

SMALL ISLAND STATES¹⁹¹

Air transport supports 1.8 million jobs and \$32.1 billion in small island states economic activity. That is 10.2% of all employment and 13.9% of all GDP in the small island states in 2016.

37 million
passengers¹⁹⁶

0.9%
share of passenger traffic

210
airports

52
airlines

275
aircraft in service

Every person directly employed in the aviation sector and in tourism made possible by aviation supported another 26.3 jobs elsewhere in the small island states. Similarly, \$14.60 of economic activity was supported elsewhere in the small island states for every \$1 of gross value added directly created by the air transport sector.

The aviation sector in small island states directly employed an estimated 66,800 people in 2016 in the following sub-sectors:

- » **Airlines: 11,500** (17.3% of the total)
- » **Airport operators: 8,700** (13%)
- » **Other on-airport: 44,300** (66.3%)
- » **Air navigation service providers: 2,300** (3.5%)

Airlines, airport operators, retailers and other on-site businesses at airports and air navigation service providers and civil aircraft manufacturers also contribute to GDP in small island states. In 2016, the operations of these businesses directly generated a \$2.2 billion contribution to GDP.

The aviation sector's spending with suppliers is estimated to have supported a further 52,700 jobs and a \$1 billion gross value added contribution to GDP. In addition, wage payments to staff – by the aviation sector and businesses in the aviation sector's supply chain – supported 52,500 more jobs and another \$1 billion gross value added contribution to GDP.

The aviation sector also facilitates a substantial amount of tourism in small island states. This stimulates still more economic activity, as tourists spend their money with restaurants, hotels, retailers, tour operators, and other providers of consumer goods and services. In 2016, spending by foreign visitors who flew to small island states supported an estimated 1.6 million jobs and a \$27.9 billion contribution to GDP.

In total, accounting for the sector's direct impact, its supply chain impact, its wage expenditure impact, and the impact of tourism made possible by air transport, the aviation sector supported an estimated 1.8 million jobs and a \$32.1 billion contribution to GDP in small island states in 2016.

Total jobs and GDP supported by air transport in small island state economies



Air travel in small island states is expected to continue to grow at about 4% per year 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 over the next 20 years. Oxford Economics forecasts that by 2036 the impact of air transport and the tourism it facilitates in small island states will have grown to support 2.4 million jobs (39% more than in 2016) and a \$74 billion contribution to GDP (a 129% increase).