

SMALL ISLAND STATES²¹⁵

Air transport supported 2 million jobs and \$34.7 billion in small island states economic activity. That is 8.7% of all employment and 10.6% of all GDP in these countries in 2018.

Every person directly employed in the aviation sector and in tourism made possible by aviation supported another 24.9 jobs elsewhere in the small island states. Similarly, \$11.60 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 75,000 people in 2018 in the following sub-sectors:

- » **Airlines: 20,000** (26% of the total)
- » **Airport operators: 15,000** (20%)
- » **Other on-airport: 36,000** (48%)
- » **Air navigation service providers: 4,000** (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 2018, the operations of these businesses directly generated a \$2.8 billion contribution to GDP, more than half the GDP of Fiji.

The aviation sector’s spending with suppliers is estimated to have supported a further 32,000 jobs and a \$692 million gross value-added contribution to GDP. In addition, wage payments to staff – by the aviation sector

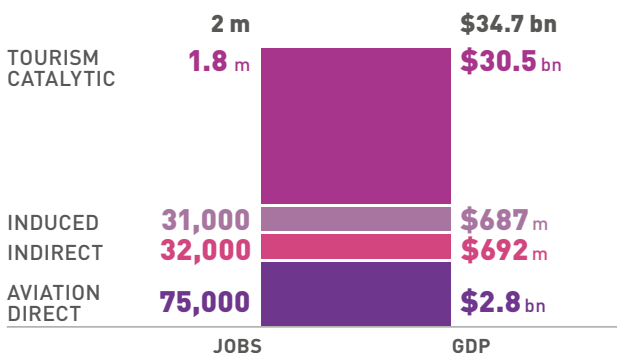
and businesses in the aviation sector’s supply chain – supported 31,000 more jobs and another \$687 million gross value-added contribution to GDP.

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 2018, spending by foreign visitors who flew to small island states supported an estimated 1.8 million jobs and a \$31 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 2.0 million jobs and a \$35 billion contribution to GDP in small island states in 2018.

Air travel in small island states is expected to continue to grow at about 3.4% 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 2038 the impact of air transport and the tourism it facilitates in small island states will have grown to support 2.6 million jobs (31% more than in 2018) and a \$69 billion contribution to GDP (a 100% increase).

Total jobs and GDP generated by air transport in small island state economies, 2018.



- 40** million passengers
- 0.9%** share of global passenger traffic
- 53** airlines
- 205** airports
- 427** aircraft in service