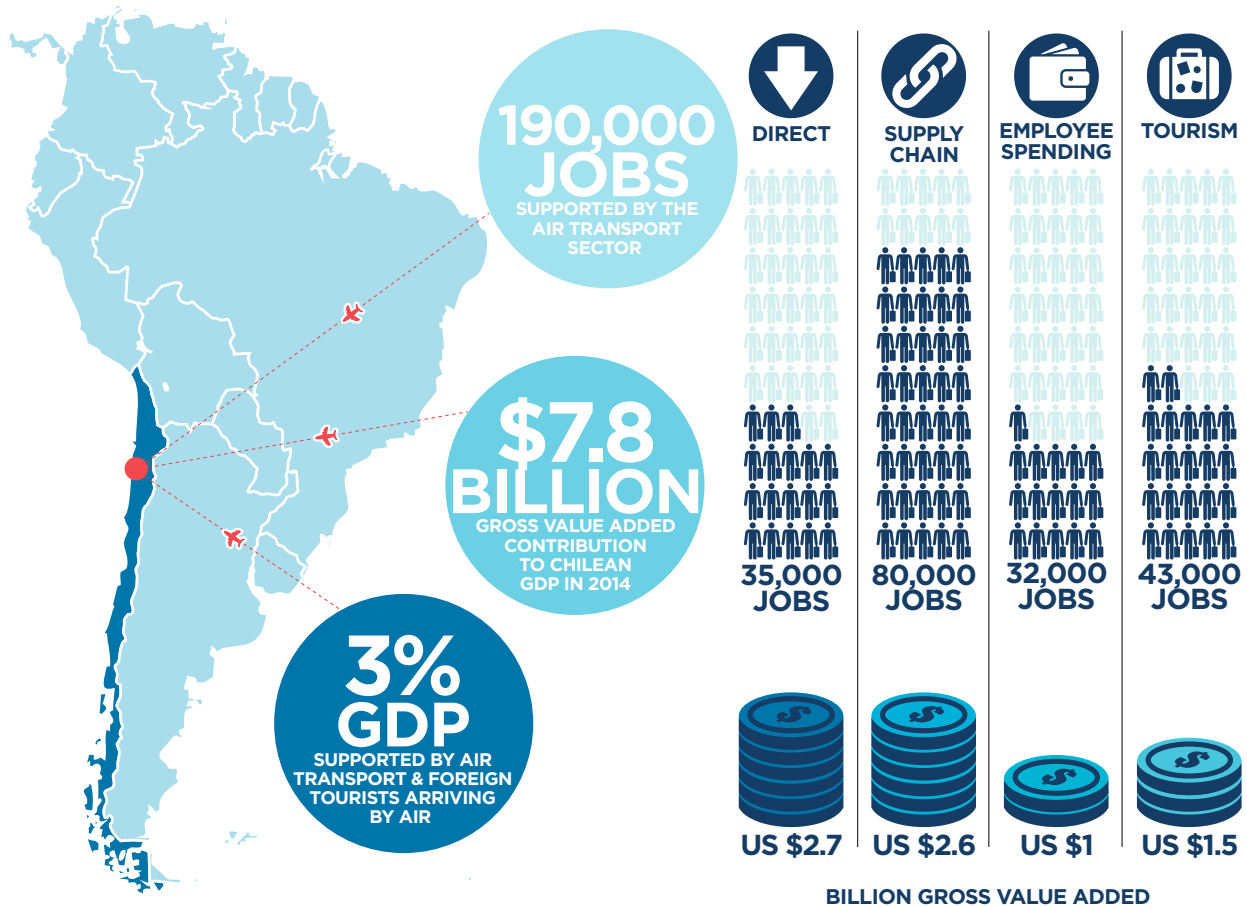


# THE IMPORTANCE OF AIR TRANSPORT TO CHILE

## The air transport sector makes a major contribution to the Chilean economy



### It creates jobs...

Airlines, airport operators, airport on-site enterprises (restaurants and retail), aircraft manufacturers, and air navigation service providers employed 35,000 people in Chile in 2014. In addition, by buying goods and services from local suppliers the sector supported another 80,000 jobs. On top of this, the sector is estimated to have supported a further 32,000 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 Chile, who spend their money in the local economy, are estimated to have supported an additional 43,000 jobs in 2014.

### ...and generates wealth

The air transport industry is estimated to have supported a \$6.3 billion gross value added contribution to GDP in Chile in 2014. Spending by

foreign tourists supported a further \$1.5 billion gross value added contribution to the country's GDP. This means that 3 percent of the country's GDP is supported by the air transport sector and foreign tourists arriving by air.



# Air transportation facilitates exports, foreign direct investment, and tourism

The ten most popular direct flight links:

1. Argentina
2. Brazil
3. Peru
4. United States
5. Panama
6. Uruguay
7. Colombia
8. Spain
9. Bolivia
10. Mexico



## The scale of investment, exports, and inbound spending in Chile

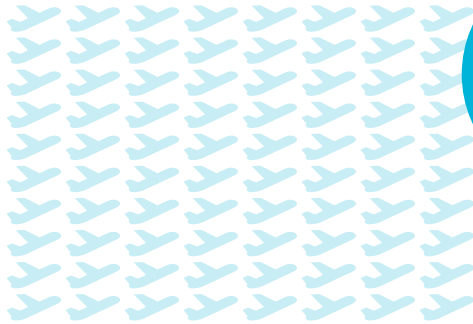
Air transport brings tourists and investment into Chile, and helps businesses trade their goods and services around the world. In 2014, foreign tourists

spent US \$2.2 billion in Chile, supporting restaurants, hotels, transport providers, and others who cater to tourists. In addition, Chile exported US \$86.6 billion worth of goods and services in 2014. Over time, the country has accumulated US \$210 billion in foreign direct investment.

