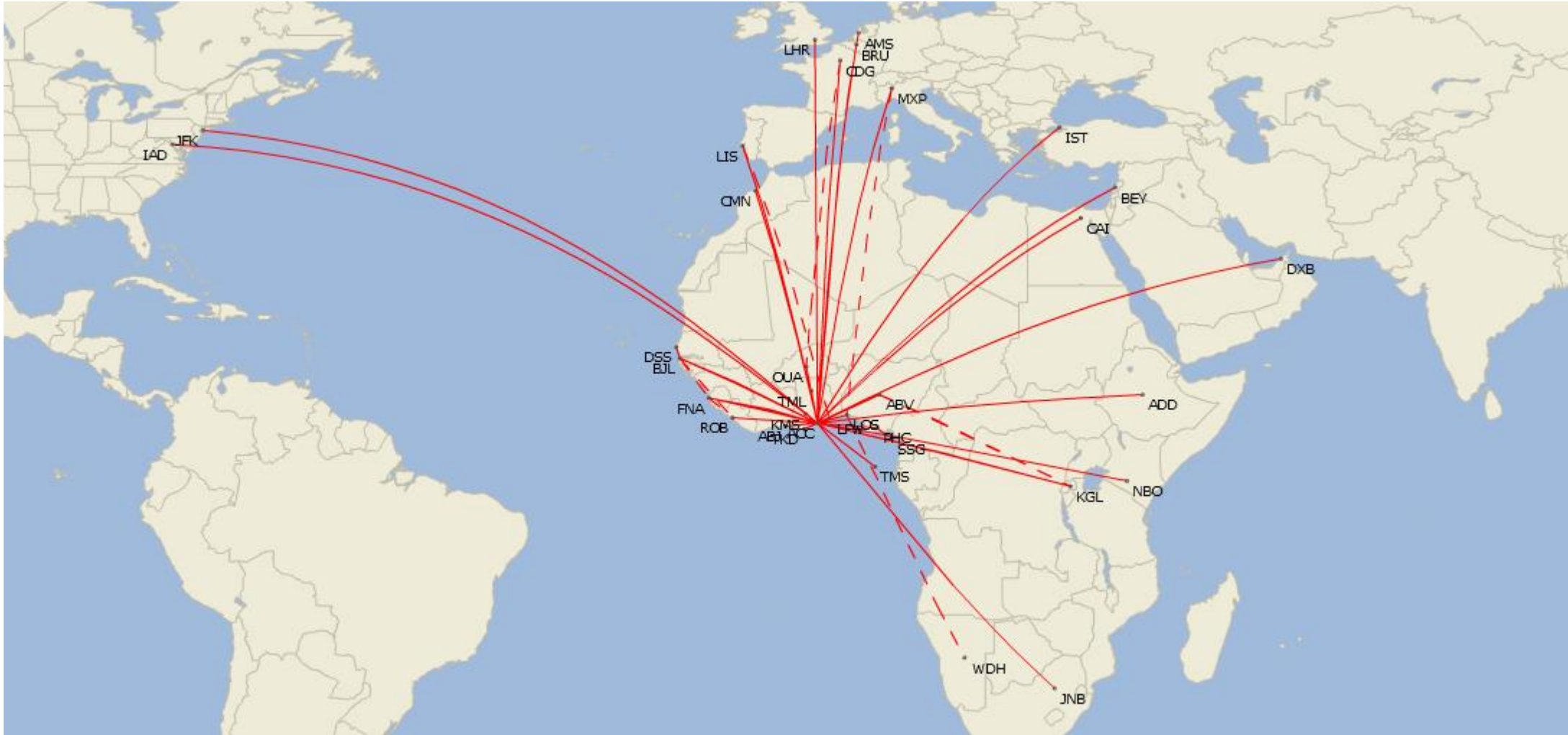
Travel & tourism's economic footprint in Ghana, 2018

- **5.5% of GDP** (Cedi 16.5 billion)
- **640,000 jobs** (4.7% total employment)
- **Cedi 4.2 billion international visitor spend** (4% total exports)



