

# SMALL ISLAND STATES<sup>171</sup>

## Air transport supports 1.4 million jobs and \$25.3 billion in GDP in small island states



The air transport industry in the small island states directly generated an estimated 74,000 jobs in 2014:

- » Airlines: 12,200 (16% of the total).
- » Airport operators: 9,200 (13%).
- » Other on-airport: 50,800 (68%).
- » Air navigation service providers: 2,300 (3%).

As well as this direct employment in the operations of the air transport sector itself, the sector's impact reaches further through the small island states' 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 180,000 jobs and contributed \$4.4 billion to GDP in the small island states in 2014.

In addition, the spending of foreign tourists – most of whom arrive by air – supported an estimated 1.2 million jobs and contributed \$21 billion to GDP in the small island states' economies in 2014.

In total, the industry supported 1.4 million jobs and made a \$25.3 billion contribution to GDP in the small island states. This accounted for 2% of the jobs and 1% of the GDP supported by the air transport industry worldwide.

The number of revenue passenger kilometres flown in small island states is expected to grow by about 4.9% per annum 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 economies in the next 20 years. By 2034, Oxford Economics forecasts that the impact of air transport and the tourism it facilitates in the small island states will have grown to support 2.3 million jobs (66% more than in 2014) and a \$51.6 billion contribution to GDP (a 104% increase).

89

million passengers

1%

Small island states share of global passenger traffic, 2014

59

airlines

368

aircraft in service

### Total jobs and GDP generated by air transport in small island states, 2014

JOB TOTAL		GDP TOTAL
1.4 million		\$25.3 billion
1,200,000	Tourism catalytic	\$20.9 bn
54,000	Induced	\$1.1 bn
54,000	Indirect	\$1.1 bn
74,000	Aviation direct	\$2.3 bn



### Supporting tourism in the Maldives



For many small island states, particularly those far from the mainland, tourism often plays a central role in the national economy. In the case of the Maldives, a small tropical nation situated in the Indian Ocean, this is especially true.

The Maldives is made up of 1,192 coral islands, joined together in a chain of 26 atolls, and has a population of fewer than 400,000 people. According to the World Travel & Tourism Council, the direct contribution of tourism to the Maldives economy was a staggering 41.5% of total GDP in 2014. If you include tourism's indirect contribution, the proportion of GDP jumps to 78.1%. This ranked the Maldives as second in the world in 2014 when it comes to travel and tourism's direct importance to the economy.

Naturally, for a country situated 430 kilometres from the closest mainland in India (and that's only the northernmost of this vast set of islands) air links are invaluable to its economy. The main international airport in the Maldives is situated in the capital, Malé, although there are domestic airports, such as the one on the southern island of Gan.

According to the Maldives Ministry of Tourism, a total of 1.5 million tourists arrived in the country in 2014, all of these by air. That equates to over three times the population of the islands passing through in one year! In February 2015 alone, the Maldives welcomed a record 120,468 tourists to the islands.

To travel to the numerous holiday resorts scattered around the archipelagos, aviation also plays a major role, with two charter seaplane companies transporting visitors to their destinations. Seaplanes are vital connectors of people in the Maldives, where in 2011, 44 seaplanes recorded more than 100,000 operations, connecting 66 locations. Due to their versatility, and, of course, ability to land on water, seaplanes are an ideal form of aircraft for a country like the Maldives.