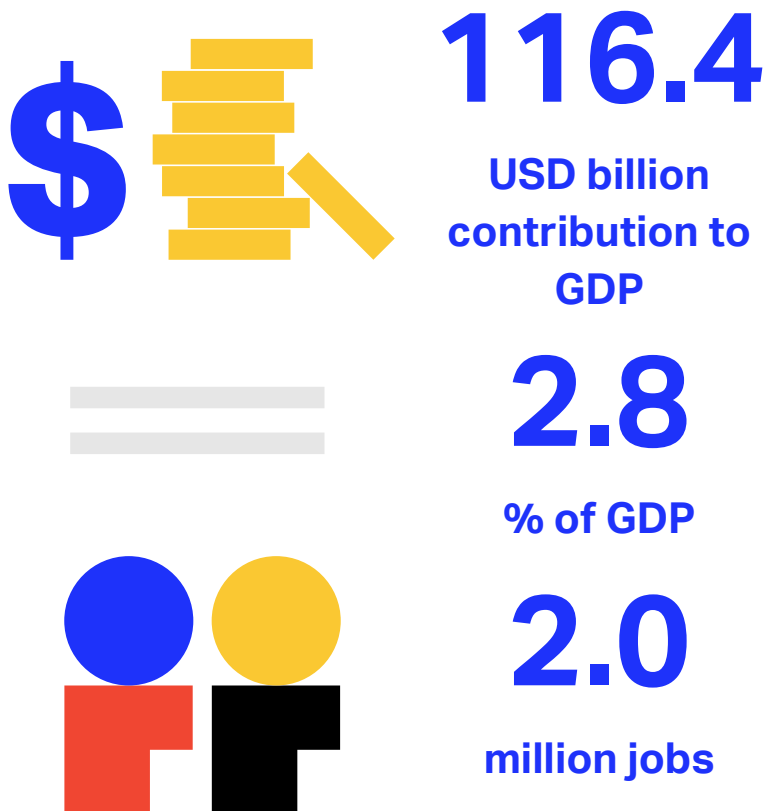


THE VALUE OF AIR TRANSPORT TO JAPAN

The air transport sector significantly contributes to Japan's economy

Total economic impact of aviation in Japan



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 Japan, 359,700 people are directly employed in aviation, generating USD 20.0 billion of economic output, equal to 0.5% of total GDP.

Additional benefits are generated by the wider supply chain, employee spending, and tourism activities contributing a total of USD 116.4 billion to GDP and 2.0 million jobs.

Tourism supported by aviation contributes USD 47.3 billion to the country's GDP and employs 879,300 people. International tourists to Japan are estimated to contribute USD 40.3 billion annually² to the economy through the purchase of goods and services from local businesses.

Source: Oxford Economics, 2023¹

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

| Airlines | Airports, ANSPs, civil manufacturing | Tourism supported by aviation |
|-------------|--------------------------------------|-------------------------------|
| USD 3.9 bn | USD 16.1 bn | USD 47.3 bn |
| 60,000 jobs | 299,700 jobs | 879,300 jobs |

Source: Oxford Economics, 2023³

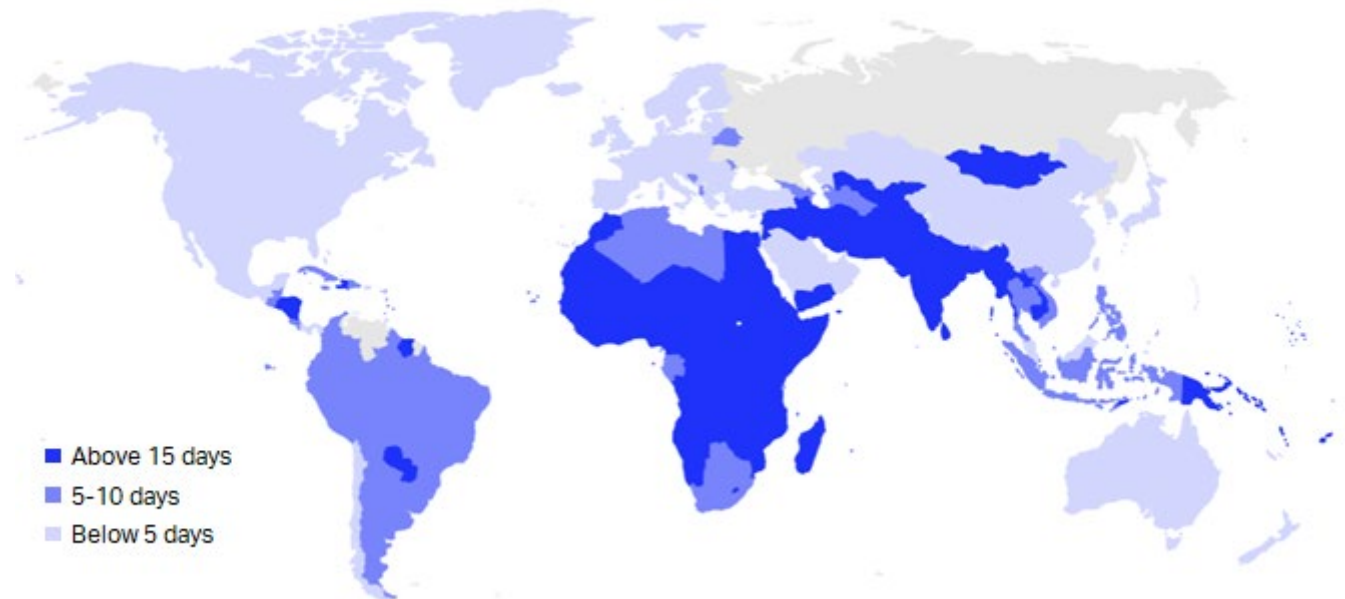
Note: The table above provides the primary components of the results for 2023; it does not capture indirect and induced benefits, which also form part of the overall total.