Connecting cities by air drives more diversification

Direct and one-stop scheduled air services to and from Ghana, June 2019



Creating bridges for economic development

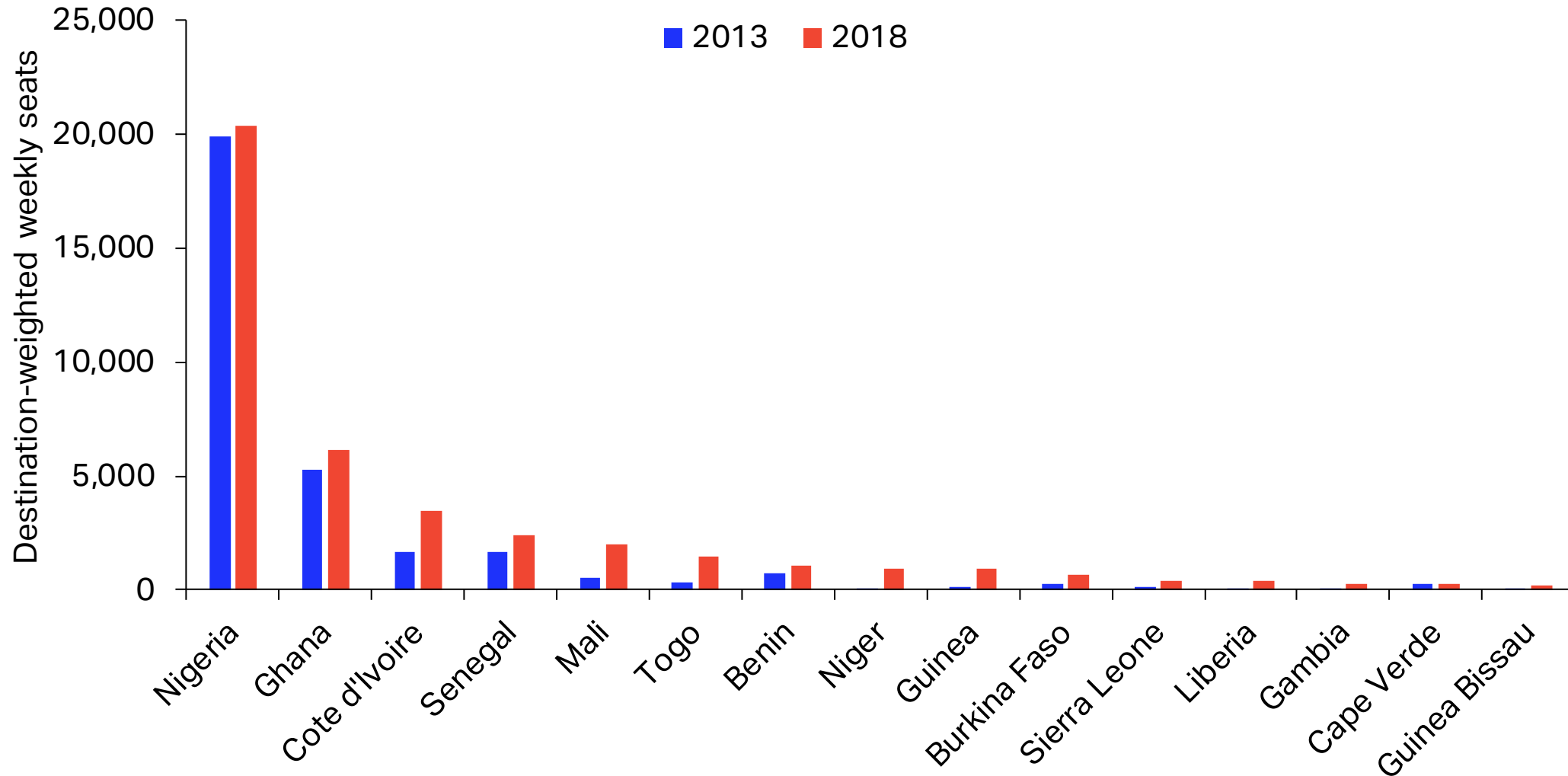
- Trade
- Investment
- Industrialization
- Global supply chains
- Regional headquarters
- Exchange of ideas and innovation

