The value of air transport for Russia’s economy

March 2016

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International Air Transport Association
Air transport is a key driver of growth and jobs

Air transport services and jobs supported worldwide

Tonne kilometers flown (left scale)

Jobs supported (right scale)

Source: ICAO, Oxford Economics, IATA
Connects Russia’s economy to overseas markets
Russia’s economy facing serious headwinds

2014 levels not recovered until 2020

HEADWINDS
- Low oil prices
- Weak household real incomes
- Poor demographics

Source: Oxford Economics
Oil prices expected to stay low

Brent crude oil price, spot and forwards
Household purchasing power under pressure

Real personal disposable income and the Rouble/US dollar exchange rate

Source: Oxford Economics
Poor demographics

Russia's population and dependency ratio (dependents/working age popn)

Source: Oxford Economics

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Significant potential from air transport

O-D air passengers on Russia's domestic and international markets

Domestic O-D passengers

International O-D passengers

Source: IATA/Tourism Economics Air Passenger Forecasts Global Report October 2015

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Inbound spending could easily double in 10 years

Spending by inbound tourists

Inbound leisure
Inbound business spending

Source: Tourism Economics. Note – spending from all transport modes
Realizing tourism potential requires action

World Economic Forum Travel & Tourism Competitiveness Index

- Russia
- Germany
- China


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Trade has become an important support to economy

Export, import and net exports share of GDP

% of GDP in 2008 prices

Source: Oxford Economics

% of GDP in 2008 prices

Export, import and net exports share of GDP

Exports

Imports

Net export contribution to GDP

Source: Oxford Economics
Bigger challenges to facilitating air cargo

World Economic Forum Enabling Trade Index

- Russia
- Germany
- China

Source: World Economic Forum 2014 Enabling Trade Report

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