



Sweden's aviation sector – its impact on the Swedish economy in 2009



A study conducted with the cooperation of IATA

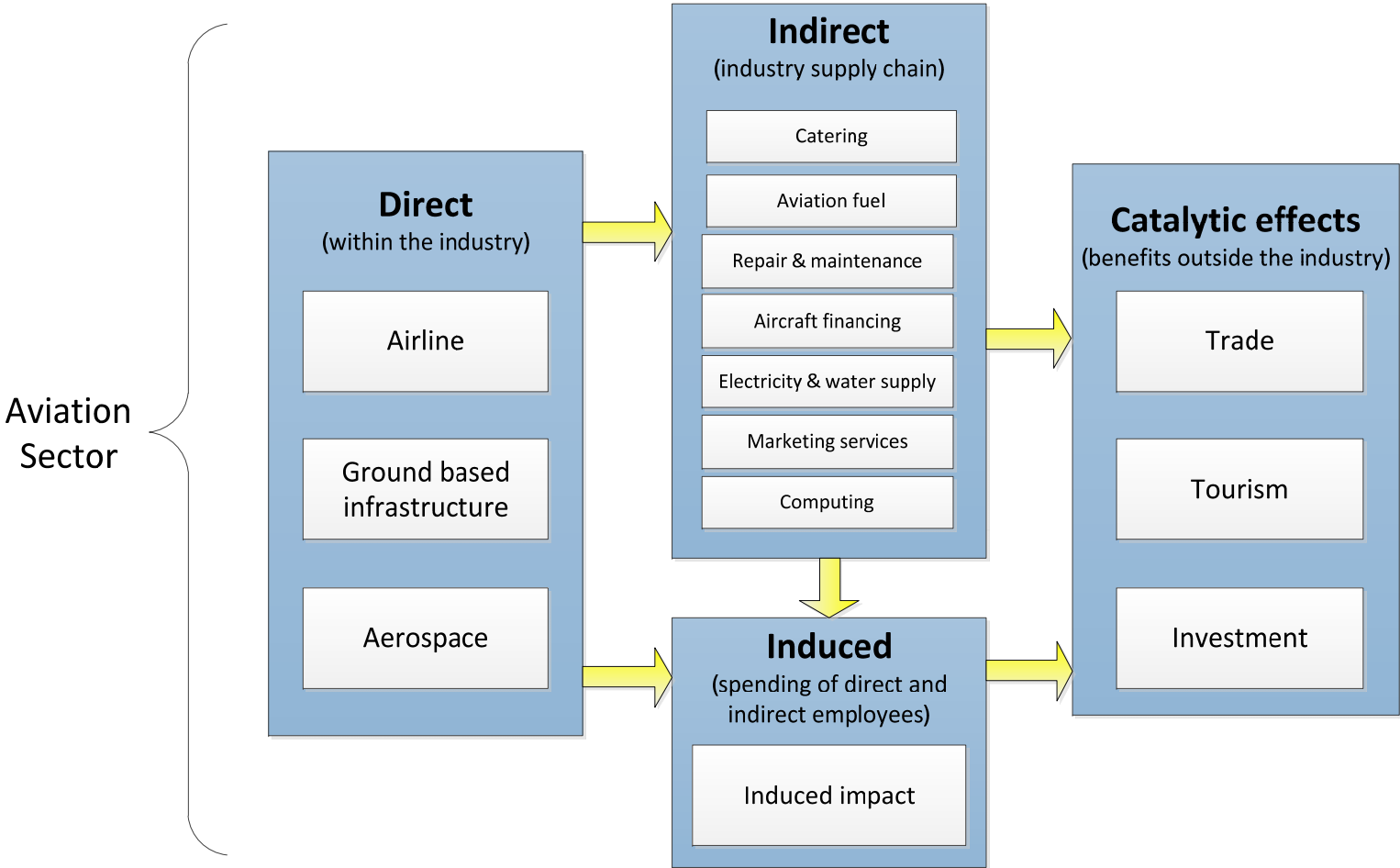


24/10/2011

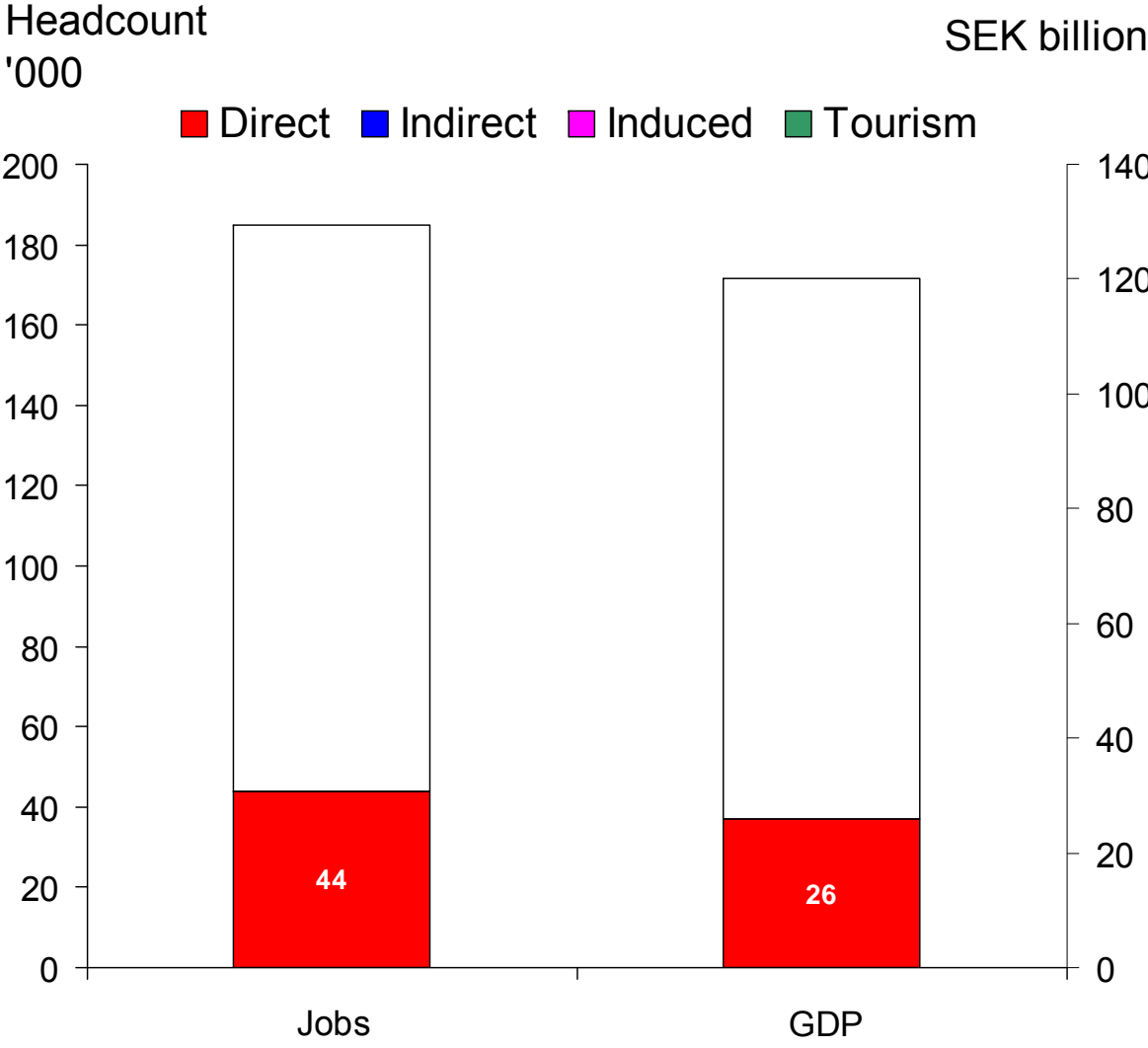
The Swedish aviation sector -

- In 2009, airlines registered in Sweden carried to from or within Sweden -
 - 8 million passengers, and
 - 47,000 tonnes of freight
- Swedish airports in 2009 handled around -
 - 31 million passengers: 26 million by 5 largest airports
 - 140,000 tonnes of freight In addition to airport operators, our economic impacts cover services provided for passengers on-site (e.g. retail & catering), air navigation and air regulation.
- Aerospace manufacturing
 - Firms that manufacture and maintain aircraft systems, airframes and engines