We have developed a measure of connectivity

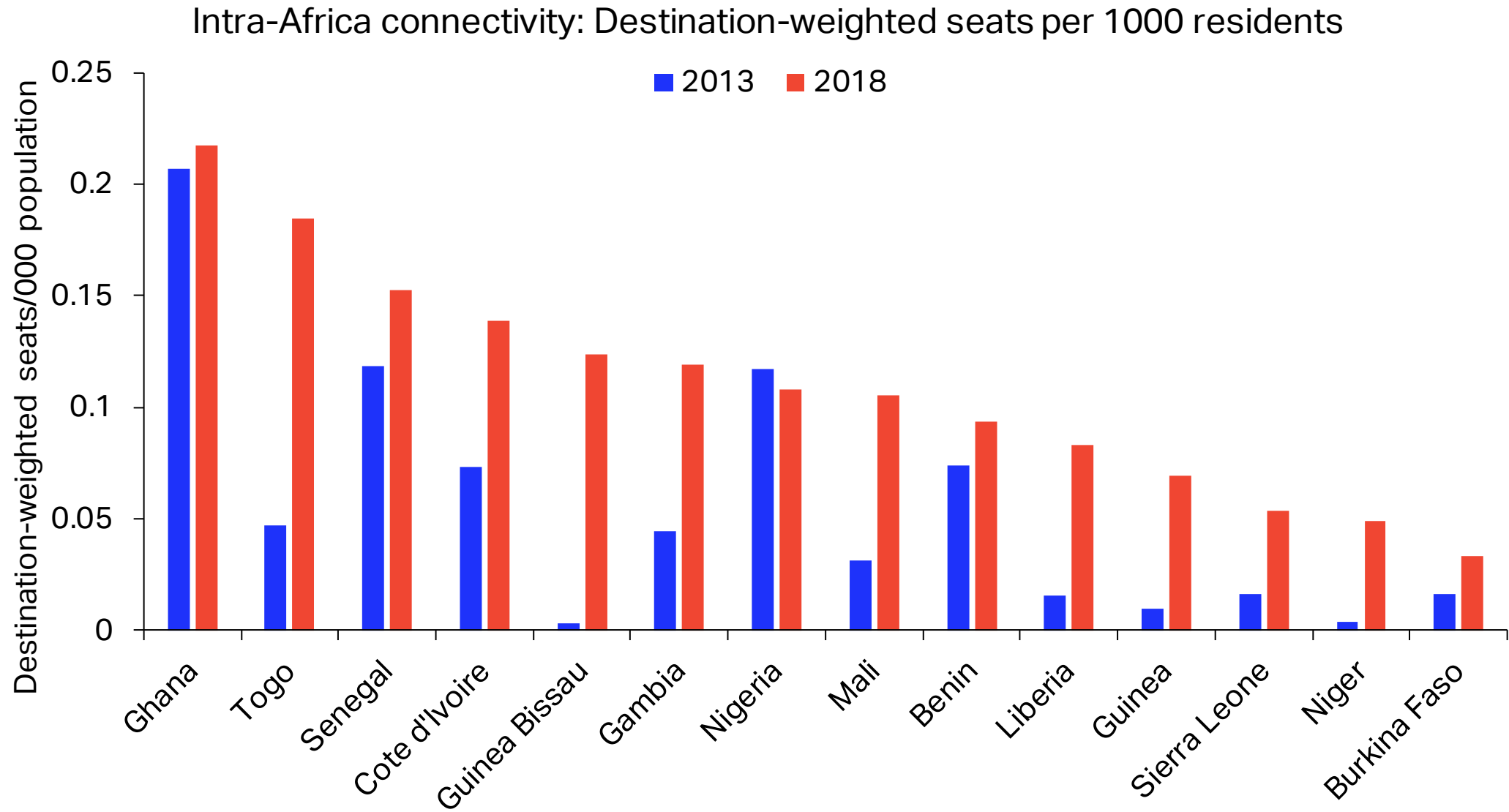


Nigeria has best absolute regional connectivity

