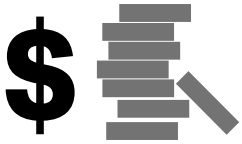
THE VALUE OF AVIATION ICELAND

The economic impact of aviation in Iceland

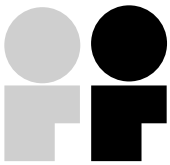
The aviation sector and its quantifiable economic effects made up 23.8% of Iceland's GDP and 23.8% of the country's employment in 2025. This covers the sector itself, its supply chain, employee spending, and international air transport-enabled tourism to Iceland.

GDP and employment created by aviation in Iceland in 2025



9.2
USD billion

23.8%
of GDP



57.7
thousand jobs

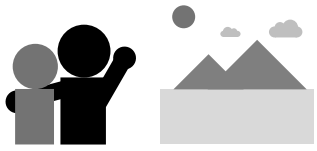
23.8%
of employment

Included economic impacts:
***Direct** – within aviation sector, **Indirect** – aviation supply chain,*
Induced** – employee spending, **International tourists arriving by air

Breakdown of GDP and employment created







Airlines	Airports, ANSPs, civil manufacturing	International tourists arriving by air
USD 2 billion	USD 3.5 billion	USD 3.7 billion
11.5 thousand jobs	23.9 thousand jobs	22.4 thousand jobs

Source: Air Transport Action Group, 2026. Aviation Benefits Beyond Borders report based on data from Oxford Economics.
Note: Economic impacts are calculated using Oxford Economics' Aviation: Benefits Beyond Borders methodology with inputs sourced from publicly available statistics and recognized industry datasets wherever possible, with modelling-based estimates applied where direct data are not available. Estimates do not include domestic tourism spending, nor the wider catalytic benefits of aviation on trade, investment, productivity gains, and enhanced connectivity, among others.
Note: Average 2025 exchange rate: USD 1 = ISK 128.44

Air transport brings millions of people safely to global destinations

Around 3.3 million air passengers departed from Iceland in 2025, based on Origin-Destination(O-D) traffic, making Iceland the 87th largest air passenger market globally.

Air travel from Iceland in 2025, Origin-Destination (O-D)

3.3
million
passenger departures

GROWTH

68.2%
10-year growth

2.9%
year-on-year growth

RANK

87th
Global
▼ 2 since 2015

31st
in Europe
▼ 2 since 2015

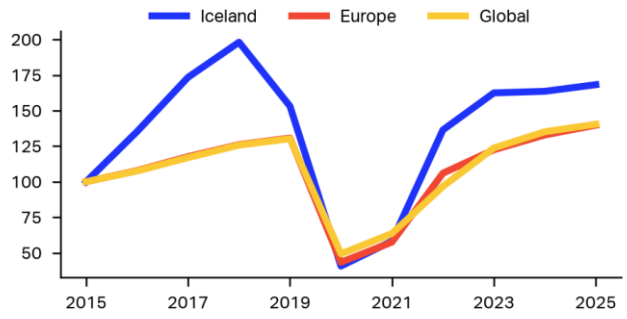
SHARE

0.1%
of global departures

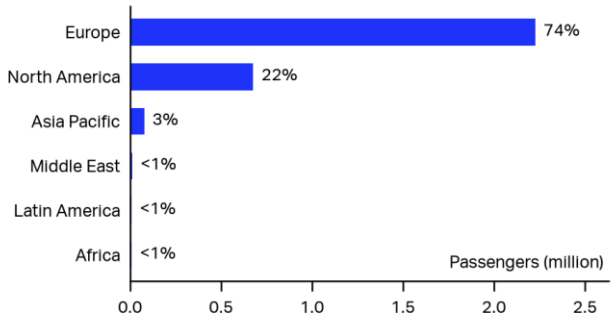
0.3%
of European departures

International: 3.0 million passenger departures, 77.8% 10Y growth, 3.3% YoY growth
Domestic: 321.4 thousand passenger departures, 11.9% 10Y growth, -1.2% YoY growth, % share of total market: 9.6%

Total passenger departures, O-D, 2015-2025, index 2015=100



International passenger departures by destination region, O-D, 2025



Top air travel markets Inbound & outbound	Top origin cities Inbound	Top destination cities Outbound
1. United States	1. London	1. Copenhagen
2. United Kingdom	2. New York	2. London
3. Spain	3. Paris	3. Tenerife
4. Germany	4. Washington	4. Alicante
5. Denmark	5. Copenhagen	5. Paris

Source: IATA Sustainability & Economics using IATA DDS data.
Note: O-D (origin-destination) departures measures passengers beginning their journey in Iceland, to their final destination, excluding transfer and transit passengers.
Top air travel markets based on total O-D passenger traffic between Iceland and other markets in 2025. Top outbound and inbound cities are based on round-trip passenger journeys.
IATA DDS data are derived from ticketing and sales transactions using IATA methodologies and estimates; therefore, results may not exactly match officially reported traffic statistics.

