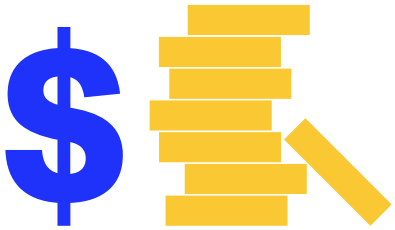
THE VALUE OF AIR TRANSPORT TO HUNGARY

The air transport sector significantly contributes to Hungary's economy

Total economic impact of aviation in Hungary

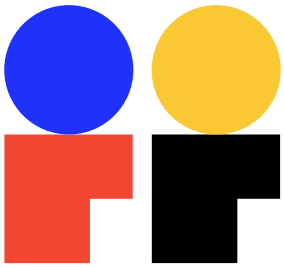


6.1

USD billion contribution to GDP

2.9

% of GDP



110

thousand jobs

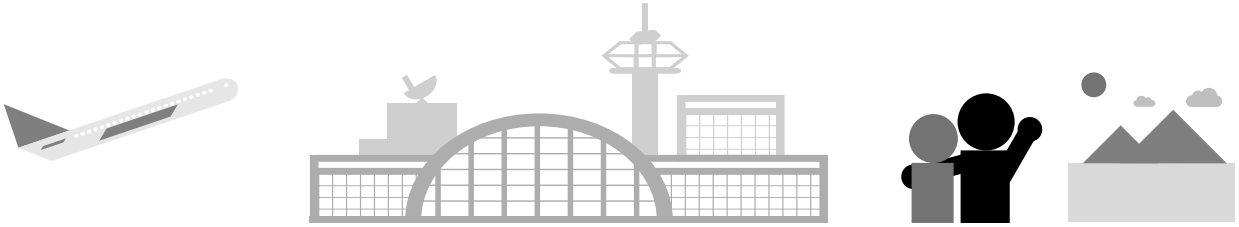
There are different ways of measuring air transport's impact on an economy. Two key indicators are the number of jobs and the contribution to gross domestic product (GDP) generated by the aviation sector, including airlines, airport operators and on-site businesses, air navigation service providers (ANSPs), and manufacturers ("direct" aviation players). In Hungary, 17,600 people are directly employed in aviation, generating USD 1.8 billion of economic output, equal to 0.8% of total GDP.

Additional benefits are generated by the wider supply chain, employee spending, and tourism activities contributing a total of USD 6.1 billion to GDP and 109,800 jobs.

Tourism supported by aviation contributes USD 950.3 million to the country's GDP and employs 25,400 people. International tourists to Hungary are estimated to contribute USD 11.2 billion annually[2] to the economy through the purchase of goods and services from local businesses.

Source: Oxford Economics, 2023[1]

GDP contribution and employment within the aviation industry and tourism in Hungary



Airlines	Airports, ANSPs, civil manufacturing	Tourism supported by aviation
USD 993.6 mn	USD 798.9 mn	USD 950.3 mn
2,100 jobs	15,500 jobs	25,400 jobs

Source: Oxford Economics, 2023[3]