Intra-African connectivity: Destination-weighted weekly seats



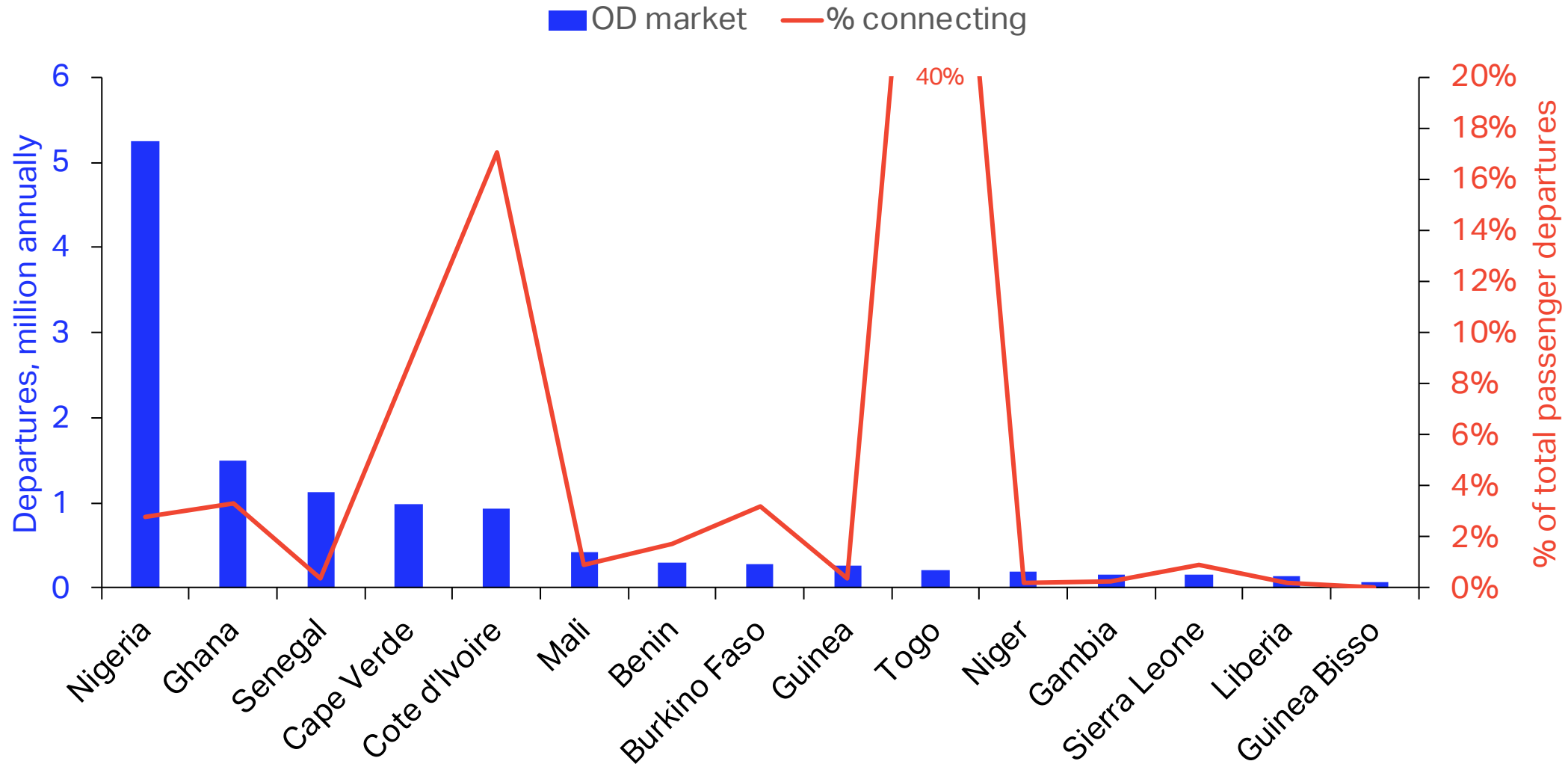
But Ghana is top relative to population size