Air transport directly connects Iceland to 29 different countries

In 2025, there were 11 airports and 30 operating airlines in Iceland, providing a total of 118 regularly scheduled commercial passenger routes for Iceland, connecting to 29 countries with about 76 daily international departures.

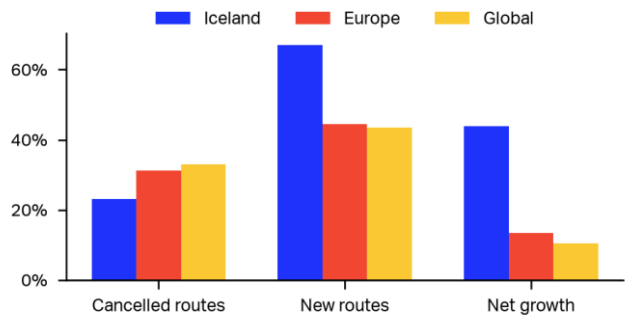
Air Connectivity in Iceland

11
Airports in 2025
5 in 2015

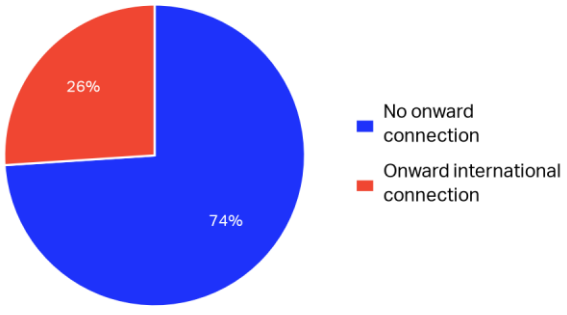
30
Airlines in 2025
21 in 2015

		Total		
		Available routes	Connected countries	Daily int. departures
2025	Total	118	29	76
	Global rank	73rd	81st	75th
	Europe rank	29th	38th	30th
2015	Total	82	22	44
	Global rank	88th	91st	90th
	Europe rank	32nd	36th	33rd

Route network change, 2015 to 2025, % of 2015



Onward connections of international arrivals, 2025

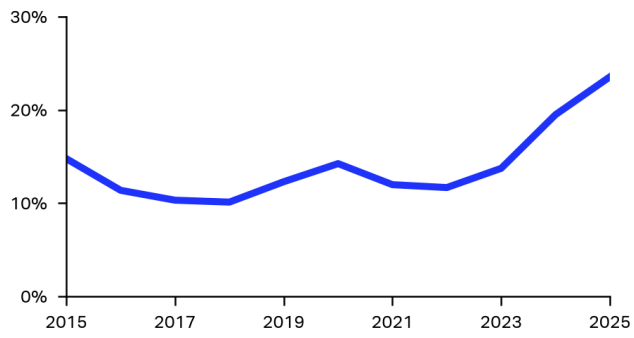


Source: IATA Sustainability & Economics using OAG & IATA DDS data.
Note: Airport, airline, and route counts include only those with regularly scheduled passenger services from Iceland. Airports with fewer than 1,000 regularly scheduled seats in 2025 are excluded.

Air Cargo provides Iceland timely and safe access to global markets

Although air transport accounted for an estimated 0.9% of Iceland's traded goods by weight, it carried 23.8% of their total value.
Iceland's airports handled around 65 thousand tonnes of air cargo in 2025, ranking Iceland as the world's 75th largest air cargo handler market and the 23rd largest in Europe.

Icelandic air cargo, value, % of total, 2015-2025



Icelandic air cargo, share of trade, 2025

0.9% of trade by weight

23.8% of trade by value

Air cargo handled in Iceland, 2025

65 thousand tonnes air cargo handled

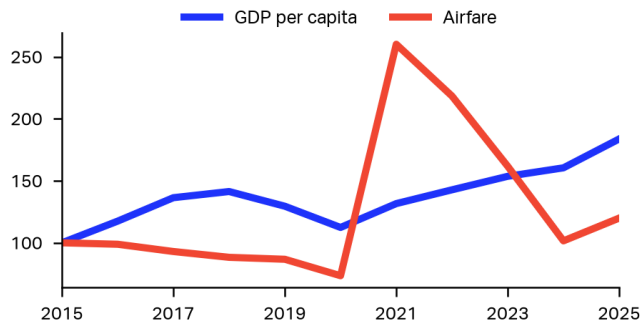
75th Globally 23rd in Europe

Source: Airports Council International (ACI) for air cargo handled, Global Trade Tracker (GTT) for imports and exports by air.
Note: Iceland's trade by air includes imports and exports. It is based on a sample of 50 countries that report their trade by means of transport in 2025, which represents around 40% of the total global goods trade.

International air travel from Iceland has become more affordable over the past decade

Iceland's nominal GDP per capita increased by 83.8%, while the average nominal airfare for an international ticket from Iceland increased by 19.9%, over the past decade. Therefore, international air travel has become more affordable for local residents over this time period.

Nominal GDP per capita & average international fare, Iceland, 2015-2025, index 2015=100



Source: IATA DDS, World Bank. Nominal GDP per capita and fare developments measured in USD terms.