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NACC/DCA

North American, Central American and Caribbean Directors of Civil Aviation

Sustainable Socio-Economic Benefits of Aviation to States and their Citizens

Decision Makers / Leaders Presentation

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Agenda Item 3.8 - P/16



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Outline

- ✈ The Region and its States
- ✈ Economic Contributions of Civil Aviation to State's economies
- ✈ Why should you, as a State Leader Care
- ✈ NACC Systemic Assistance Program for States and ICAO support to your State success in meeting ICAO Standards



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The Region and its States





E/CAR - Eastern Caribbean
Caribe Oriental



Anguilla (UK)
Anguilla



Antigua and Barbuda
Antigua y Barbuda



Barbados
Barbados



British Virgin Islands (UK)
Islas Vírgenes Británicas



Dominica
Dominica



French Antilles
Guadeloupe, Martinique,
Saint Barthélemy (France)
Antillas Francesas
Guadalupe, Martinica,
San Bartolomé



Grenada
Grenada



Montserrat (UK)
Montserrat



Saba (Netherlands)
Saba



Saint Kitts and Nevis
San Kitts y Nevis



Saint Lucia
Santa Lucia



Saint Vincent and the Grenadines
San Vicente y las Granadinas



Sint Eustatius (Netherlands)
Sint Eustatius



Sint Maarten (Netherlands)
Sint Maarten



Trinidad and Tobago
Trinidad y Tabago



United States
Puerto Rico, Virgin Islands
Estados Unidos
Islas Vírgenes, Puerto Rico



C/CAR - Central Caribbean
Caribe Central



Aruba (Netherlands)
Aruba



Bahamas
Bahamas



Bonaire (Netherlands)
Bonaire



Cayman Islands (UK)
Islas Caimanes



Cuba
Cuba



Curaçao (Netherlands)
Curazao



Dominican Republic
República Dominicana



Haiti
Haití



Jamaica
Jamaica



Mexico
México



Turks and Caicos Islands (UK)
Islas Turcas y Caicos



United States
Estados Unidos



CA - Central America
Centroamérica



Belize
Belice



Costa Rica
Costa Rica



El Salvador
El Salvador



Guatemala
Guatemala



Honduras
Honduras



Nicaragua
Nicaragua



NAM - North America
Norteamérica



Canada
Canadá



Saint Pierre et Miquelon (France)
San Pedro y Miquelón



United States
Estados Unidos



Mexico
México



Bermuda (UK)
Bermuda



CAR - Caribbean
Caribe



Saint Vincent and the Grenadines
San Vicente y las Granadinas



Saint Kitts and Nevis
San Kitts y Nevis



Saint Lucia
Santa Lucia



Sint Eustatius (Netherlands)
Sint Eustatius



Sint Maarten (Netherlands)
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Saint Lucia
Santa Lucia

NAM/CAR Regions

22 States

19 Territories

26 Civil Aviation Authorities (CAAs)

44 Flight Information Regions (FIRs) - 29 in NAM; 15 in CAR

22 Estados

19 Territorios

26 Autoridades de Aviación Civil (AACs)

44 Regiones de Información de Vuelo (FIR) - 29 en NAM; 15 en CAR



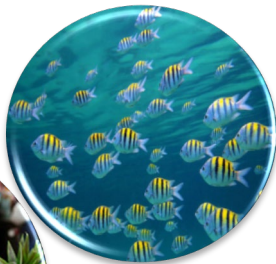
NAM/CAR Regions – Characteristics & Challenges

Our Region has States that range from the most advanced economies and complex aviation systems in the world to some of the least developed economies and with minimal aviation systems and/or international compliance levels

In spite of this, our Systemic Assistance Program to our States has demonstrated great success when political will, commitment and leadership are in place



NAM/CAR Regions – Characteristics & Challenges





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NAM/CAR Regions – Characteristics & Challenges

Tourism in the Caribbean –
main source of income –
i.e., North America, South
America and Europe

Limited resources –
reduced number of staff,
budgetary constraints

Political, economical,
cultural and language
diversity: different States -
autonomous Territories

Different size of Countries:
from small developing
islands to world's most
advanced and developed
States

Natural phenomena –
frequent threat:
Hurricanes, volcanic ash,
earthquakes, etc.