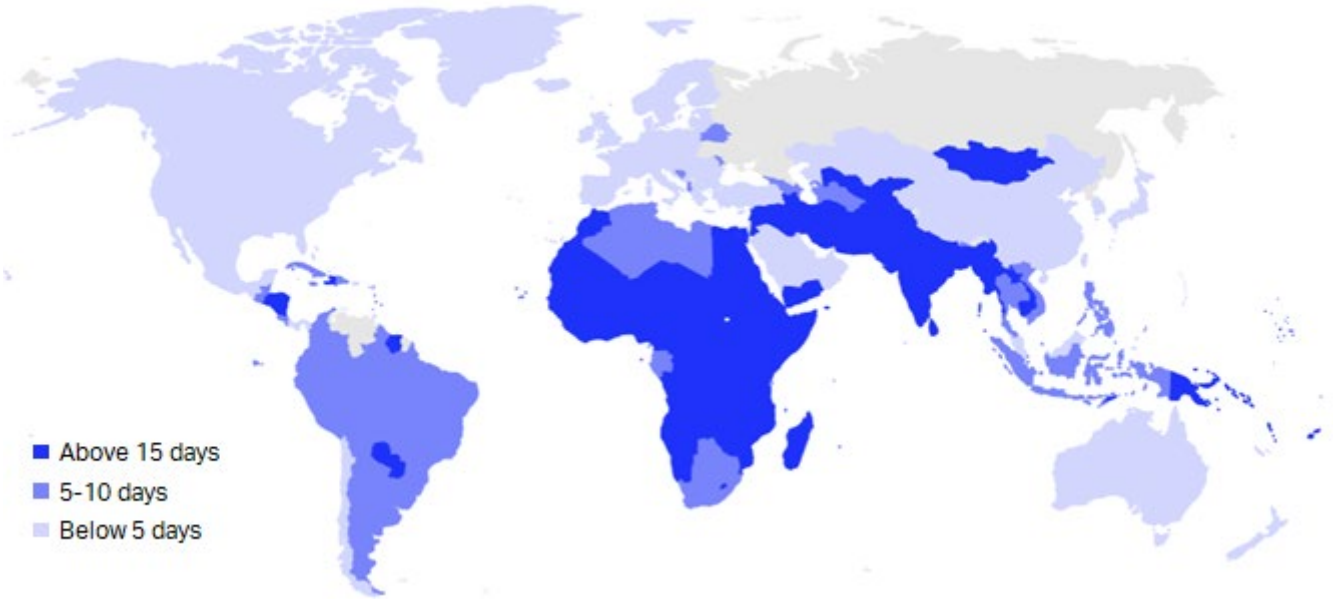
Note: The table above provides the primary components of the results for 2023; it does not capture indirect and induced benefits, which also form part of the overall total.

Aviation delivers substantial and widespread social benefits

Aviation creates a range of social benefits and contributes significantly to the United Nations Sustainable Development Goals (SDGs).[4] Air transport enhances access to education, connects friends and families, facilitates cultural exchange, and drives socio-economic development. Acting together, these forces enable a country to expand its productive potential, delivering long-term economic growth and supporting the reduction in poverty and improvement in living standards for all of the nation's citizens.

The cost of flying impacts the magnitude of the benefits that can be generated by air travel. In the past 50 years, flight costs have decreased by 70% globally,[5] making air transport more accessible. The average real airfare in Hungary decreased by 21%[6] between 2011 and 2023, with the local population now needing to work 2.4 days[7] to afford a plane ticket. Overall, 805 flights per 1,000 population[8] were taken in 2023.

The number of days of work required to be able to afford a plane ticket in 2023



Source: IATA Sustainability & Economics based on data from IATA Direct Data Solutions (DDS) and World Bank[9]

Air transport facilitates the flow of goods, investment, and trade

Aviation stimulates global trade and investment, enables labor and capital productivity improvements, boosts innovation, and fosters knowledge exchange. The movement of goods, enabled by the air transport industry, brings about improved economic outcomes via catalytic collaboration, specialization, and more efficient allocation of resources across all sectors of the local and world economy.

Aviation plays a crucial role in, for example, enabling the development of dynamic and efficient supply chains, and in driving the growth in e-commerce. In times of crisis, the world relies on air cargo to provide humanitarian aid and emergency relief.

142,800 tonnes of air cargo were transported through airports in Hungary in 2023, supporting the country's total import and export volumes.

