



ASSEMBLY — 41ST SESSION

EXECUTIVE COMMITTEE

Agenda Item 21: United Nations 2030 Agenda - Sustainable Developments Goals (SDGs)

AVIATION'S CONTRIBUTION TOWARDS THE UNITED NATIONS 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

(Presented by the International Air Transport Association (IATA), the Airports Council International (ACI), the Civil Air Navigation Services Organisation (CANSO), the International Business Aviation Council (IBAC) and the International Coordinating Council of Aerospace Industries Associations (ICCAIA))

EXECUTIVE SUMMARY

Air transport is a significant contributor to global economic growth and social development. It creates employment, facilitates trade, enables tourism and supports sustainable development all around the world. Safe, reliable and cost-effective air transport supports the Sustainable Development Goals (SDGs) and should be seen as a development imperative by governments.

Strategic Objectives:

This working paper relates to all Strategic Objectives.

Financial implications:

References:

1. INTRODUCTION

1.1 The Air Transport Action Group (ATAG) has worked closely with Oxford Economics to undertake a macroeconomic assessment of aviation's global economic impact. This research was combined with a holistic overview of the social and environmental aspects of air transport. Its findings demonstrate that air transport is:

- a) **A major global employer:** Commercial aviation supports 87.7 million jobs worldwide. Over 11.3 million of those jobs are generated directly by the industry itself, including at airports, airlines, air navigation service providers and manufacturers of aircraft and their components. Of the 11.3 million jobs that the industry generates:

- 1) the airport sector accounts for 6.17 million jobs (55 per cent of the total). This includes on-site employment (for example at retail outlets, restaurants, hotels and government agencies), accounting for 5.5 million jobs, or 49 per cent of the total, and 648 000 positions with airport operators (such as airport management, maintenance and operations);
 - 2) 3.6 million people (32 per cent of the total). are directly employed by airlines (for example, flight crew, check-in staff, maintenance crew, reservations and head office staff).
 - 3) the manufacturing sector employs 1.3 million people (11.6 per cent of the total); and
 - 4) 237 000 jobs are generated by air navigation service providers (2 per cent).
- b) **Enabling economic growth:** Air transport supports \$3.5 trillion in global economic activity. If aviation were a country, it would rank 17th in size by Gross Domestic Product (GDP); similar to Indonesia or the Netherlands.
- c) **Unique connectivity:** Prior to the impact of COVID-19, the global aviation system comprised over 48 044 routes connecting 3 780 commercial airports through 1 478 commercial airlines, carrying over 4.5 billion passengers on nearly 46.8 million scheduled commercial flights a year. The industry's fleet of 33 299 aircraft in service are guided safely through the skies by 162 air navigation service providers.
- d) **Big trade values, small volumes:** Air transport carries around 35 per cent of world trade by value and less than 1 per cent by volume: some \$6.5 trillion value of cargo, with nearly 61 million tonnes of freight carried by air in 2019.

1.2 Air transport is also an enabler of tourism, with 58 per cent of all international tourists travelling to their destinations by air in 2019. Tourism plays an even more important role in some States than others, with 45 out of 47 least developed countries identifying tourism as a key development sector.

2. IMPACT OF COVID-19 ON AVIATION CONNECTIVITY

2.1 The emergence of COVID-19 has had an impact on all parts of the economy, but with air transport bearing a particularly acute burden. Research completed in mid-2021 suggests that the ongoing impact of COVID-19 would potentially see:

- a) 44.6 million jobs at risk normally supported by aviation and 2.3 million fewer aviation jobs (a 21 per cent reduction compared to pre-COVID-19 levels). \$1.7 trillion in worldwide GDP normally supported by aviation is at risk due to COVID-19 and a 50 per cent forecast drop exists in 2021 passengers versus 2019 accordingly; and
- b) despite the significant drops and impacts of COVID-19 in the various fields across the industry, there were actions that led aviation to play an important role on a global level in the support of COVID-19 mitigation. More specifically, 39 200 repatriation flights took place in 2020, resulting in the number of 5.4 million repatriated citizens. Lastly, 46 600 special cargo flights were performed globally in 2020, and managed to transfer 1.5 million tonnes of cargo, of which mostly was medical equipment.