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Economic Contributions of Civil Aviation to State's Economies

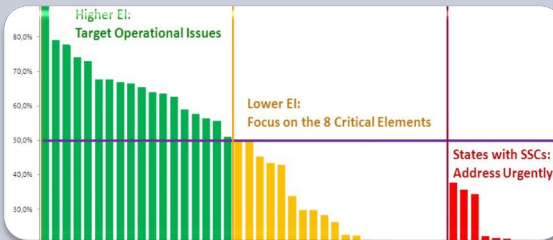




Economic Impact can be Negative or Positive



Aviation provides measurable economic \$\$\$\$ impact to the State as validated in Oxford Studies, World Bank, World Tourism Organization and other Gov and Non-Gov and many more Industry studies.



Other States know the status and Effective Level of compliance of your State (its public info). This erodes other States confidence in your State's ability to provide Safety and security for their citizens



When other States see low level of compliance with International Standards they will not promote their citizens travel to those States (some States even advise citizens against it)



Globally, the Air Transport Industry has become:

- A Catalyst for economic development
- A vital engine of global socio-economic growth
- One of the greatest contributors to the advancement of modern Society.



Aviation creates cost-effective access to global markets worldwide and destinations to small and rural communities



Aviation currently moves over 80 per cent of tourists to Small Island Development States (SIDs)



70% of firms consider air services to be critical for business travel (Source: ATAG, "The Economic & Social benefits of air transport" 2014)

Countries now place Aviation at the centre of their National Development



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Global Economic Contributions



62.7 MILLION

Jobs supported by
aviation worldwide

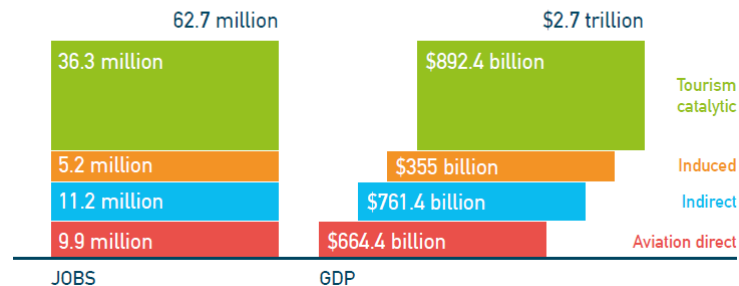
\$2.7 TRILLION

Aviation's global
economic impact

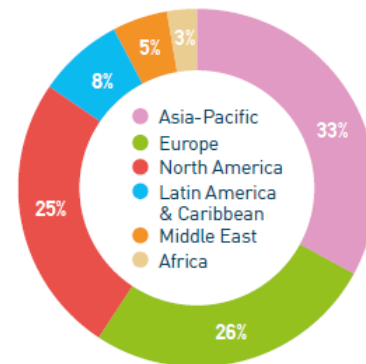
3.5%

of global GDP
supported by aviation

Beyond the industry
Aviation's global employment and GDP impact, 2014²



Regional traffic split



1402

commercial airlines

3883

airports



Sustainable Development Goals (SDGs)

Attainment of the SDGs relies on advances in sustainable air transport, which is a driver of sustainable development.



UN 2030 Agenda for Sustainable Development

- ✈ Many of the SDGs are directly and indirectly connected to sustainable air transport (especially SDG 9, 8, 11 and 13)
- ✈ Progress towards the goals needs to be monitored and evaluated by adequate and quality data
- ✈ SDG Target 9.1 – Develop quality, reliable, sustainable and resilient infrastructure with a focus on affordable and equitable access for all
 - ✈ ICAO is a custodial agency responsible for collecting traffic data and sharing the information with the UN system to support the agreed global indicator (passenger and freight volumes by mode of transport)



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Economic Contributions Regional Impact

- ✈ Currently Air transport supports 5.8 million jobs and \$167 billion in GDP JUST in Latin America and the Caribbean
- ✈ By 2034, Oxford Economics, and others, 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).
- ✈ Every day 9.8 Million Passangers , 104,000 Flights, 18.6 Billion Dollars worth of goods carried



Economic Contributions State Impact

- ✈ In spite of these socio economic benefits States still do not make their Civil Aviation a priority, they say;
 - ✈ We are fine as we are, many international Airlines already fly to our State
 - ✈ We already receive revenues from our aviation so why invest on our limited resources on our CAA system?
- ✈ It is not only what your State is receiving, it is what its not receiving - what a Case Study shows



Quantification of Policy Change Impact

Case Study Preliminary Analysis

- ✈ The case study (first of its kind for ICAO), looked at a side by side comparison of aviation's impact to the State economy as;
 - ✈ 10 years when state was content with the level of flights in the state and the level of contribution – stay status quo
 - ✈ 10 years after a State made a political commitment that Aviation would be a national Priority –
- ✈ The Study shows that the political decision to make aviation a National Priority led to the State getting approximately \$800 Million dollars more a year
 - ✈ Note - the Small Developing Island State of the case study did not even have a national airline!!!