142,800

tonnes

of air cargo handled

58th

Largest air cargo market

35th

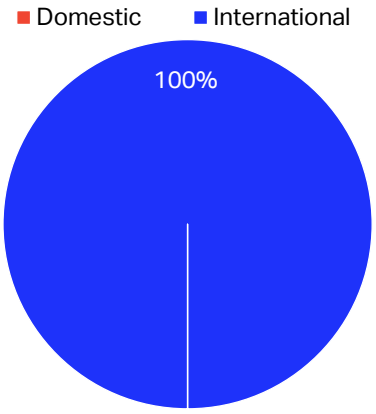
Largest trade market

Source: Airports Council International (ACI), 2023 (cargo data); World Bank, 2023 (trade data)

A well-developed aviation network transforms lives and communities

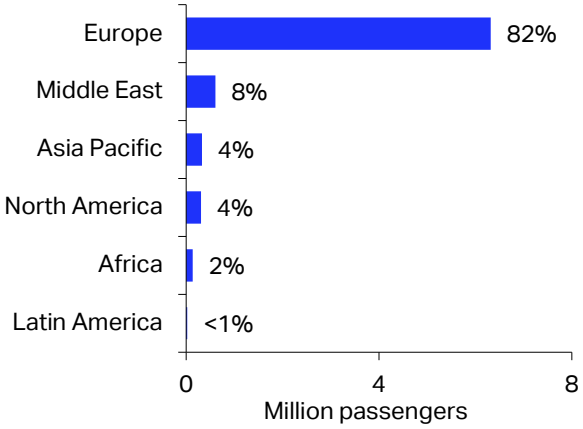
By swiftly and safely connecting people in different cities, air transport generates benefits to consumers and the wider economy. It makes the world smaller, enriching lives and enhancing cultural diversity. In rural and remote areas, air transport provides an essential lifeline for the community, safeguarding access to healthcare, education, and often employment.

Domestic and international O-D passenger departures, % share



Source: IATA DDS, 2023

International O-D passenger departures from Hungary to regions



Source: IATA DDS, 2023
Note: Latin America includes South and Central America & the Caribbean.

International air traffic accounted for 100% of total origin-destination (O-D) departures for Hungary in 2023, equal to 7.7 million passenger departures. Europe is the largest international market for passenger flows from Hungary, followed by the Middle East and Asia Pacific. Almost 6.3 million passengers departed from Hungary to another country in Europe (82% of the total), 606,600 to the Middle East (8% of the total), and 327,400 to Asia Pacific (4% of the total).

Top 10 most popular city destinations from Hungary

London	1	751,700 pax 9.7%
337,500 pax 4.4%	2	Tel Aviv
Milan	3	238,100 pax 3.1%
209,600 pax 2.7%	4	Paris
Barcelona	5	202,500 pax 2.6%
199,300 pax 2.6%	6	Rome
Brussels	7	188,500 pax 2.4%
162,900 pax 2.1%	8	Istanbul
Berlin	9	155,400 pax 2.0%
144,500 pax 1.9%	10	Madrid

Source: IATA DDS, 2023
Note: Ranking based on international O-D traffic from Hungary, measured as the total number of departing passengers, and as a share of total passengers in 2023.

7.7 million
passengers departed internationally

45th largest
market by passenger departures

+67.1%
cumulative growth over the last decade

0.5%
of global international passenger traffic

1.0%
of regional international passenger traffic

Source: IATA DDS, 2023
Note: Measured by O-D international passenger departures.

Connectivity is vital to economic development

Air connectivity is fundamental to unlocking a country's economic growth potential and prosperity; it enables industries across all regions within the country to engage in dynamic business activity. The extent of domestic and international connectivity is an enabler and an accelerator of both the generation and distribution of economic benefits.

