The air transport sector makes a major contribution to the Indian economy

It creates jobs...

Airlines, airport operators, airport on-site enterprises (restaurants and retail), aircraft manufacturers, and air navigation service providers employed 390,000 people in India according to the most recent available data. In addition, by buying goods and services from local suppliers the sector supported another 570,000 jobs. On top of this, the sector is estimated to have supported a further 350,000 jobs by paying wages to its employees, some or all of which are subsequently spent on consumer goods and services. Foreign tourists arriving by air to India, who spend their money in the local economy, are estimated to have supported an additional 6.2 million jobs.

...and generates wealth

The air transport industry is estimated to have supported a $8.9 billion gross value added contribution to GDP in India. Spending by foreign tourists supported a further $21.2 billion gross value added contribution to the country’s GDP. This means that 1.5 percent of the country’s GDP is supported by the air transport sector and foreign tourists arriving by air.

1.5% GDP supported by air transport & foreign tourists arriving by air

$30 billion gross value added contribution to India’s GDP

7.5 m jobs supported by the air transport sector

390,000 jobs

US $4.5

Billion gross value added

570,000 jobs

US $2.7

350,000 jobs

US $1.7

6.2 m jobs

US $21

THE IMPORTANCE OF AIR TRANSPORT TO INDIA

Oxford Economics
Air transportation facilitates exports, foreign direct investment, and tourism

The ten most popular direct flight links:

1. United Arab Emirates
2. Singapore
3. Oman
4. Malaysia
5. Saudi Arabia
6. Thailand
7. Qatar
8. Sri Lanka
9. United Kingdom
10. Nepal

The scale of investment, exports, and inbound spending in India

Air transport brings tourists and investment into India, and helps businesses trade their goods and services around the world. Foreign tourists spent US $19.2 billion in India, supporting restaurants, hotels, transport providers, and others who cater to tourists. In addition, India exported US $490 billion worth of goods and services. Over time, the country has accumulated US $250 billion in foreign direct investment.
The air transport sector connects people around the world

Number of direct flight destinations in the ten fastest growing countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Destination Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>76</td>
</tr>
<tr>
<td>Bangladesh</td>
<td></td>
</tr>
<tr>
<td>Vietnam</td>
<td></td>
</tr>
<tr>
<td>Pakistan</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td></td>
</tr>
<tr>
<td>Philippines</td>
<td></td>
</tr>
<tr>
<td>Kazakhstan</td>
<td></td>
</tr>
<tr>
<td>Angola</td>
<td>76</td>
</tr>
<tr>
<td>Nigeria</td>
<td></td>
</tr>
</tbody>
</table>

Number of direct flights to the top ten fastest growing cities

<table>
<thead>
<tr>
<th>City</th>
<th>Flights per Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surat</td>
<td>15</td>
</tr>
<tr>
<td>Ahmedabad</td>
<td>15</td>
</tr>
<tr>
<td>Ho Chi Minh City</td>
<td>15</td>
</tr>
<tr>
<td>Hà Nội</td>
<td>15</td>
</tr>
<tr>
<td>Delhi</td>
<td>15</td>
</tr>
<tr>
<td>Bengaluru</td>
<td>1061</td>
</tr>
<tr>
<td>Hyderabad (India)</td>
<td>756</td>
</tr>
<tr>
<td>Kinshasa</td>
<td>130</td>
</tr>
<tr>
<td>Dhaka</td>
<td>15</td>
</tr>
<tr>
<td>Lagos</td>
<td>15</td>
</tr>
</tbody>
</table>

Arrivals by continent, number of passengers (000s)

- **Middle East**: 18 million passengers
- **Europe**: 6 million passengers
- **Asia-Pacific**: Over 4,600 direct weekly flights among the ten fastest growing cities in the world as measured by GDP growth and nearly 8,500 direct weekly flights among the 100 fastest growing cities.

The air transport sector’s ability to connect India to emerging countries and fast growing cities can help drive economic growth. There are 87 direct flight destinations among the ten fastest growing countries in the world as measured by GDP growth and 96 direct flight destinations among the 20 fastest growing countries. There are over 4,600 direct weekly flights among the ten fastest growing cities in the world as measured by GDP growth and nearly 8,500 direct weekly flights among the 100 fastest growing cities.

**Arrivals by continent**

The Middle East and Europe are the largest sources of arrivals to India after Asia-Pacific. 18 million passengers arrived to India from the Middle East (17 percent of the total) and 6 million passengers arrived from Europe (6 percent).

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1 Fastest growing countries are Ranked by Oxford Economics’ forecasted real GDP growth 2015-2030, with a threshold of >US $100 million GDP. Fastest growing cities are ranked by Oxford Economics’ forecasted real GDP growth 2015-2030, with a minimum city size of 5 million.
Ease of travel, cost competitiveness, and infrastructure are vitally important

Survey evidence of infrastructure and ease of travel

Executives surveyed by the World Economic Forum suggest that India’s air transport infrastructure quality ranks 13th out of 25 countries included in the survey in Asia-Pacific and 71st globally. India ranks 21st out of 25 in Asia-Pacific for visa openness and 3rd for cost competitiveness.

Key infrastructure facts about Indian air transport

Around 1.5 million aircraft land or take off from India every year. The country has 3 airports that are in the top 100 in the world (ranked by passenger numbers). Indira Gandhi Intl airport carried the most passengers - 55 million - in 2016.

Number of passengers travelling annually through the five busiest airports in the country (2016s)

- **1.** Delhi - 55 million
- **2.** Mumbai - 44.5 million
- **3.** Bangalore - 22.8 million
- **4.** Chennai - 18.4 million
- **5.** Hyderabad - 15.8 million

*Entry visa requirements for a tourism visit from worldwide source markets (10 = no visa required for visitors from all source markets, 0 = traditional visa required for visitors from every source market).*

*Based on ticket taxes, airport charges, and VAT (10=low cost, 0=high cost).*

Sources: IATA, Oxford Economics, International Monetary Fund, and national statistics.

All data in this report relate to 2014 unless otherwise stated.

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This report is one of several that examine the air transport sector’s importance around the world. Access them all from IATA’s website.

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