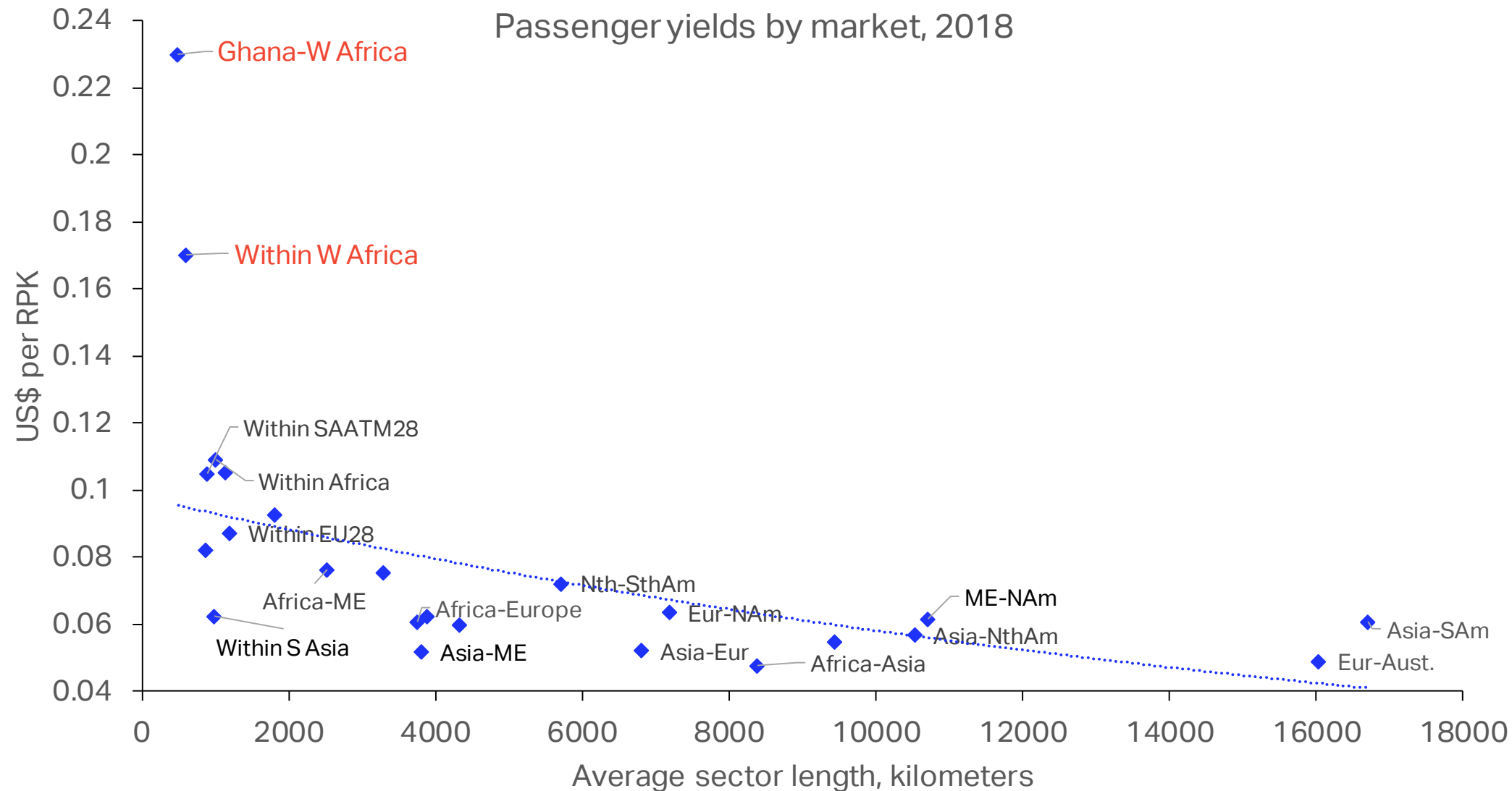
Source: IATA Economics using data from SRS Analyzer (chart excluded Cape Verde)

