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Tourism and the airline industry specifically have a significant impact on local economies.

In 2016 the Saskatoon International Airport contributed more than \$1 billion to the local economy.

The Saskatoon airport is growing! In 2018 it hit record numbers of air passenger traffic of 1,519,318. 3.9% growth from 2017.

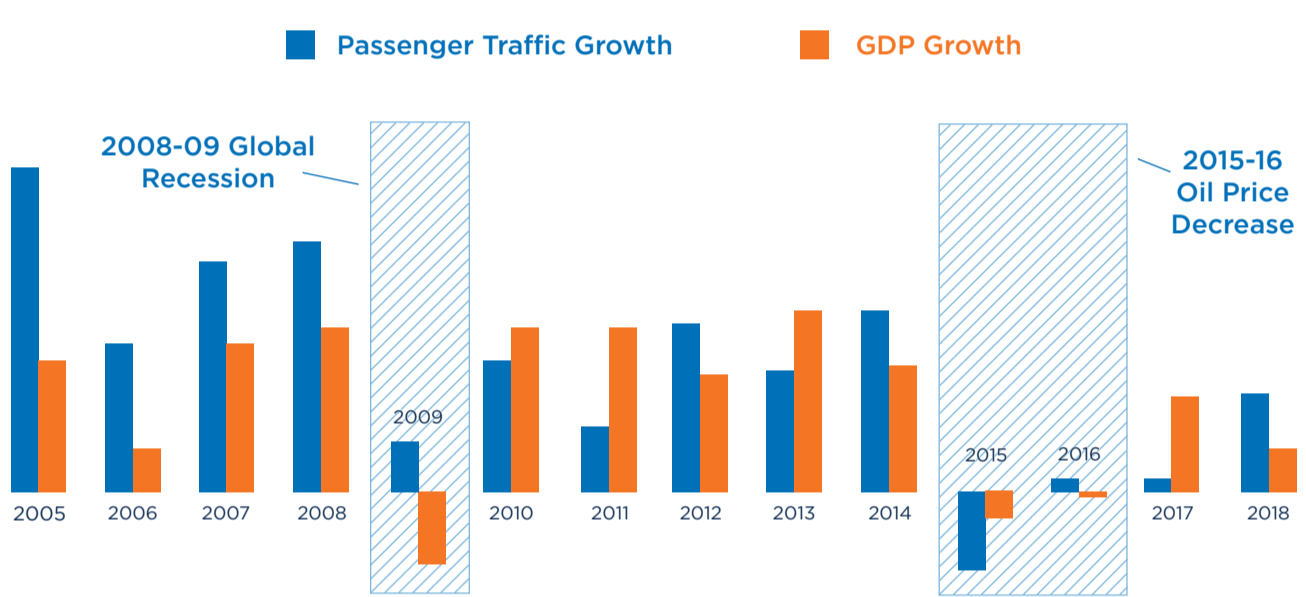
It is commonly recognized that there is a correlation between GDP growth and growth in airport passenger traffic.

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So the question is: To what extent?

Worldwide the number of passengers grows at a rate of 1.5 times GDP. Historically in Saskatoon the number of passengers has grown at an average rate of 1.3 times GDP.

YXE Airport Passenger Traffic growth vs. GDP Growth



Airport Passenger traffic growth has followed a comparable trend to GDP for the most part in Saskatoon. There are also some unique instances where the airport's performance has diverged from the performance of the economy.

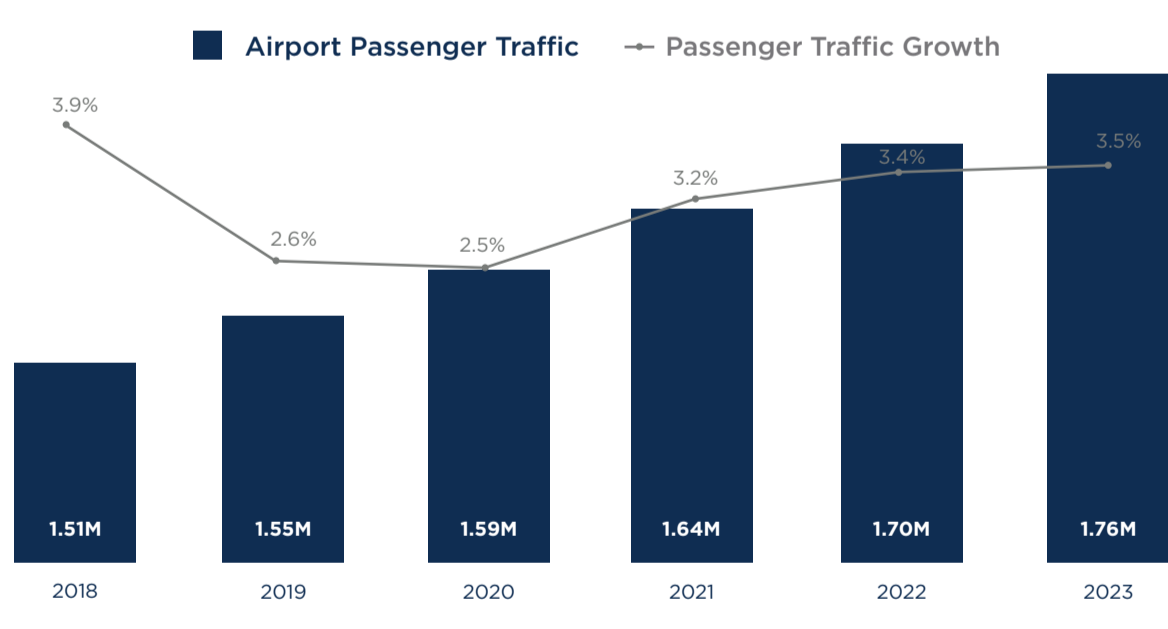
During the **2008-09 global recession**, Saskatoon saw a 2.7% decrease in GDP, but a 2% increase in passenger traffic. So passenger traffic wasn't as affected by the global recession as the local economy on a whole.

During the **oil price decrease in 2015-16**, passenger traffic was hit harder than the economy, with traffic decreasing 2.8% while GDP only decreased 0.8%.

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Keeping the likelihood of some divergence in mind, we can use the Conference Board of Canada's forecast for Saskatoon GDP and the multiplier (of 1.3 times GDP) to forecast airport passenger traffic: hitting 1,763,571 in 2023.

Forecasts for YXE



"It is great to confirm what we have always known, that Skyxe is an economic engine for the community, generating over one billion dollars in annual economic activity. The correlation between passenger traffic and GDP is a measure used globally in aviation, and it's very useful to be able to validate this locally as we continue to forecast our future growth."

- Skyxe



SOURCES:
<https://www.kfw-ipex-bank.de/pdf/Analyses-and-views/Market-analyses/2017-01-26-Blitz-Licht-Flugh%C3%A4fen-BIP-Faktor.pdf>
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https://skyxe.ca/Portals/0/YXE%20Master%20Plan%20Final%20published%20November%202018_1.pdf