Quantification of Policy Change Impact

Case Study Preliminary Analysis

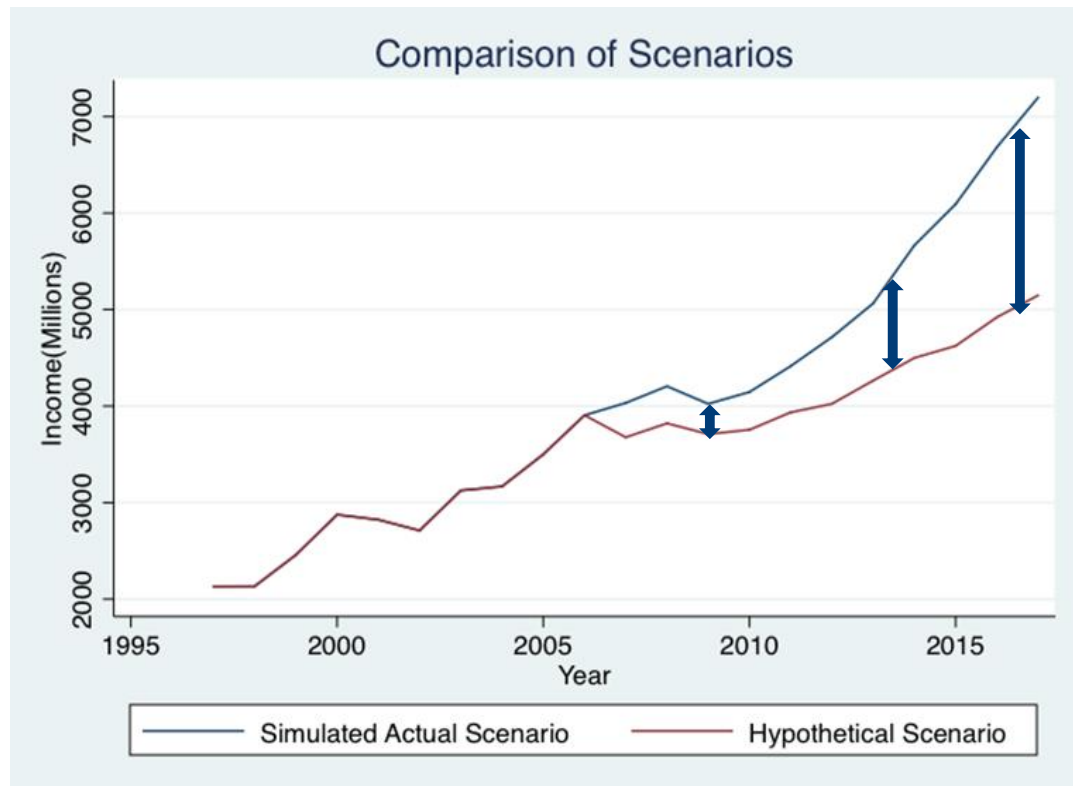
- ✈ The Study shows that the **political decision to make aviation a National Priority** led to the Small Developing Island State getting approximately \$800 Million dollars more a year than if they had not made that political decision.
- ✈ Note - the Small Developing State of the case study did not even have a national airline!!



Quantification of Policy Change Impact

Case study Preliminary Analysis

- ✈ The simulated actual scenario and the hypothetical scenario are compared to estimate an overall effect of Political Commitment and aviation policy change on income generated by tourism over time





