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

It creates jobs...

Airlines, airport operators, airport on-site enterprises (restaurants and retail), aircraft manufacturers, and air navigation service providers employed 190,000 people in Indonesia in 2014. In addition, by buying goods and services from local suppliers the sector supported another 530,000 jobs. On top of this, the sector is estimated to have supported a further 140,000 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 Indonesia, who spend their money in the local economy, are estimated to have supported an additional 1.7 million jobs in 2014.

...and generates wealth

The air transport industry is estimated to have supported a $9.4 billion gross value added contribution to GDP in Indonesia in 2014. Spending by foreign tourists supported a further $14 billion gross value added contribution to the country’s GDP. This means that 2.7 percent of the country’s GDP is supported by the air transport sector and foreign tourists arriving by air.
Air transport brings tourists and investment into Indonesia, and helps businesses trade their goods and services around the world. In 2014, foreign tourists spent US $9.8 billion in Indonesia, supporting restaurants, hotels, transport providers, and others who cater to tourists. In addition, Indonesia exported US $210 billion worth of goods and services in 2014. Over time, the country has accumulated US $230 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

India
Bangladesh
Vietnam
Pakistan
China
Indonesia
Philippines
Kazakhstan
Angola
Nigeria

Number of direct flights to the top ten fastest growing cities

Surat
Ahmedabad
Ho Chi Minh City
Hà Noi
Delhi
Bengaluru
Hyderabad (India)
Kinshasa
Dhaka
Lagos

Arrivals by continent, number of passengers (000s)

Asia-Pacific
360

Europe
82,000

Middle East
19

America
1,700

Africa
99

The air transport sector’s ability to connect Indonesia to emerging countries and fast growing cities can help drive economic growth. There are 108 direct flight destinations among the ten fastest growing countries in the world as measured by GDP growth and 119 direct flight destinations among the 20 fastest growing countries. There are 7 direct weekly flights among the ten fastest growing cities in the world as measured by GDP growth and over 5,500 direct weekly flights among the 100 fastest growing cities.¹

Arrivals by continent

the Middle East and Europe are the largest sources of arrivals to Indonesia after Asia-Pacific. In 2014, 2 million passengers arrived to Indonesia from the Middle East (2.3 percent of the total) and 1.7 million passengers arrived from Europe (2 percent).

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 Indonesia’s air transport infrastructure quality ranks 11th out of 25 countries included in the survey in Asia-Pacific and 50th globally. Indonesia ranks 10th out of 25 in Asia-Pacific for visa openness and 1st for cost competitiveness.

Key infrastructure facts about Indonesian air transport

Around 1.5 million aircraft land or take off from Indonesia every year. The country has 1 airport that is in the top 100 in the world (ranked by passenger numbers). Soekarno-Hatta Intl airport carried the most passengers - 53.3 million - in 2014.

Number of passengers travelling annually through the five busiest airports in the country (000s)

<table>
<thead>
<tr>
<th>Number</th>
<th>Airport</th>
<th>Passengers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SOEKARNO-HATTA INTL</td>
<td>53,300</td>
</tr>
<tr>
<td>2</td>
<td>NGURAH RAI</td>
<td>16,100</td>
</tr>
<tr>
<td>3</td>
<td>JUANDA</td>
<td>15,600</td>
</tr>
<tr>
<td>4</td>
<td>SULTAN HASANUDDIN</td>
<td>9,100</td>
</tr>
<tr>
<td>5</td>
<td>KUALA NAMU</td>
<td>7,400</td>
</tr>
</tbody>
</table>

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Oxford Economics prepared this report with IATA’s support.

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

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