Ghana could become a significant regional hub

Departing origin-destination passengers and % connecting, 2017

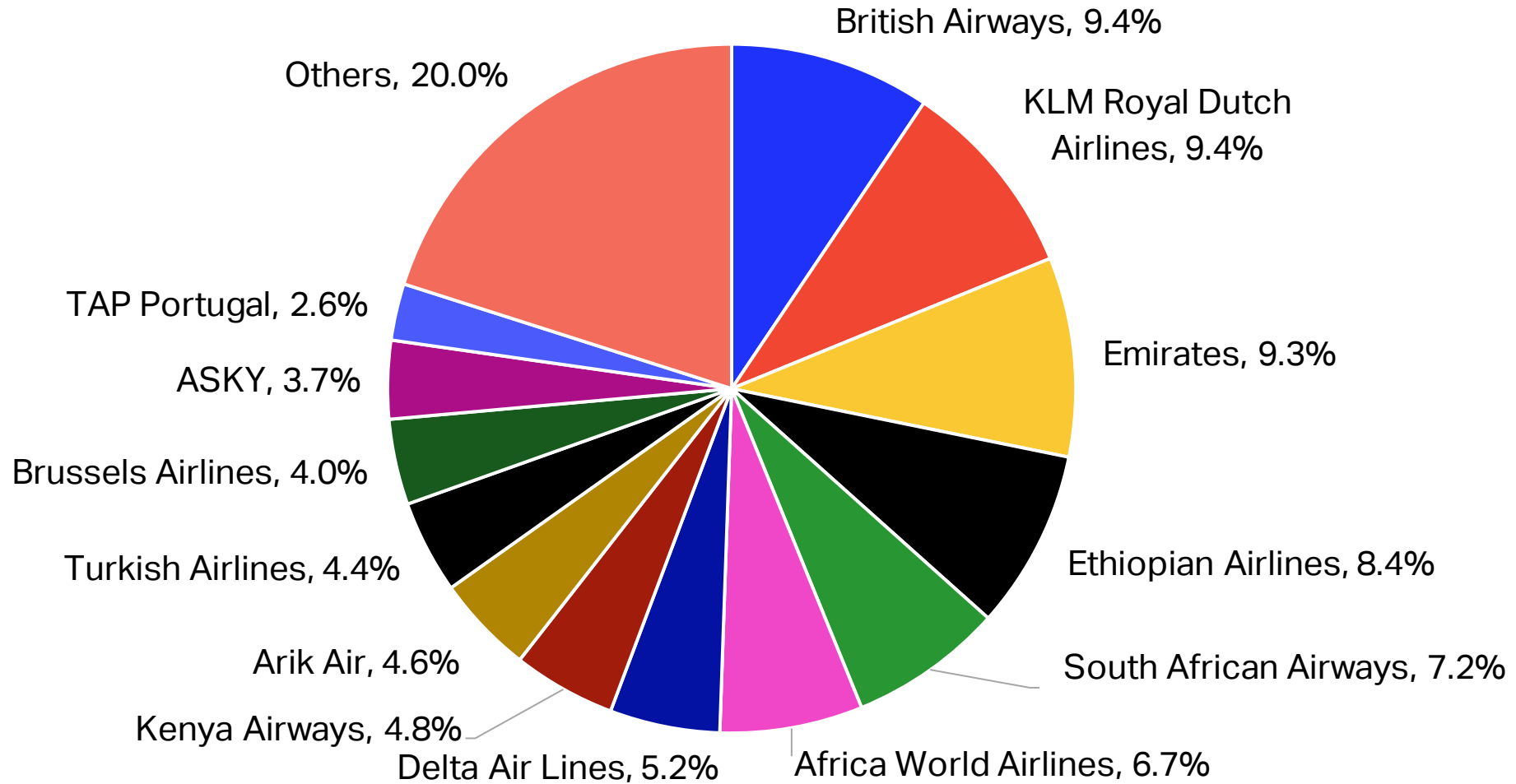


Cost of air transport is very high in West Africa



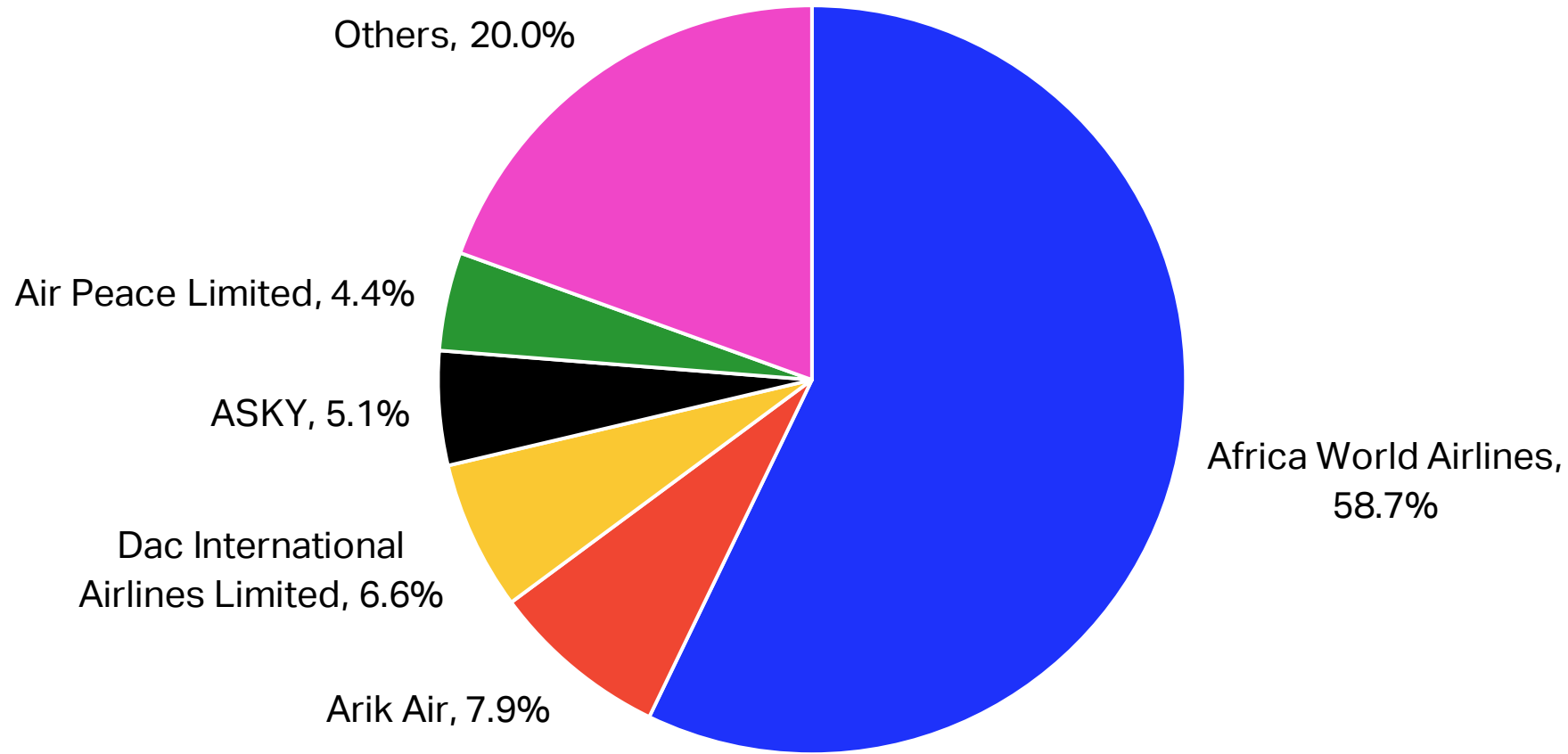
Plenty of airline competition on international routes