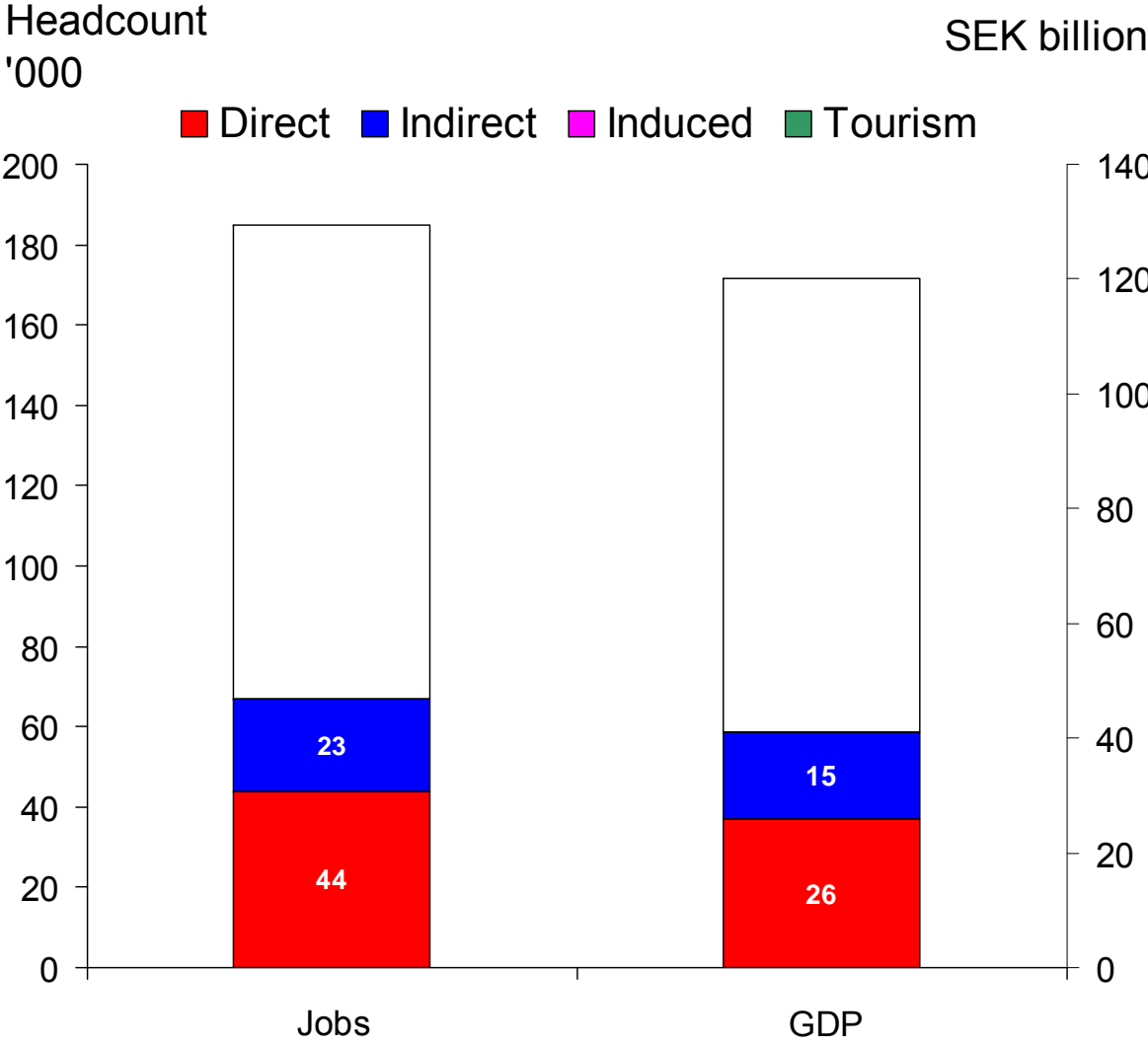
Aviation's economic footprint



