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WORKING PAPER

ASSEMBLY — 42ND SESSION

ECONOMIC COMMISSION

Agenda Item 27: Other issues to be considered by the Economic Commission

TOWARDS A STANDARD DEFINITION AND SCOPE OF THE CIVIL AVIATION INDUSTRY

(Presented by the Republic of Korea)

EXECUTIVE SUMMARY

This working paper addresses the need to establish an internationally agreed-upon definition and scope of the civil aviation industry, to enhance consistency in data reporting, policy planning, and economic impact analysis. While the Aviation Satellite Account (ASA) framework marks a significant step toward standardized economic measurement, Member States continue to face challenges due to the absence of a shared understanding of what constitutes the "Aviation Industry"—particularly with respect to whether aircraft manufacturing and related services are included. The Republic of Korea urges the ICAO to initiate a process to define the scope of the aviation industry and develop a standard classification framework to be used by Member States.

Action: The Assembly is invited to:

a) initiate the development of a standardized definition and scope of the civil aviation industry, incorporating core, extended and related sectors.
b) develop a classification framework aligned with international standards (e.g., ISIC, CPC, SNA) to guide Member States in data collection and policy planning.
c) facilitate dialogue among Member States, international organizations, and expert bodies to build consensus on the scope and boundaries of the aviation industry; and
d) incorporate the definitional framework into future updates of the ASA and related ICAO statistical guidance documents.

Strategic Goals:	This working paper relates to Strategic Goals — *Economic Development of Air Transport*
Financial implications:	N/A
References:	A41-WP/16 EC/6 – Aviation Satellite Account System of National Accounts 2008 (2008 SNA) Report of the Eleventh Session of the Statistics Division (STA/11)

1. INTRODUCTION

1.1 The civil aviation industry is a complex ecosystem comprising aircraft manufacturing, air transport operations, maintenance and repair, airport and air navigation services, aviation-related IT, and logistics, among others. Despite the industry's growing significance, there is no universally accepted standard definition that clearly defines its scope for both national and international economic measurement.

1.2 This definitional ambiguity has become increasingly problematic as countries seek to quantify aviation's economic contribution, track industry trends, and coordinate policy and regulatory frameworks across agencies and sectors.

1.3 ICAO's ongoing development of the Aviation Satellite Account (ASA) is a commendable effort toward standardizing economic measurement. However, divergent views persist among Member States—especially on whether to include aircraft manufacturing and related services within the scope of civil aviation. Such inconsistencies limit data comparability and reduce its utility across nations.

2. CHALLENGES ARISING FROM THE ABSENCE OF STANDARDIZED DEFINITIONS

2.1 The Republic of Korea currently conducts nationwide statistical surveys on the aviation industry, collecting key information such as the number of aviation enterprises, employment figures, and revenue data, with partial inclusion of aircraft manufacturing. However, differing interpretations among relevant ministries regarding the definition of the aviation industry have posed significant challenges in clearly determining the scope and boundaries of the survey.

2.2 For example, Korea's Aviation Business Act mentions "Aviation Industry" 19 times, yet it lacks a legal definition due to disagreement among agencies overseeing transport, aerospace, manufacturing, and defence. This lack of alignment results in fragmented data collection and undermines evidence-based policymaking. Furthermore, differing interpretations of industry scope affect global data comparability and potentially hinder ICAO's efforts in monitoring international aviation development in a consistent manner.

2.3 The issue is not limited to Korea. The Eleventh Session of the ICAO Statistics Division (STA/11) revealed contrasting positions among Member States on whether to include aircraft manufacturing within the ASA. Some argue that it is an essential component of the aviation value chain, while others view it as a distinct, capital-intensive activity tied to both civilian and military sectors.

3. INTERGRATING NEW DOMAINS INTO CIVIL AVIATION FRAMEWORK

3.1 The aviation industry is evolving rapidly, with new domains such as urban air mobility, unmanned aerial systems, and commercial space-related activities emerging at the intersection of conventional aviation and next-generation technologies. Without a forward-looking definitional framework, Member States risk underestimating the economic contribution of these high-growth segments and missing opportunities for integrated planning.

3.2 Additionally, global industry alliances, multi-modal transport networks, and environmental considerations require a comprehensive understanding of aviation's extended ecosystem, necessitating a common language and structure.

4. NEED FOR AN ICAO-LED FRAMEWORK

4.1 A standardized definition of the civil aviation industry, led by ICAO in collaboration with the United Nations Statistics Division (UNSD), would provide a reference model that Member States can adapt while ensuring both national flexibility and international comparability.

4.2 The framework should offer both a core definition—focusing on aviation transportation services—and an extended definition that includes peripheral sectors such as manufacturing, MRO, aviation IT, cargo logistics, commercial space transport, drones, and other newly emerging areas within the air transport domain. This approach would ensure evidence-based evaluation of aviation-related policies, investment planning, and labour market outcomes.

4.3 Such a classification system could be integrated into existing statistical structures such as the International Standard Industrial Classification (ISIC) and the Central Product Classification (CPC), aligning with the 2008 System of National Accounts (SNA).

4.4 A standardized framework would enhance statistical coherence in both national accounts and aviation-specific surveys, facilitate cross-border comparability for policy coordination, strengthen institutional alignment among national agencies, and support evidence-based evaluation of aviation policies, investment planning, and labour market outcomes.

5. CONCLUSION

5.1 The Republic of Korea stands ready to contribute its experience and technical resources to this initiative and encourages fellow Member States to participate in the collaborative process toward a harmonized understanding of the aviation industry.

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