# 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

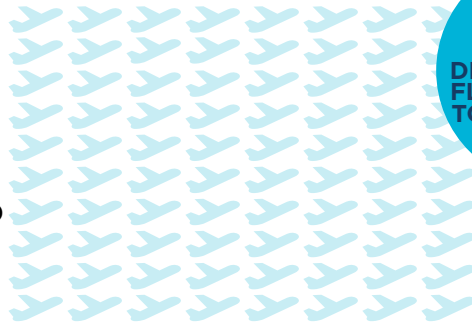


**0**  
DIRECT FLIGHT DESTINATIONS IN THE 10 FASTEST GROWING COUNTRIES

The air transport sector's ability to connect Chile to emerging countries and fast growing cities can help drive economic growth. There are no direct flight destinations among the ten fastest growing countries in the world as measured by GDP growth but there are 2 direct flight destinations among the 20 fastest growing countries.<sup>1</sup>

## 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

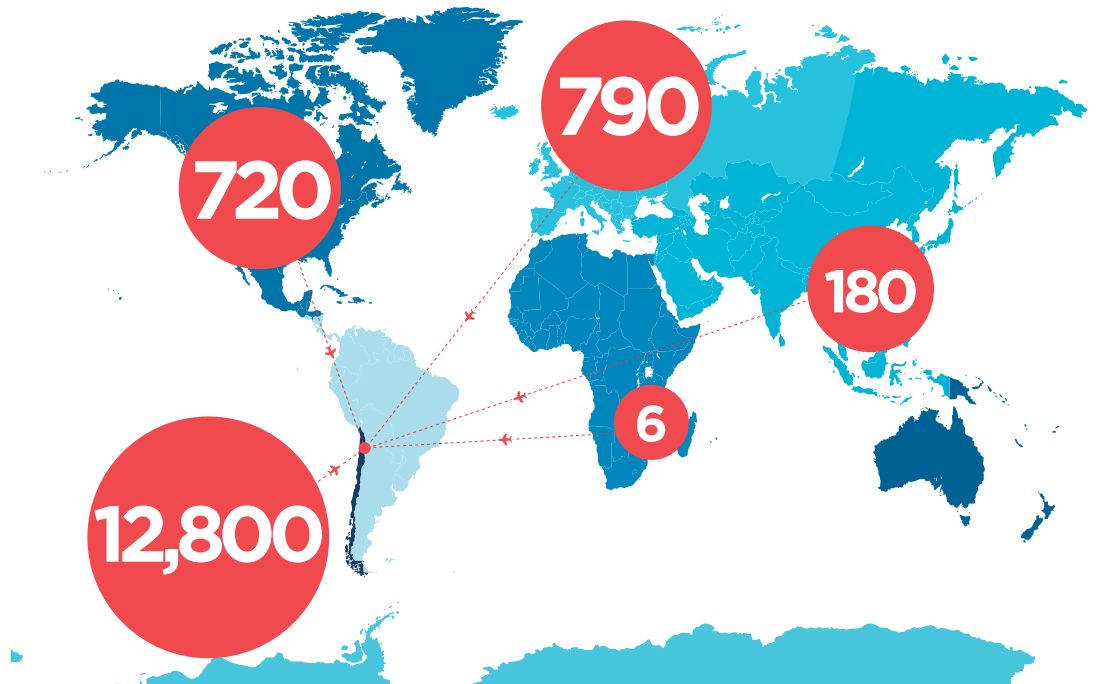


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DIRECT WEEKLY FLIGHTS TO THE TOP 10 FASTEST GROWING CITIES

## Arrivals by continent

Europe and North America are the largest sources of arrivals to Chile after Latin America and the Caribbean. In 2014, 800,000 passengers arrived to Chile from Europe (5.5 percent of the total) and 700,000 passengers arrived from North America (5 percent).

## Arrivals by continent, number of passengers (000s)



<sup>1</sup> 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.

# 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 Chile's air transport infrastructure quality ranks 3rd out of 23 countries included in the survey in Latin America and the Caribbean and 45th globally. Chile ranks 10th out of 23 in Latin America and the Caribbean for visa openness and 4th for cost competitiveness.



## Key infrastructure facts about Chilean air transport

Around 222,000 aircraft land or take off from Chile every year. The country has no airports that are in the top 100 in the world (ranked by passenger numbers). Arturo M Benitez airport carried the most passengers - 15 million - in 2014.



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



## 3 priorities to advance the aviation agenda:

- 1** Demonstrate value of aviation to Chilean government and create vision for the country.
- 2** Improve airport infrastructure at SCL to remain competitive.
- 3** Review airlines' cost structures for operating in SCL.

## December 2016

Oxford Economics prepared this report with IATA's support.

This report is one of several that examine the air transport sector's importance around the world. Access them all from IATA's website.



For more information, please visit [www.IATA.org](http://www.IATA.org) or contact:

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Sources: IATA, Oxford Economics, International Monetary Fund, and national statistics.

<sup>2</sup> 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).

<sup>3</sup> Based on ticket taxes, airport charges, and VAT (10=low cost, 0=high cost).