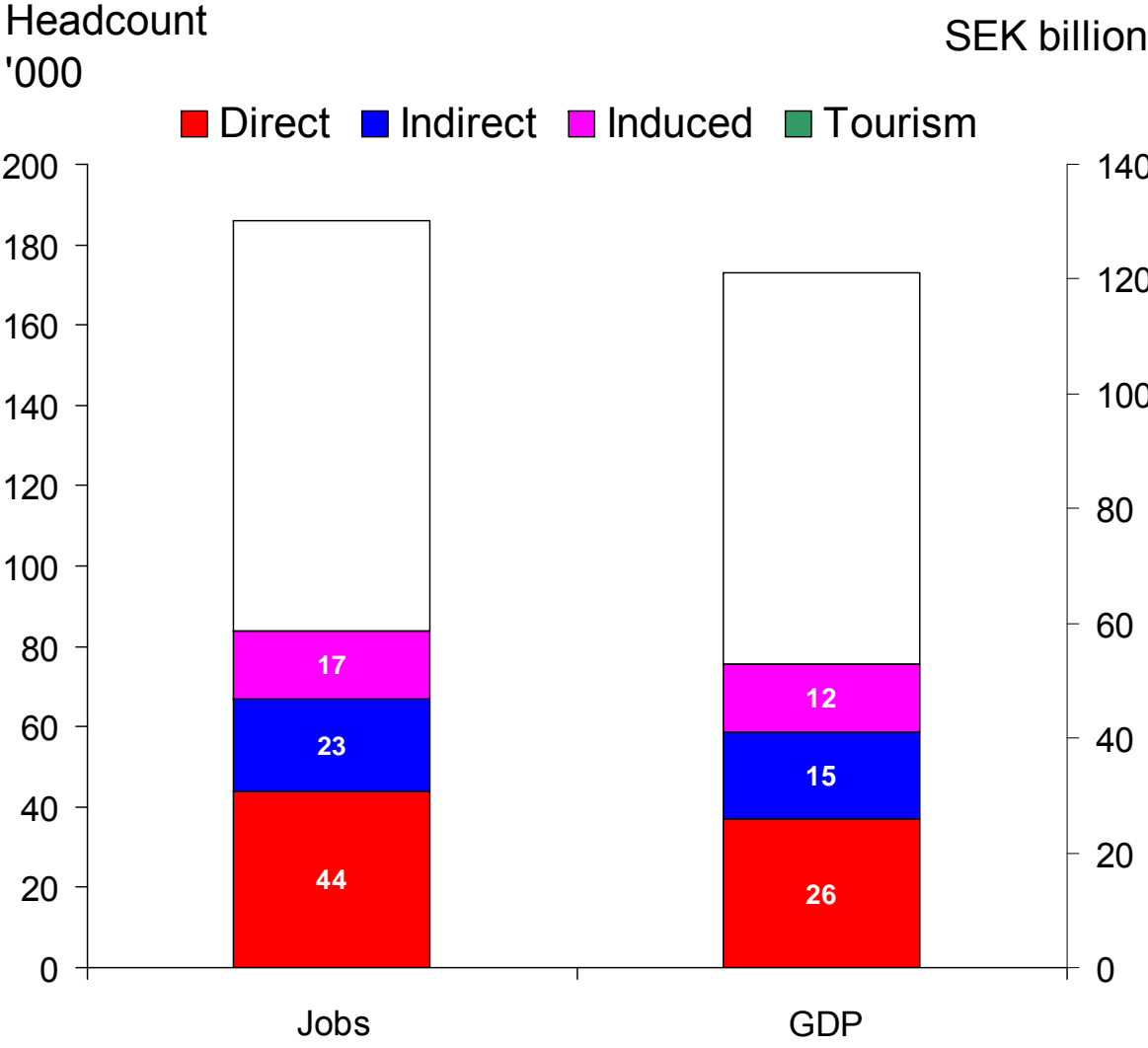
Aviation's economic footprint - channels