3. AIR TRANSPORT SUPPORTING SUSTAINABLE DEVELOPMENT

3.1 The global aviation industry is aligned with the United Nations 2030 Agenda for Sustainable Development. Analysis shows that the global air transport industry plays at least some role in supporting the sustainable development goals (SDGs). Through generating connectivity between nations, aviation is a key driver of economic and social development:

SDG 1) End poverty: Aviation creates over 11.3 million direct jobs worldwide and indirectly supports a total of 87.7 million jobs.

SDG 2) Zero hunger: Aviation supports the delivery of vital humanitarian assistance to areas affected by conflict and disasters through the United Nations Humanitarian Air Service (UNHAS), the World Food Programme (WFP), other charities and commercial airlines providing their cargo and cabin space.

SDG 3) Good health and wellbeing: Aviation assists people's health and wellbeing around the world by transporting medicine and vaccines across long distances under strictly regulated storage conditions. Air transport also provides vital medical care through air ambulances to remote communities.

SDG 4) Quality education: Access to higher-quality education for many means travelling to another country, sometimes in another region of the globe. Without air transport, these opportunities simply would not exist. In 2019, five million students travelled abroad to study, many by air.

SDG 5) Gender equality: Aviation is working to achieve gender balance across the sector. In Europe, aviation is the most gender-balanced of all transport modes with 43 per cent female employees. More work is still needed to encourage balance in technical and executive roles.

SDG 6) Clean water and sanitation: The aviation industry works to reduce its environmental footprint, including through the sustainable management of water. For example, new "dry wash" techniques for aircraft reduce the use of water by 95 per cent compared to traditional cleaning methods.

SDG 7) Affordable and clean energy: The aviation industry is developing sustainable aviation fuels that reduce CO₂ emissions by 80 per cent compared to fossil fuels. Nearly 450 000 commercial flights using sustainable fuels have already taken place, 4.8m tonnes in airline SAF forward purchase agreements have been made so far and seven technical pathways to SAF development have been certified.

SDG 8) Decent work and economic growth: As well as providing employment, aviation contributes \$3.5 trillion to global economic activity, 4.1 per cent of the global total.

SDG 9) Industry, innovation and infrastructure: Aviation is one of the most innovative industries in the world. The manufacturing sector is continually developing new technology and creates significant urban infrastructure through the building of airports, as well as air traffic management. In 2018, some \$51.4 billion was invested in airport infrastructure, with most investment taking place in North America, followed by Asia-Pacific and Europe.

SDG 10) Reduced inequalities: The connectivity provided by air transport reduces inequality between countries, as well as individuals, through creating trade links and providing access to goods and services for those in remote communities. The democratisation of air travel has also meant that air services are available to more people than ever. Since 1970, the real cost of air travel has been

reduced more than 70 per cent, through the deregulation of the aviation market in the 1980s, the development of more fuel-efficient aerospace technologies and the introduction of low-cost carriers.

SDG 11) Sustainable cities and communities: Aviation-related infrastructure is a major part of urban and rural communities worldwide and contributes to the connectivity of populations through integrated transport links.

SDG 12) Responsible consumption and production: Airlines and airports around the world have recognised the importance of reducing, reusing and recycling waste. From analysing passenger consumption data and using compostable cups and dishes, to donating non-perishable food items and introducing recycling of bottles and cans, the industry is committed to minimising the quantity of waste sent to landfill and incinerators. Airlines and manufacturers work closely together to recycle aircraft at the end of their service – being able to recycle 85-90 per cent of the aircraft by weight.

SDG 13) Climate action: Aviation has one of the clearest and wide-ranging climate action plans of any industry to reduce CO₂ emissions, and is making good progress towards achieving its global climate targets.