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 Japan decreased by 8.6%⁶ between 2011 and 2023, with the local population now needing to work 1.9 days⁷ to afford a plane ticket. Overall, 1,148 flights per 1,000 population⁸ 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 Bank⁹

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.

4.6 million tonnes of air cargo were transported through airports in Japan in 2023, supporting the country's total import and export volumes.

4.6
million tonnes
of air cargo handled



4th

4th

Largest air cargo market

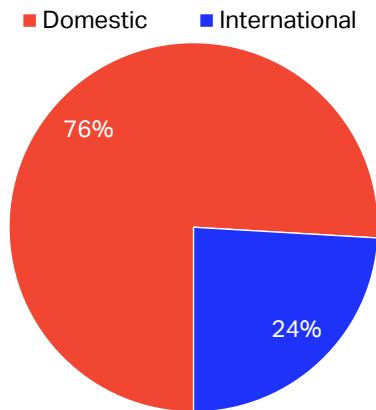
Largest trade market

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

A well-developed aviation network transforms lives and communities

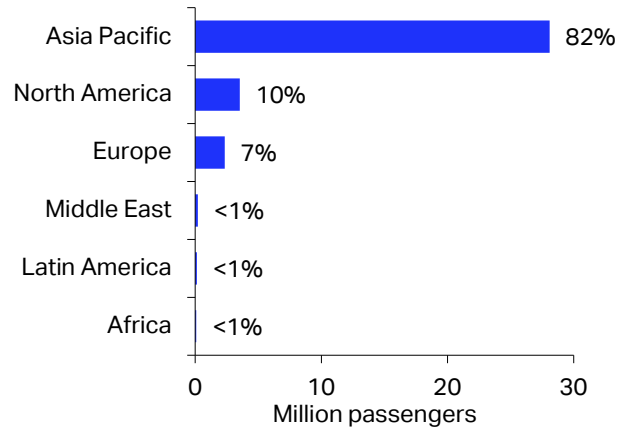
By swiftly and safely connecting people in different cities, air transport generates benefits to consumers and the wider economy. It makes the world smaller, enriching lives and enhancing cultural diversity. In rural and remote areas, air transport provides an essential lifeline for the community, safeguarding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

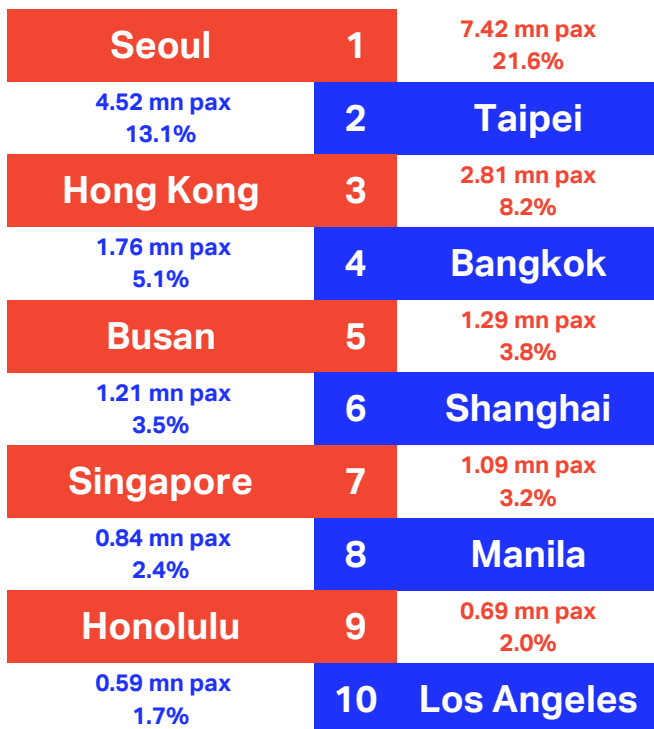


Source: IATA DDS, 2023

Note: Latin America includes South and Central America & the Caribbean.