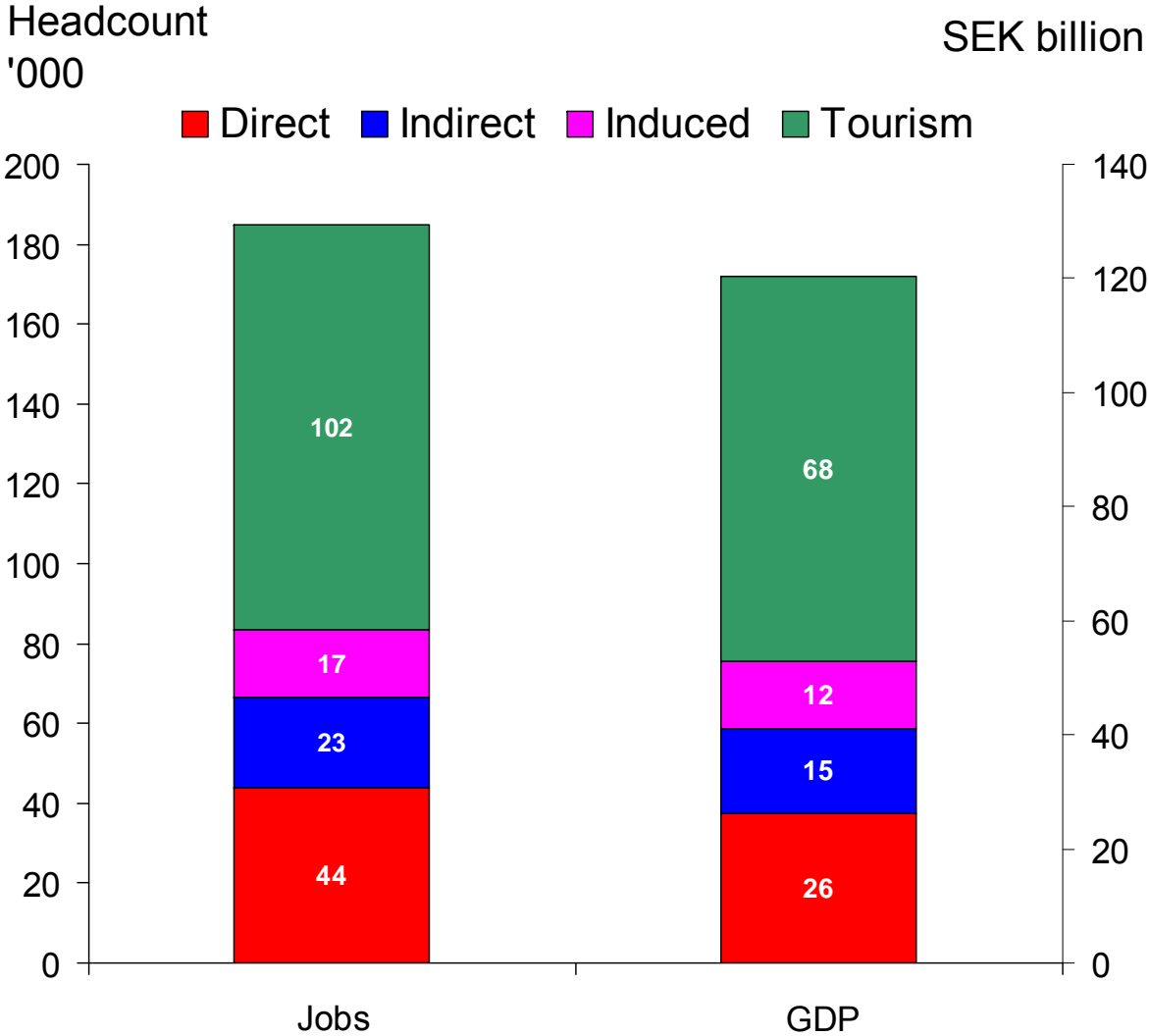
Aviation's economic footprint - channels



