

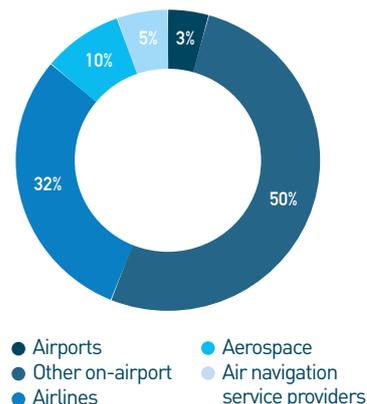


LATIN AMERICA AND THE CARIBBEAN ¹⁵⁹

Air transport supports 5.2 million jobs and \$167 billion in GDP in Latin America and the Caribbean



Direct jobs generated by air transport in Latin America and the Caribbean, 2014



255.8
million passengers

2,599,944
flights

326.8
billion RPKs

370
commercial airports

178
airlines

2,036
aircraft in service

29
air navigation service providers

78%
Average regional load factor

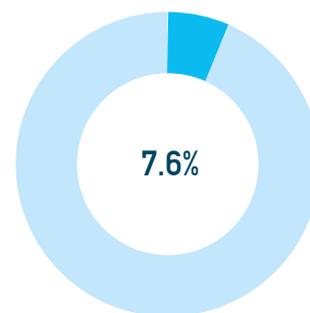
The air transport industry in Latin America and the Caribbean directly generated an estimated 806,000 jobs in 2014.

- » 261,000 of those people (32% of the total) were in jobs for airlines or handling agents (for example, flight crew, check-in staff, maintenance crew, reservations and head office staff).
- » Another 24,800 people (3% of the total) worked for airport operators (for example, in airport management, maintenance, security and operations).
- » 405,000 jobs (50%) were on-site in airports, at retail outlets, restaurants, hotels, etc.
- » A further 80,000 people (10%) were employed in the manufacture of civil aircraft (including systems, components, airframes and engines).
- » Air navigation service providers employed an additional 35,000 people (5%).

As well as this direct employment in the operations of the air transport sector itself, the sector's impact reaches further through Latin America and the Caribbean economies. Including direct impacts, the effect of the sector's procurement of goods and services through its supply chain, and the benefits that arise when employees in the industry and its supply chain spend their wages in the local consumer economy, the air transport sector supported 2.2 million jobs and contributed \$107 billion to GDP in Latin America and the Caribbean in 2014.

In addition, the spending of foreign tourists – most of whom arrive by air – supported an estimated three million jobs and contributed

Latin America and the Caribbean's share of global passenger traffic, 2014



Total jobs and GDP generated by air transport in Latin America and the Caribbean, 2014



Projected annual growth rate for international traffic by region, 2014 - 2034⁴⁸

AFRICA	5.4%
ASIA-PACIFIC	5.1%
EUROPE	3.6%
LATIN AMERICA & CARIBBEAN	4.7%
MIDDLE EAST	6.0%
NORTH AMERICA	2.7%
APEC	3.9%
EUROPEAN UNION	3.6%
SMALL ISLANDS STATES	4.9%
DEVELOPING COUNTRIES	5.0%
OECD	3.5%
WORLD	4.3%

\$60 billion to GDP in Latin America and the Caribbean's economies in 2014.

In total, the industry supported 5.2 million jobs and made a \$167 billion contribution to GDP in Latin America and the Caribbean. This accounted for 8% of the jobs and 6% of the GDP supported by the air transport industry worldwide.

The past five years have seen marked growth in passenger traffic in Latin America and the Caribbean. The number of revenue passenger kilometres flown has increased by 56% between 2010 and 2014, or an average of 11% per year. The region's air travel expansion is expected to continue, albeit more modestly, at a rate of 4.7% per annum on average over the next two decades.

This increase will, in turn, drive growth in the economic output and jobs that are supported by the air transport industry in the region in the next 20 years. By 2034, Oxford Economics forecasts that the impact of air transport and the tourism it facilitates in Latin America and the Caribbean will have grown to support 9.7 million jobs (88% more than in 2014) and a \$430 billion contribution to GDP (a 157% increase).

The Latin America and the Caribbean region is, however, in need of further development of infrastructure. IATA forecasts suggest a regional demand in 2034 of 525 million passengers per annum, roughly double the current number⁶⁰. The region also suffers from unreasonable tax arrangements and charges that have a negative impact on economic development. For example, Brazil's airlines pay some of the highest fuel charges in the world, hurting their competitiveness. Brazil ranks 112th in the quality of its air transport infrastructure among 141 economies. Mexico ranks 63rd, which is highest among the region's largest economies. Colombia is at 78, Chile is at 45 and Argentina is at 106⁶¹.



The World Cup



International sports tournaments have the ability to bring the world together like no other occasion, as people from all over the globe gather in one place to cheer their team on. Football's World Cup is one of these special occasions. The 2014 tournament, held throughout Brazil in 12 stadiums in 12 cities, attracted almost 3.5 million spectators over the course of the tournament. Of that, over a million were international visitors (enough to fill nearly 2,500 jumbo jets!).

Without the vital air links provided, this simply would not be possible. During the event, Brazil experienced 16.7 million passenger movements, which was an 11.2% increase from the same time frame the previous year.

Brazil is a large country, so for the most dedicated fans, getting from one venue to another meant that flying was the only option. The teams also relied on air travel to get to the venues. Together, the squads flew 280,000 kilometres, which is equal to seven laps around the world.

In terms of air transport investment, the arrival of the World Cup allowed Brazil to invest heavily in its aviation infrastructure, with a total of \$3.92 billion put forward by the government, resulting in a 52% increase in capacity that will serve Brazil well in years to come.

Having so many visitors fly in for such a major global event, of course, means a big boost for the local economy, with new job opportunities arising to cope with the influx. According to FIFA, 14 million jobs were created in the four years leading up to the tournament.

Brazilian airline, GOL, also took advantage of the country being under the spotlight to showcase their environmental action. During the tournament, GOL contributed to the 'Green Cup' initiative by running 200 flights between host cities on sustainable alternative fuel.