The air transport sector makes a major contribution to the South Korean economy

It creates jobs...

Airlines, airport operators, airport on-site enterprises (restaurants and retail), aircraft manufacturers, and air navigation service providers employed 130,000 people in South Korea in 2014. In addition, by buying goods and services from local suppliers the sector supported another 170,000 jobs. On top of this, the sector is estimated to have supported a further 68,000 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 South Korea, who spend their money in the local economy, are estimated to have supported an additional 400,000 jobs in 2014.

...and generates wealth

The air transport industry is estimated to have supported a $24 billion gross value added contribution to GDP in South Korea in 2014. Spending by foreign tourists supported a further $20 billion gross value added contribution to the country’s GDP. This means that 3.1 percent of the country’s GDP is supported by the air transport sector and foreign tourists arriving by air.
The importance of air transport to South Korea

Air transport brings tourists and investment into South Korea, and helps businesses trade their goods and services around the world. In 2014, foreign tourists spent US $710 billion in South Korea, supporting restaurants, hotels, transport providers, and others who cater to tourists. In addition, South Korea exported US $710 billion worth of goods and services in 2014. Over time, the country has accumulated US $180 billion in foreign direct investment.

The scale of investment, exports, and inbound spending in South Korea

The ten most popular direct flight links:

1. China
2. Japan
3. United States
4. Philippines
5. Hong Kong
6. Thailand
7. Chinese Taipei
8. Vietnam
9. Singapore
10. Russia

Air transportation facilitates exports, foreign direct investment, and tourism
The importance of air transport to South Korea

The air transport sector connects people around the world

The air transport sector’s ability to connect South Korea to emerging countries and fast growing cities can help drive economic growth. There are 62 direct flight destinations among the ten fastest growing countries in the world as measured by GDP growth and 68 direct flight destinations among the 20 fastest growing countries. There are 100 direct weekly flights among the ten fastest growing cities in the world as measured by GDP growth and over 1,000 direct weekly flights among the 100 fastest growing cities.¹

Arrivals by continent

North America and Europe are the largest sources of arrivals to South Korea after Asia-Pacific. In 2014, 4.6 million passengers arrived to South Korea from North America (6.9 percent of the total) and 3.7 million passengers arrived from Europe (5.5 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 South Korea’s air transport infrastructure quality ranks 8th out of 25 countries included in the survey in Asia-Pacific and 29th globally. South Korea ranks 15th out of 25 in Asia-Pacific for visa openness and 6th for cost competitiveness.

Key infrastructure facts about South Korean air transport

Around 610,000 aircraft land or take off from South Korea every year. The country has 1 airport that is in the top 100 in the world (ranked by passenger numbers). Incheon International Airport airport carried the most passengers - 44.1 million - in 2014.

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

- **1**
  - INCHEON INTERNATIONAL AIRPORT
  - 44,100
- **2**
  - GIMPO INTERNATIONAL
  - 17,500
- **3**
  - JEJU INTERNATIONAL
  - 17,100
- **4**
  - GIMHAE INTL
  - 7,900
- **5**
  - DAEGU INTERNATIONAL
  - 1,300

* 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.

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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.