Aviation's economic footprint - channels



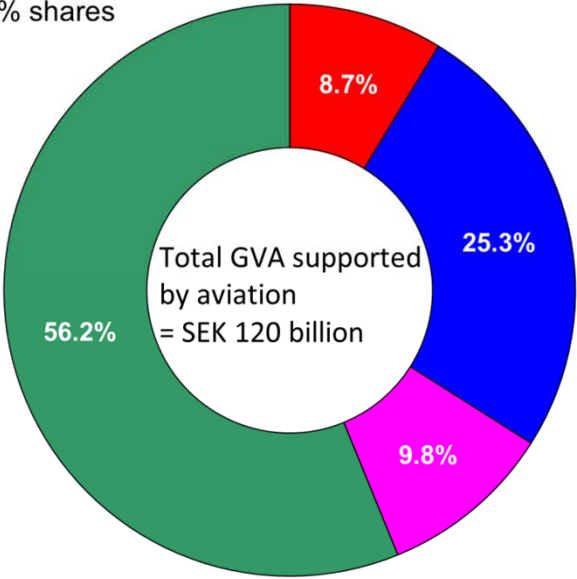
Industry's footprint



Aviation's economic footprint - Sectors

GVA

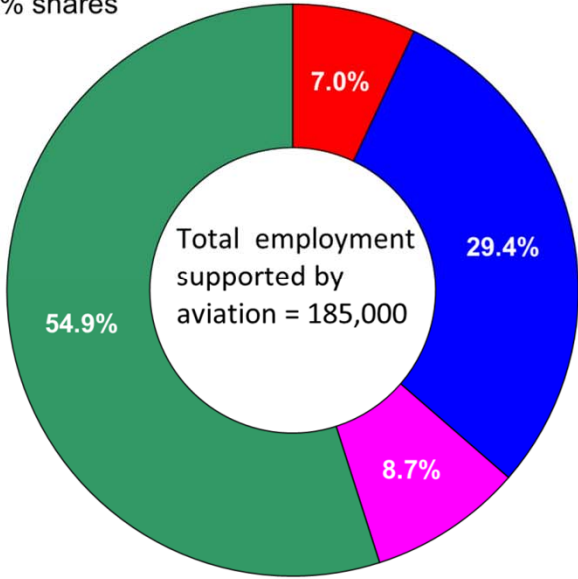
% shares



- Airlines
- Airports and Ground Services
- Aerospace
- Tourism

Employment

% shares



- Airlines
- Airports and Ground Services
- Aerospace
- Tourism

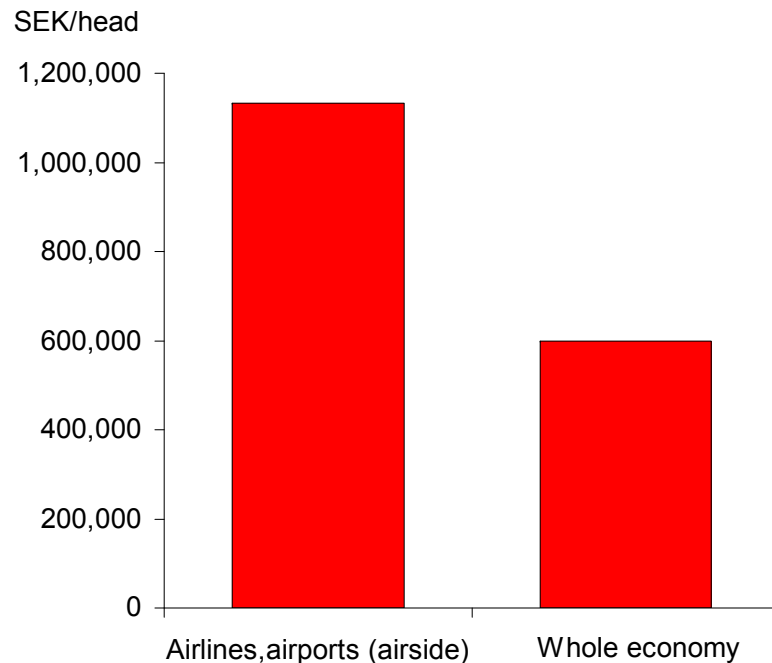
Wider benefits

- The economic benefits extend beyond the economic footprint
 - Customer benefits
 - Productivity
 - Enabling long-term growth

