

Economic Growth Relations to Domestic and International Air Passenger Transport in Brazil

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Abstract : This study examined cointegration and causal relationships between economic growth and regular domestic and international passenger air transport in Brazil. Total passengers embarked and disembarked were used as a proxy for air transport activity and gross domestic product (GDP) as a proxy for economic development. The test spanned the period from 2000 to 2015 for domestic passenger traffic and from 1995 to 2015 for international traffic. The results confirm the hypothesis that there is cointegration between passenger traffic series and economic development, showing a bi-directional Granger causal relationship between domestic traffic and economic development and unidirectional influence by economic growth on international passenger air transport demand. Variance decomposition of the series showed that domestic air transport was far more important than international transport to promoting economic development in Brazil.

Keywords : air passenger transport, cointegration, economic growth, GDP, Granger causality

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