The air transport sector makes a major contribution to the Philippines’ economy

It creates jobs...

Airlines, airport operators, airport on-site enterprises (restaurants and retail), aircraft manufacturers, and air navigation service providers employed 130,000 people in the Philippines in 2014. In addition, by buying goods and services from local suppliers the sector supported another 78,000 jobs. On top of this, the sector is estimated to have supported a further 24,000 jobs by paying wages to its employees, some or all of which are subsequently spent on consumer goods and services. Foreign tourists arriving by air to the Philippines, who spend their money in the local economy, are estimated to have supported an additional 970,000 jobs in 2014.

...and generates wealth

The air transport industry is estimated to have supported a $1.8 billion gross value added contribution to GDP in the Philippines in 2014. Spending by foreign tourists supported a further $7.4 billion gross value added contribution to the country’s GDP. This means that 3.2 percent of the country’s GDP is supported by the air transport sector and foreign tourists arriving by air.
Air transport brings tourists and investment into the Philippines, and helps businesses trade their goods and services around the world. In 2014, foreign tourists spent US $4.7 billion in the Philippines, supporting restaurants, hotels, transport providers, and others who cater to tourists. In addition, the Philippines exported US $82.2 billion worth of goods and services in 2014. Over time, the country has accumulated US $56.6 billion in foreign direct investment.
The importance of air transport to the Philippines

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
- Hà Noi
- Delhi
- Bengaluru
- Hyderabad (India)
- Kinshasa
- Dhaka
- Lagos

Arrivals by continent, number of passengers (000s)

- Asia-Pacific: 35,100
- Europe: 1300
- Middle East and North America: 1900
- Africa: 48
- South America: 120
- Other: 2700

The air transport sector’s ability to connect the Philippines to emerging countries and fast growing cities can help drive economic growth. There are 53 direct flight destinations among the ten fastest growing countries in the world as measured by GDP growth and 57 direct flight destinations among the 20 fastest growing countries. There are 17 direct weekly flights among the ten fastest growing cities in the world as measured by GDP growth and nearly 2,000 direct weekly flights among the 100 fastest growing cities.¹

Arrivals by continent

The Middle East and North America are the largest sources of arrivals to the Philippines after Asia-Pacific. In 2014, 2.7 million passengers arrived to the Philippines from the Middle East (6.6 percent of the total) and 1.9 million passengers arrived from North America (4.6 percent).

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.
The importance of air transport to the Philippines

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 the Philippines’ air transport infrastructure quality ranks 14th out of 25 countries included in the survey in Asia-Pacific and 74th globally. The Philippines ranks 1st out of 25 in Asia-Pacific for visa openness and 2nd for cost competitiveness.

Key infrastructure facts about the Philippines’ air transport

Around 550,000 aircraft land or take off from the Philippines every year. The country has 1 airport that is in the top 100 in the world (ranked by passenger numbers). Ninoy Aquino Intl airport carried the most passengers - 38.8 million - in 2014.

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

<table>
<thead>
<tr>
<th>Number</th>
<th>Airport Name</th>
<th>Passengers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>NINOY AQUINO INTL</td>
<td>38,800</td>
</tr>
<tr>
<td>2</td>
<td>MACTAN INTERNATIONAL</td>
<td>8,100</td>
</tr>
<tr>
<td>3</td>
<td>FRANCISCO BANGOY INTERNATIONAL</td>
<td>3,400</td>
</tr>
<tr>
<td>4</td>
<td>KALIBO INTERNATIONAL</td>
<td>2,400</td>
</tr>
<tr>
<td>5</td>
<td>ILOILO INTERNATIONAL</td>
<td>2,300</td>
</tr>
</tbody>
</table>

Number of operating airlines: 44

Airports among the top 100 in the world: 44

550,000 landings and takeoffs

Infrastructure quality score: 4/7

Visa openness score*: 8/10

Cost competitiveness score*: 9/10

*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.

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