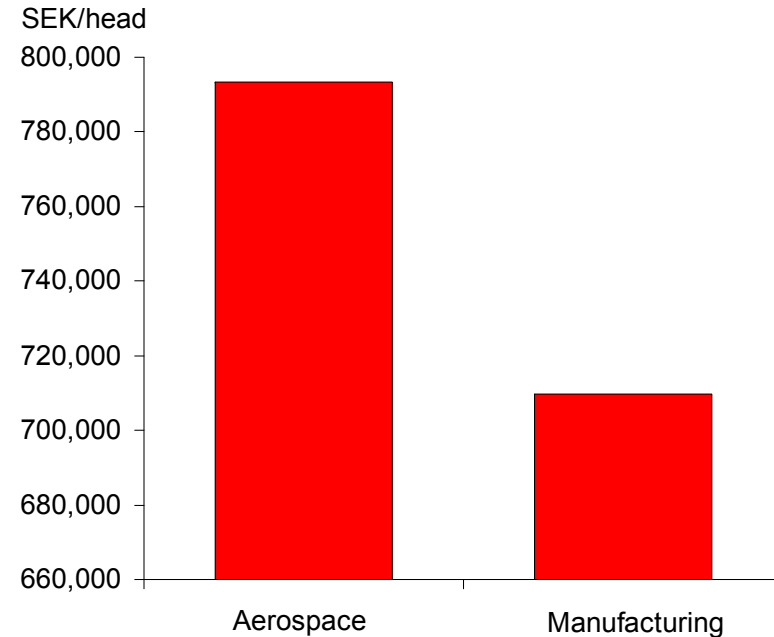
Customer benefits - passengers

- Flights flying to from and within Sweden carry: 25 million passengers & 141,000 tonnes of freight (2009)
- For these services customers pay (inclusive of tax)
 - SEK 78.0 billion – the expenditure by passengers
 - SEK 3.1 billion – expenditure by freight shippers
- These expenditures are likely to significantly understate the value actually attach to the flights.
- Calculations by Oxford Economics suggest the value of the benefits in excess of their expenditure, are worth
 - SEK 36.2 billion for passengers.
 - SEK 1.3 billion for freight shippers

Productivity



Source : Oxford Economics, IATA, national accounts



Source : Oxford Economics, IATA, national accounts

- Productivity in airlines and ground infrastructure (air side) is SEK 1,133,775, almost twice as high as the average for the economy as a whole.
- Aerospace productivity is SEK 793,272, over 11% higher than that for the manufacturing sector as a whole.