Passenger share on Ghana international markets, 2018



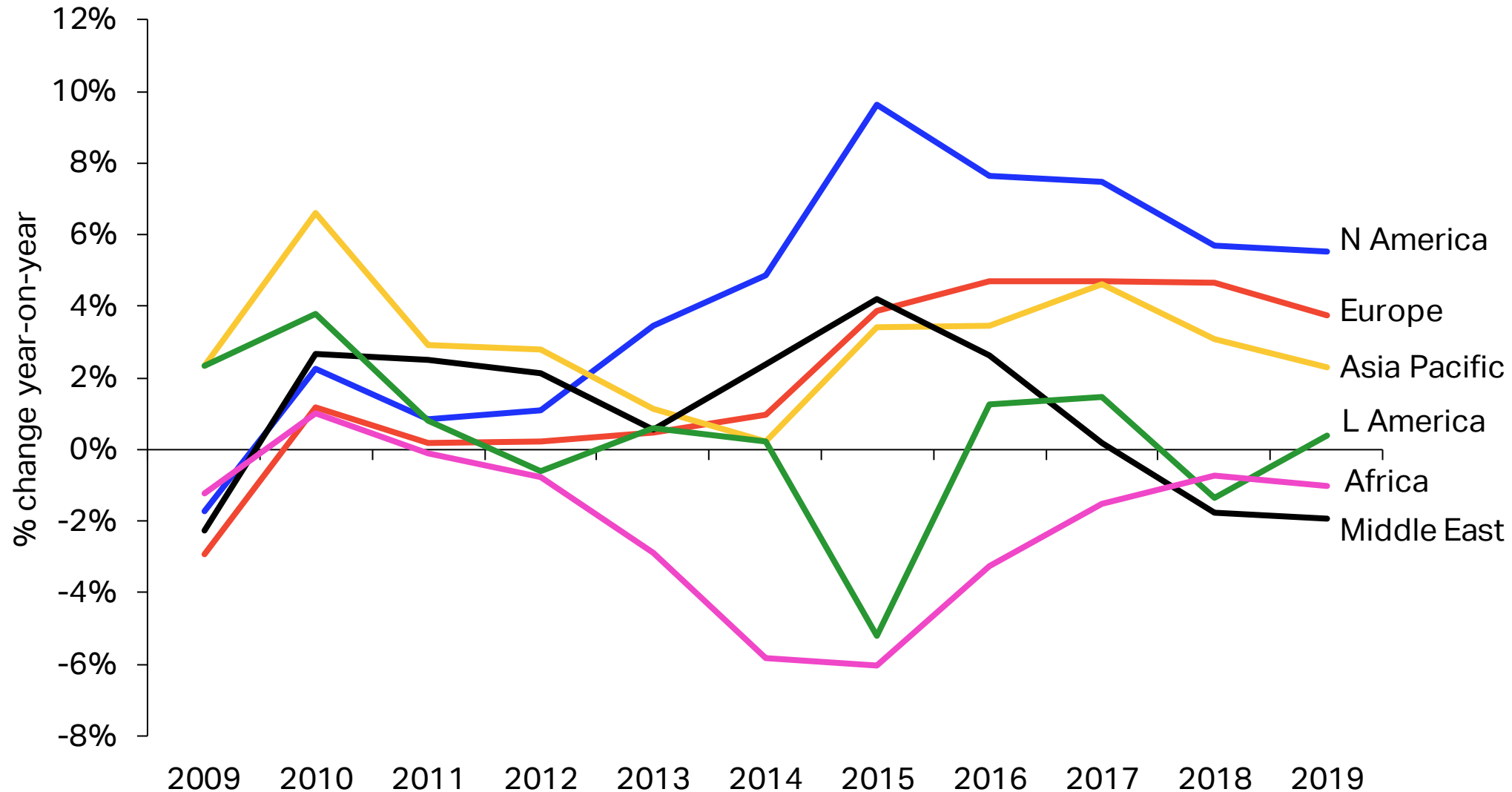
West Africa markets are more concentrated