Quantification of Policy Change Impact

Case Study Preliminary Analysis

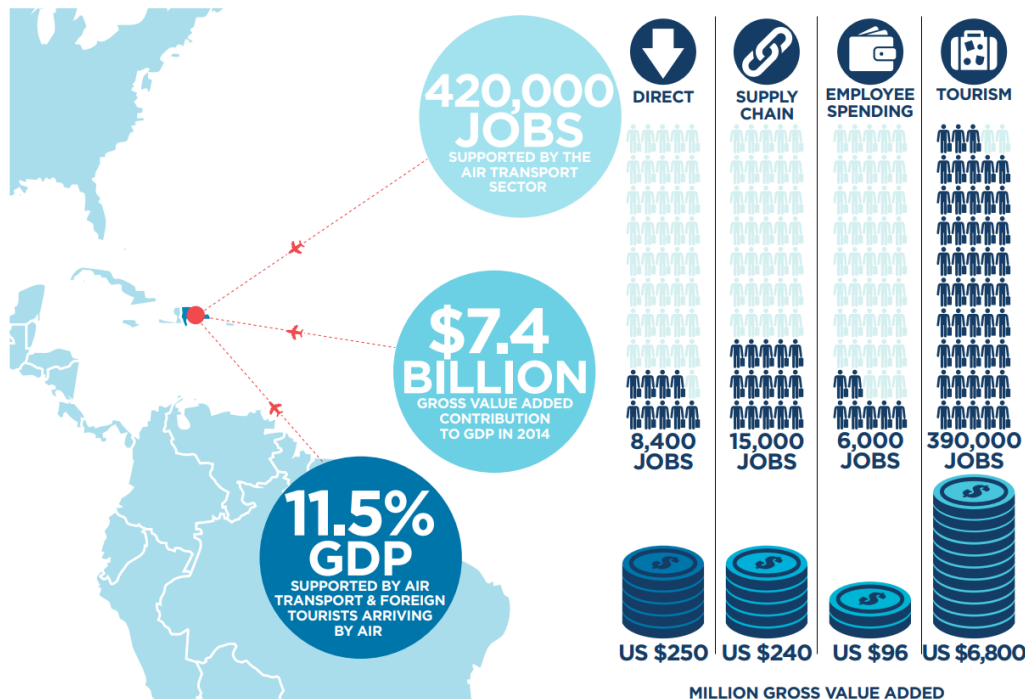
This preliminary analysis indicates that aviation policy change in 2006 contributed to approximately **USD 10 billion** (i.e. **17.5% more**) cumulative income from tourism from **2007 to 2017**

Year	Simulated Actual Scenario (\$, million)	Hypothetical Scenario (\$, million)	Difference of Scenarios (\$, million)	Estimated policy change impact (%)
2007	4,033	3,677	356	8.83
2008	4,205	3,821	384	9.13
2009	4,023	3,710	313	7.79
2010	4,146	3,755	391	9.44
2011	4,415	3,935	480	10.86
2012	4,715	4,024	691	14.66
2013	5,064	4,264	800	15.80
2014	5,667	4,499	1,168	20.61
2015	6,093	4,624	1,469	24.11
2016	6,683	4,920	1,762	26.37
2017	7,198	5,148	2,051	28.49



Quantification of Policy Change

Impact Case Study Preliminary Analysis



In 2014,

✈ **15.8%** of total gross value added by aviation (i.e. USD 1.2 billion out of USD 7.4 billion)

✈ **1.8%** of Dominican Republic's GDP

Can be attributed to the States
aviation policy change made in 2006



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Why should you, as a State Leader Care...





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Still not convinced of making Aviation a Priority?

In my conversations with Ministers, when I advice that providing resources to build up thier Civil Aviation Authority needs to be a priority for thier States, I have been told :



“Director, I know that aviation is important to you, but in my country I have teachers to pay and babies to feed”



Then we explain and provide the data on how aviation is actually a main pillar of socio economic growth sustainable development, specially for small developing States. For an easy example of this:



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Aviation's multiplier Impact on a State's Socio-Economic Development

When a passenger/tourist arrives in your State, he or she:

Takes a Taxi and
Provides Job for the
taxi Driver



Provides Job for
person that puts
Gasoline in the taxi



Provides Jobs for
hotels and staffs



Provides Job for the
farmer, who may never
travel on an airplane but
their fruits and
vegetables are
consumed by tourists,
etc.



Stimulates
commerce





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Aviation and its Socio-Economic Impact

Understanding this reality, the questions to State leaders who can make a difference are:



How many more teachers could you then pay ?



How many more babies could you then feed ?



For a Minister of Tourism, Commerce, Finance, Interior , for a State and its citizen, aviation will always be, or should be, a core pillar of sustainable development



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NACC Systemic Assistance Program for States and ICAO support to your State success in meeting ICAO Standards





NACC Systemic Assistance Program for your State

✈ ICAO NACC **Systemic Assistance Program (SAP)** has proven very effective and successful in NACC and MID Regions **if three components are in place:**

1. Political Will

- a Head of State and/or Minister acknowledges or accept that Aviation will be a National Priority for sustainable socio-economic development of the State for benefit of his/her citizens.

2. Political Commitment

- the government makes the resources available for implementing this priority with policies and actions needed to be done by CAA.

3. Leadership

- Director Generals and senior Directors that can, and do, provide Leadership to implement the government will and commitment, and are held accountable with the NACC Office for performance



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Note

✈ In every State that the Systemic Assistance Programme has been implemented (Bahamas, Guatemala, Honduras, Jamaica and Trinidad and Tobago in our Regional Office and Egypt, Jordan in the MID Regional Office) the desired results are achieved within 18-24 months.



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THANK YOU!