Connectivity

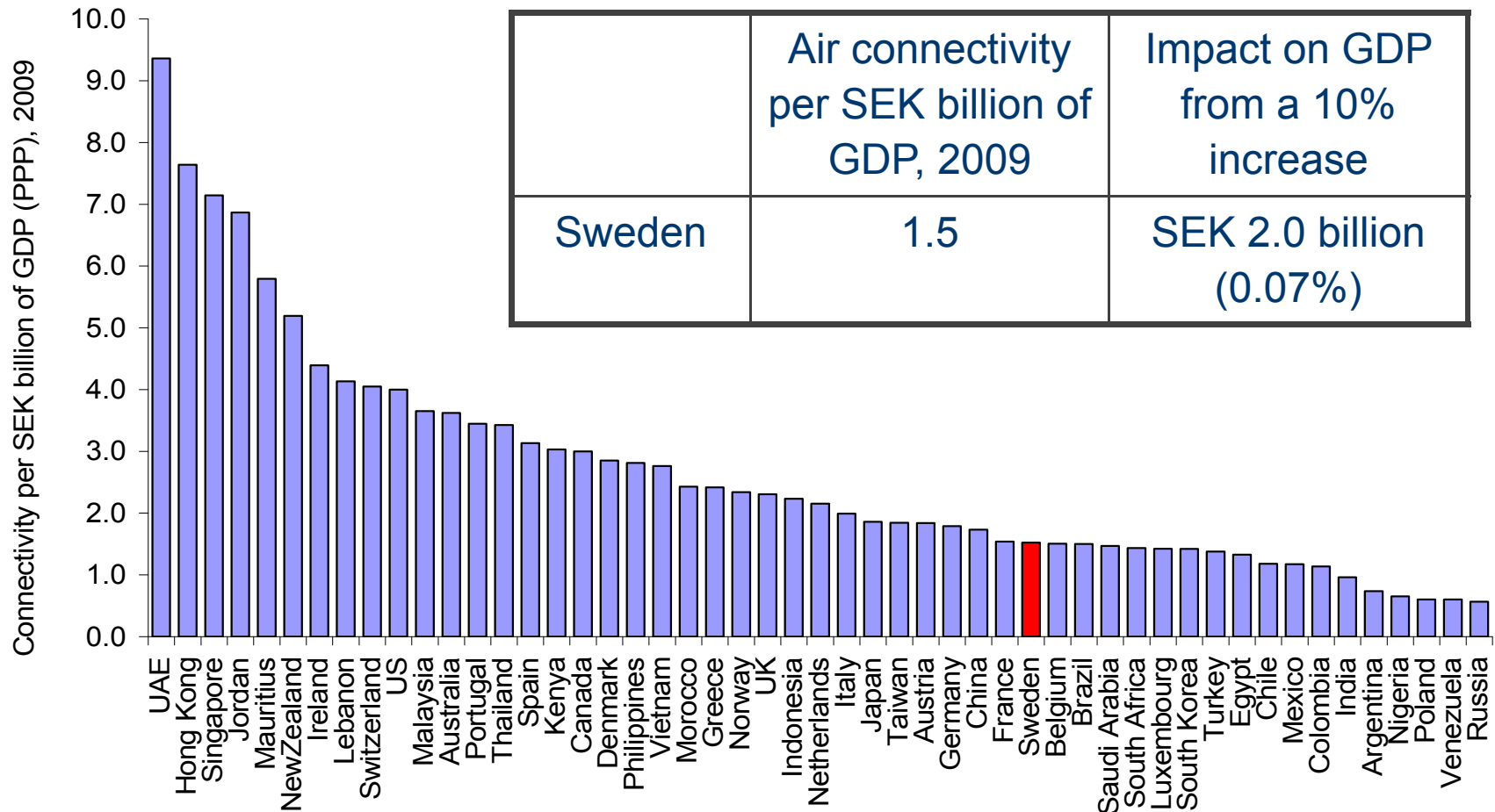


- 89,000 scheduled international flights, destined for 137 airports in 45 countries.
- 100 routes connecting major airports in Sweden to urban agglomerations around the world (2010). 17 of these routes connect to cities of more than 10 million inhabitants.

Enabling long-term economic growth

- Aviation is an essential infrastructure asset that is essential to the long-term economic growth.
- Economic growth is facilitated by:
 - Lowering transport costs, particularly over long distances, helping to increase competition because suppliers can service a wider area and potentially reduce average costs, through increased economies of scale
 - Increasing the flexibility of labour supply
 - Encouraging Swedish businesses to invest and specialise in areas that play to the economy's strengths
 - Speeding the adoption of new business practices, such as just-in-time-inventory management that relies on quick and reliable delivery of essential supplies
- Oxford economics estimates that a 10% improvement in connectivity relative to GDP would see a SEK 2.0 billion per annum increase in long-run GDP for the Swedish economy

Air connectivity – country comparison 2009



Summary

- The study has also shown what a critical asset Sweden's air transport network is, to business and the wider economy.
- Contribution to Swedish GDP
 - The aviation sector contributes SEK 52.8 billion (1.7%) to Swedish GDP.
 - In addition there are SEK 67.7 billion in benefits through tourism.
- Major employer
 - The aviation sector supports 83,000 jobs in Sweden.
 - In addition there are a further 102,000 people employed through the tourism.
- Wider benefits
 - Passengers and freight shippers receive net benefits of around SEK 36.2 billion, and SEK 1.3 billion respectively.
 - Productivity in airlines and ground infrastructure (air side) is SEK 1,133,775, almost twice as high as the average for the economy as a whole
- Enabling long-run growth - a 10% improvement in connectivity relative to GDP would see a SEK 2.0 billion per annum increase in long-run GDP for the Swedish economy



OXFORD
ECONOMICS