SDG 14) Life below water: Airports and airlines worldwide contribute to conserving the oceans, seas and marine resources, including through conservation programmes and awareness raising among passengers.

SDG 15) Life on land: Aviation is working with partners in government and conservation organisations to combat the illegal wildlife trade that takes advantage of air transport's connectivity.

SDG 16) Peace, justice and strong institutions: Through the International Civil Aviation Organization (ICAO) – the aviation industry's closest partner – air transport contributes to global standards and laws that ensure a safe, secure and sustainable sector.

SDG 17) Partnership for the goals: Partnerships between all sectors of the aviation industry enable the global air transport industry to operate: airports, airlines, business aviation, air traffic management, manufacturers and suppliers. The industry also partners with the United Nations, mainly through ICAO, and governments to develop regulations and cooperate closely on climate action.

3.2 While aviation already plays a major role in supporting the SDGs through its daily operations, the industry acknowledges that there are areas where it could increase its contribution to sustainable development by working more closely in partnership with governments and inter-governmental institutions.

4. REGIONAL BENEFITS AND GROWTH PROSPECTS

4.1 The ATAG report *Aviation: Benefits Beyond Borders* presents regional and national analysis of air transport's economic and social benefits and forecasts the potential for growth in air transport by an annual average of 3 per cent over the next 20 years.

- **Africa:** Air transport supports 7.7 million jobs in Africa and \$63 billion in GDP. Without the connectivity flight provides, many African countries that rely on a steady inflow of tourists would not be able to enjoy their pre-COVID-19 levels of economic growth.
- **Asia-Pacific:** Asia-Pacific has the highest levels of passenger traffic, transporting over a third of all passengers worldwide (1.7 billion). Air transport in Asia-Pacific supports 46.7 million jobs

and \$944 billion in GDP. Air traffic in Asia-Pacific is expected to continue to grow at about 4.2 per cent per year over the next twenty years, accounting for the largest growth rate worldwide.

- **Europe:** Europe accounts for a quarter of global passenger traffic (1.2 billion) and is the second largest market after Asia-Pacific. Air transport supports 13.5 million jobs and \$991 billion in European economic activity.
- **Latin America and the Caribbean:** In Latin America and the Caribbean, the aviation industry supports 2.7 per cent of all employment (7.7 million) and 3.5 per cent of the region's economic activity (\$187 billion).
- **Middle East:** air traffic in the Middle East is estimated to continue to grow at about 4.1 per cent per year over the next 20 years, air transport today supports 3.4 million jobs and \$213 billion in GDP in the Middle East.
- **North America:** In North America, air transport creates 2.7 million jobs in the aviation industry itself and supports 8.7 million jobs in total.

4.2 Based on current industry growth rates, it is expected that air transport could see over 8.2 billion passengers and will support 143 million jobs and \$6.3 trillion in global GDP in 2038.

4.3 However, should moves towards a more protectionist and fragmented world continue (if growth were to slow due to restrictive trade, immigration and political factors), there will likely be an impact on air traffic growth, particularly international travel and air freight. If this more pessimistic scenario materialises, in 2038 there would be 5.5 million fewer jobs and the contribution of the air transport sector to world GDP could be \$200 billion (2018 prices) lower, with an additional \$94 billion lost through lower tourism activity.

4.4 This highlights the importance of governments ensuring open borders, liberal trade policy and multilateralism for air transport development as a conduit for further connectivity, social advancement, trade and tourism worldwide.

4.5 All parts of the aviation industry, represented by the associations submitting this working paper, are firmly committed to a sustainable future for air transport. This can be evidenced by the industry's support for the global Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) scheme for international aviation and its climate action plan, including an ambitious long-term goal of net-zero carbon emissions by global commercial aviation by 2050.

5. ACCESSING THE REPORT

5.1 The report *Aviation: Benefits Beyond Borders* can be downloaded at www.aviationbenefits.org and is available from ATAG representatives at the Assembly.