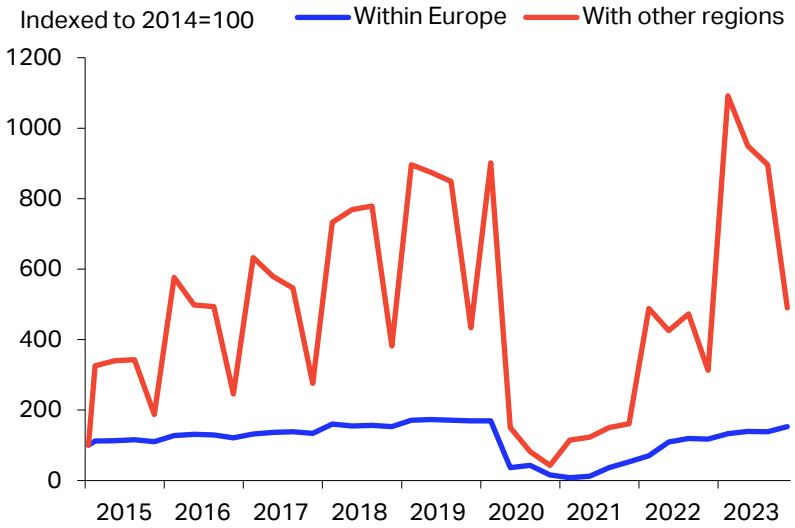
Air connectivity indicators for Hungary

2	136	43	127	36	47
airports with commercial scheduled flights	international airports directly connected	countries connected by direct flights	outbound international flights a day	new international routes in the last 5 years	operating airlines[10]

Source: OAG, 2023

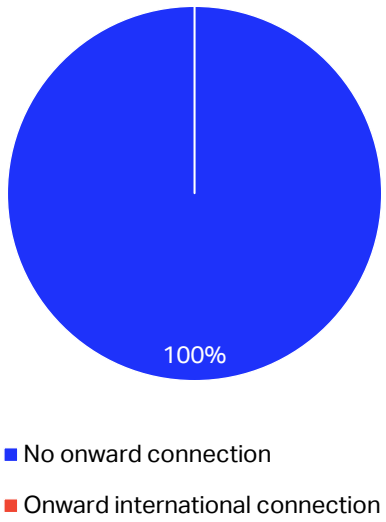
Since 2014, Hungary's international air connectivity index has increased by 41% within the Europe region and by 669% with all other regions. Understanding the nature of that connectivity is also important. For Hungary, nearly 100% of passengers either finished their journey at the point of entry to the country or continued traveling using a different mode of transport.

International air connectivity of Hungary



Source: IATA Sustainability & Economics based on data from OAG, 2023[11]

Arriving passenger onward air travel



Source: IATA DDS, 2023[12]
Note: Values are rounded to the nearest percentage point

Endnotes

[1] Air Transport Action Group, 2024. *Aviation Benefits Beyond Borders* report based on data from Oxford Economics.
[2] World Trade and Tourism Council, 2023. Tourism Data and Statistics.
[3] Air Transport Action Group, 2024. *Aviation Benefits Beyond Borders* report based on data from Oxford Economics.
[4] Air Transport Action Group, n.d. *Sustainable Development Goals and Aviation.*
[5] Air Transport Action Group, 2020. *Aviation Benefits Beyond Borders* report.
[6] Real airfares refers to the average fare for O-D trips to/from/within country adjusted by inflation. Calculated based on data from IATA Direct Data Solutions (2023) and International Monetary Fund (2023).
[7] The number of days that the local population needs to work to afford a flight is estimated based on the average fare for travel and GDP per capita in 2023. Calculated based on data from IATA Direct Data Solutions (2023) and World Bank (2023).
[8] The number of flights per capita is estimated based on the O-D passenger traffic and the population in 2023. Calculated based on data from IATA Direct Data Solutions (2023) and World Bank (2023).
[9] The number of days that the local population needs to work to afford a flight is estimated based on the average airfare for travel and GDP per capita in 2023. Calculated based on data from IATA Direct Data Solutions (2023) and World Bank (2023).
[10] A threshold of at least one scheduled flight a week is applied.
[11] IATA Connectivity Index is calculated as the total route capacity (in terms of seats available) weighted by the destination airport's capacity. The Connectivity Index is calculated based on data from OAG (2023).
[12] Refers to international passengers arriving in the country and their onward connections. For example, if a passenger arrives in the country but does not connect either domestically or internationally by air, they are categorized as "No onward connection". A passenger connecting within a country is categorized as "Onward domestic connection" and an arriving passenger connecting to an international flight is categorized as "Onward international connection".