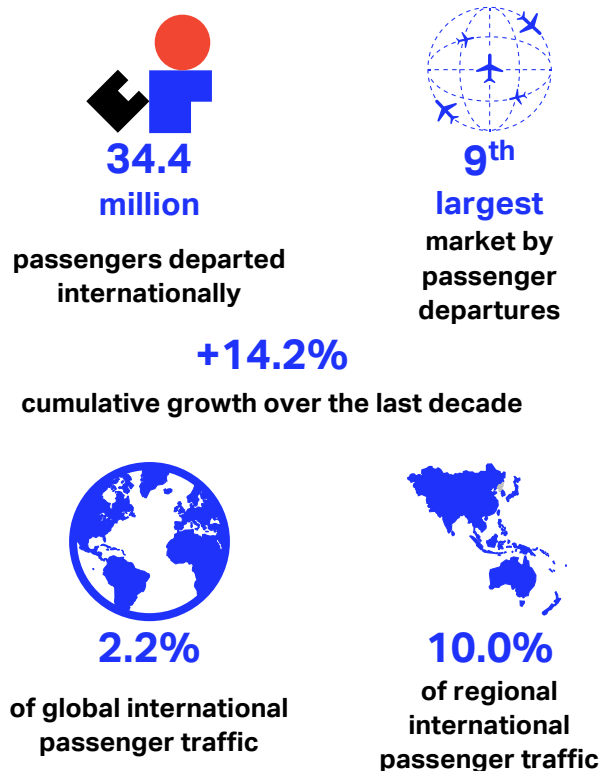
International air traffic accounted for 24% of total origin-destination (O-D) departures for Japan in 2023, equal to 34.4 million passenger departures. Asia Pacific is the largest international market for passenger flows from Japan, followed by North America and Europe. Almost 28.1 million passengers departed from Japan to another country in Asia Pacific (82% of the total), 3.5 million to North America (10% of the total), and 2.4 million to Europe (7% of the total).

Top 10 most popular city destinations from Japan



Source: IATA DDS, 2023

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



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.

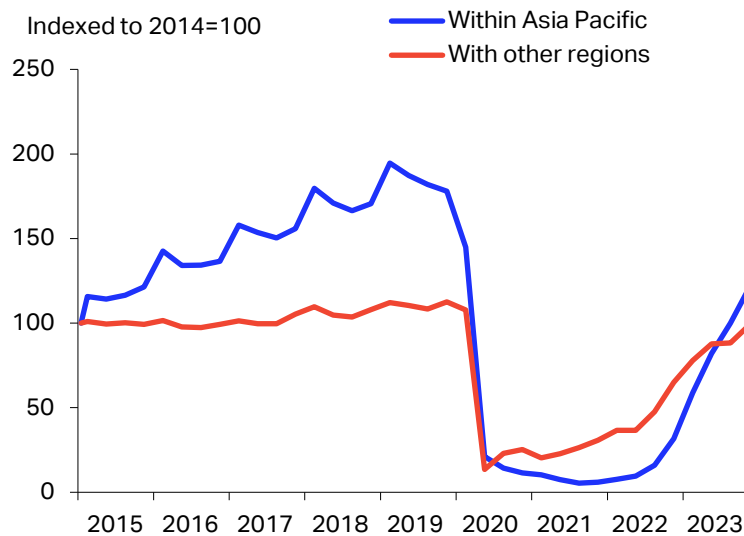
Air connectivity indicators for Japan

| | | | | | |
|--|---|---------------------------------------|--------------------------------------|--|----------------------------------|
| 75 | 117 | 45 | 526 | 56 | 107 |
| 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

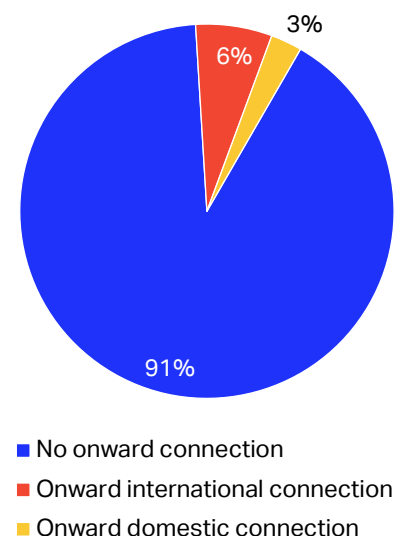
Since 2014, Japan's international air connectivity index has decreased by 8.5% within the Asia Pacific region and by 12% with all other regions. Understanding the nature of that connectivity is also important. For Japan, 3% of all passengers arriving internationally continued their journey on a domestic connection. 91% of passengers either finished their journey at the point of entry to the country or continued traveling using a different mode of transport. 6% of all passengers arriving in Japan from abroad continued their journey to a destination in another country.

International air connectivity of Japan



Source: IATA Sustainability & Economics based on data from OAG, 2023¹¹

Arriving passenger onward air travel



Source: IATA DDS, 2023¹²

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".