

Analyzing the Impact of Civil Aviation on Economic Growth in Russia: A Combined Correlation and Co-Integration Approach (Font Time New Roman -14 Bold)

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ABSTRACT

Aviation industry and economic growth by analyzing the correlation between air passenger traffic (APT) and Gross Domestic Product (GDP) from 1988 to 2021. The research reveals a significant shortterm correlation between APT and GDP, underscoring the aviation sector's role in supporting economic growth. However, the EngleGranger cointegration test indicates the absence of a long-term cointegrated relationship, suggesting that while APT and GDP move together in the short term, they do not share a long-term equilibrium. These findings highlight the substantial impact of the aviation industry on economic development but also point to other factors influencing their long-term trends independently.

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Key Words:

Economic Growth, Civil Aviation, GDP, Cointegration Analysis, Engle Granger Test, Time Series Analysis, Economic Indicators

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1.0 Introduction (Font Time New Roman -12 Bold)

Russia's economic growth holds significant importance in the global landscape due to its strategic position as a major player in international trade, and industrial growth. According to the World Bank, Russia is classified as a high-income economy with vast natural resources. Its economic strength, coupled with its geographic expanse across Europe and Asia, positions it as a vital hub for global trade and transportation. In the context of civil aviation, Russia's vast territory, spanning 11 time

zones, makes air transportation crucial for both domestic connectivity and international linkages. The continued growth of Russia's aviation industry is essential for maintaining its economic power and ensuring its participation in the global economy. This, in turn, contributes to the broader development of industries and services linked to international trade and investment. (Font Time New Roman -12 Regular)

2. Literature Review and Research Gap (Font Time New Roman -12 Bold)

The Russian aviation industry has been the focus of discussion due to its significant influence by political factors, both domestically and globally. This study examines the civil aviation sector, analyzing economic processes, industry reform, and trends in domestic and foreign air travel. It also evaluates Russian and international experiences in aviation research and development financing, using both qualitative and quantitative methods to assess the current state and future prospects of the industry (Neverov & Pislegina, 2013). Erdil & Yildiz studied the contribution of the Nigerian Aviation Industry to the country's GDP. The study used secondary data from Nigeria's National Bureau of Statistics from 1985 to 2012 on GDP, labor force estimates, and aviation revenue (Erdil & Yildiz, 2011). Another study assessed the performance of aviation workers and the Nigerian labor force in contributing to the national GDP, comparing per-worker contributions in the aviation industry to overall industry revenue. It also analyzed the aviation sector's percentage contribution to the national GDP and forecasted its future growth using secondary data from 1985 to 2012, including GDP figures, labor estimates, and industry revenue from the National Bureau of Statistics (Stephens et al., 2014). Salarzadeh Jenatabadi et al. examined how economic performance, organizational capacity, and capability in the airline industry are interconnected. Their findings showed that economic performance plays a key role in improving airline capacity and organizational capability (Salarzadeh Jenatabadi et al., 2013).

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