Passenger share on Ghana's domestic and West Africa markets, 2018



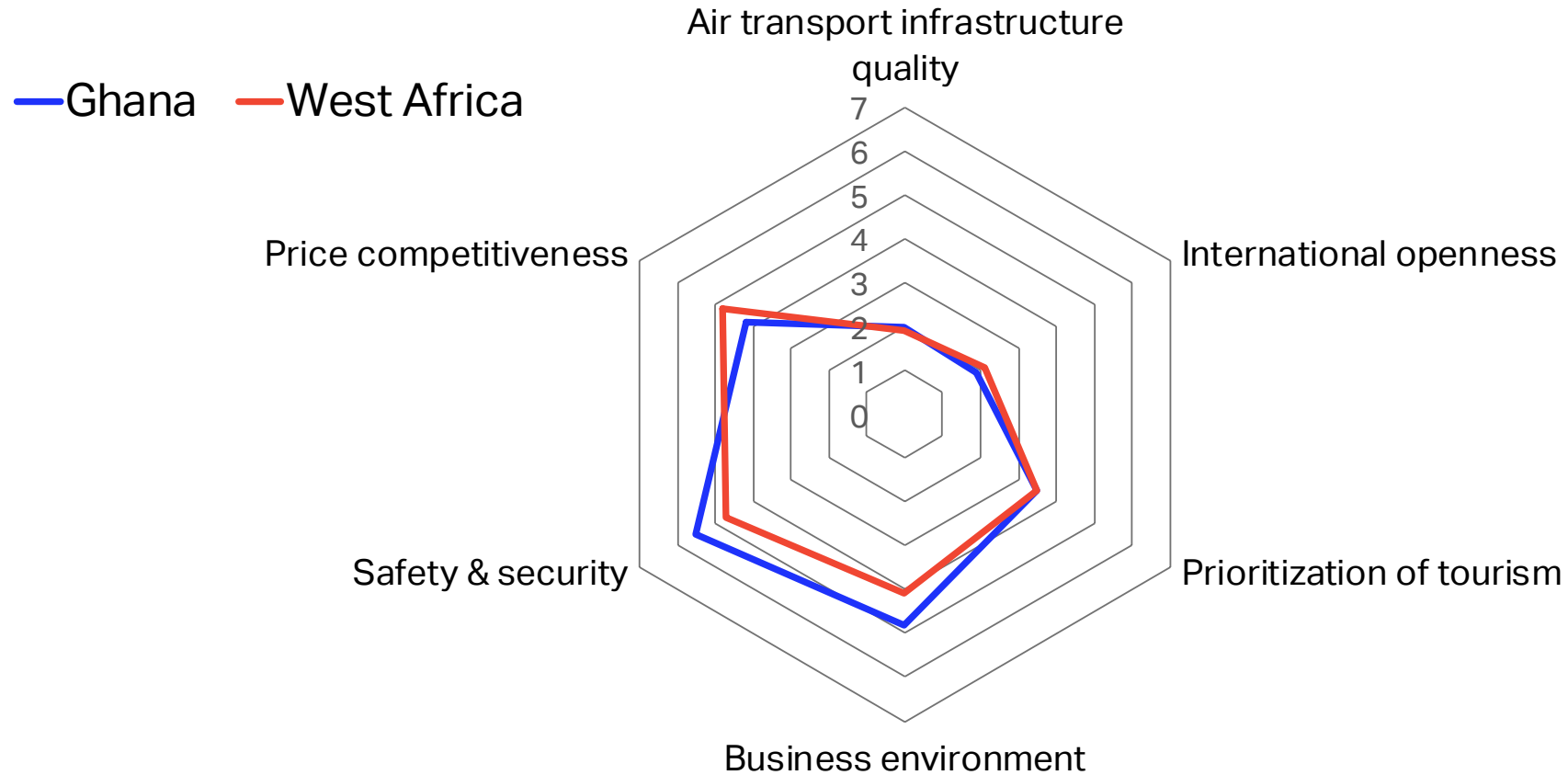
You need financially healthy airlines

Net post-tax profit margins



Policy & infrastructure need improvements

WEF Travel & Tourism Competitiveness Measures



Thank you

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