The air transport sector makes a major contribution to Panama’s economy

**It creates jobs...**
Airlines, airport operators, airport on-site enterprises (restaurants and retail), aircraft manufacturers, and air navigation service providers employed 21,000 people in Panama, according to the most recent available data. On top of this, by buying goods and services from local suppliers it supported another 30,000 jobs, and when these people spend their wages it supported a further 17,000 jobs.

**...and generates wealth**
The industry is also estimated to have supported a $2.5 billion gross value added contribution to GDP in Panama. Spending by foreign tourists supported a further $5.1 billion gross value added contribution to the country’s GDP. This means that 15.5 percent of the country’s GDP is supported by the air transport sector and foreign tourists arriving by air.
The importance of air transport to Panama

Air transportation facilitates exports, foreign direct investment, and tourism

The ten most popular direct flight links:
1. United States
2. Colombia
3. Mexico
4. Brazil
5. Costa Rica
6. Dominican Republic
7. Ecuador
8. Venezuela
9. Cuba
10. Peru

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

Air transport brings tourists and investment into Panama, and helps businesses trade their goods and services around the world. Foreign tourists spent US $3.4 billion in Panama, supporting restaurants, hotels, transport providers, and others who cater to tourists. In addition, Panama exported US $26 billion worth of goods and services. Over time, the country has accumulated US $35 billion in foreign direct investment.

US $35 BILLION FDI
US $26 BILLION EXPORTS
US $3.4 BILLION FOREIGN TOURIST EXPENDITURE

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

Number of direct flights to the top ten fastest growing cities

- Surat
- Ahmedabad
- Ho Chi Minh City
- Hô Noi
- Delhi
- Bengaluru
- Hyderabad (India)
- Kinshasa
- Dhaka
- Lagos

Arrivals by continent, number of passengers (000s)

- North America and Europe are the largest sources of arrivals to Panama after Latin America and the Caribbean. Some 1.3 million passengers arrived to Panama from North America (28 percent of the total) and 260,000 passengers arrived from Europe (5.5 percent).

* 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 Panama’s air transport infrastructure quality ranks 1st out of 23 countries included in the survey in Latin America and the Caribbean and 7th globally. Panama ranks 11th out of 23 in Latin America and the Caribbean for visa openness and 12th for cost competitiveness.

Key infrastructure facts about Panama’s air transport

Around 140,000 aircraft land or take off from Panama every year. Panama City Tocumen airport carried the most passengers, at 14.6 million.

Number of passengers travelling annually through the five busiest airports in the country in 2016 (000s)

- **14,600** PANAMA CITY TOCUMEN
- **380** PANAMA CITY ALBROOK
- **320** DAVID
- **180** PANAMA PACIFICO
- **100** CHANGUINOLA

**Infrastructure quality score**: 7/7

**Visa openness score**: 3/10

**Cost competitiveness score**: 8/10

* 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).
* Based on ticket taxes, airport charges, and VAT (10=low cost, 0=high cost).

Sources: IATA, Oxford Economics, International Monetary Fund, and national statistics. Unless otherwise stated, the figures presented in this report relate to calendar year 2014.

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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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