

# EUROPEAN UNION<sup>168</sup>

**Air transport supports 8.8 million jobs and \$708 billion (€621 billion) in GDP in the EU28**



The air transport industry in the EU28 directly generated an estimated 1.9 million jobs in 2014:

- » Airlines: 377,900 (20% of the total).
- » Airport operators: 108,300 (6%).
- » Other on-airport: 1.1 million (59%).
- » Civil aerospace: 251,800 (13%).
- » Air navigation service providers: 45,000 (2%).

As well as this direct employment in the operations of the air transport sector itself, the sector's impact reaches further through the EU28 economies. Including direct impacts, the effect of the sector's procurement of goods and services through its supply chain, and the benefits that arise when employees in the industry and its supply chain spend their wages in the local consumer economy, the air transport sector supported 5.2 million jobs and contributed \$441 billion to GDP in the EU28 in 2014.

In addition, the spending of foreign tourists – many of whom arrive by air – supported an estimated 3.6 million jobs and contributed \$267 billion to GDP in the EU28's economies in 2014.

In total, the industry supported 8.8 million jobs and made a \$708 billion contribution to GDP in the EU28. This accounted for 14% of the jobs and 26% of the GDP supported by the air transport industry worldwide.

The number of revenue passenger kilometres flown in the EU is expected to grow by about 3.6% per annum over the next two decades. This increase will, in turn, drive growth in the economic output and jobs that are supported by the air transport industry in the EU in the next 20 years. By 2034, Oxford Economics forecasts that the impact of air transport and the tourism it facilitates in the EU28 will have grown to support 12 million jobs (39% more than in 2014) and a \$1.3 trillion contribution to GDP (an 83% increase).

**649**

million passengers<sup>169</sup>

**19%**

EU share of global passenger traffic, 2014

**214**

airlines

**4,490**

aircraft in service<sup>170</sup>

## Total jobs and GDP generated by air transport in the EU, 2014

JOB TOTAL		GDP TOTAL
8.8 million		\$708 billion (€621 bn)
3,600,000	Tourism catalytic	\$267 bn (€218.3 bn)
1,000,000	Induced	\$87.3 bn (€71.4 bn)
2,200,000	Indirect	\$193.7 bn (€158.4 bn)
1,900,000	Aviation direct	\$160 bn (€131 bn)



## Benefits of the Single European Sky



Following the liberalisation of the European air transport market in the 1990s, connectivity has grown significantly. However, the potential for efficient connectivity on the continent is still not being fulfilled.

To cope efficiently with the expected increase in traffic, Europe's airspace needs modernisation. The European air traffic management system currently handles around 26,000 flights per day, but the manner in which they are managed is inefficient, with each individual ANSP responsible for the airspace over its territory.

The European Union set up the SESAR Joint Undertaking to help develop the tools necessary for a transition towards a shared airspace. While the initiative has successfully developed a number of technical and operational efficiency measures, achieving a degree of integration, overall progress towards achieving a Single European Sky (SES) has been slower than initially hoped for.

The aviation industry is firmly behind efforts to achieve a fully integrated airspace, not only for the benefit of airlines, but also for the sake of passengers and the environment. Due to inefficiencies in European ATM, travellers are enduring unnecessary delays and aircraft are producing more CO2 emissions than they would under a modern, streamlined system.

The value of SES was shown by a report, published in April 2016, that compares the scenarios of 'do nothing' and full implementation of SES. And the results are striking. It concludes that airspace modernisation could deliver European consumers an additional \$36 billion (€32 billion) of welfare benefits in the year 2035, compared to a 'do nothing' scenario (in which no further airspace modernisation takes place). The total present value of airspace modernisation over the 2015-2035 period comes to \$143.5 (€126) billion.