

Fourth ICAO Air Transport Symposium(IATS/4)

Employment Statistics in Korean Air Transport Industries

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1. Research Background

- Korean government has set up a "5-year **roadmap for employment policies (17.10)**" to promote job creation policies.
- **Air transport industry** has been steadily grown due to rising demand for air travel and LCC expansion → Contributing to **economic growth and job creation**
- **However, there is no specific investigation or research on air transport industry jobs in Korea.**

It is necessary to support **employment policies based on accurate statistics** of air transport industry jobs

2. Scope of Air Transport Industries(Aviation Business Law)

Categories	Definition
1. Domestic/International air transport service	a business of transporting passengers and cargo for remuneration on demand by using aircraft
2. Small-scale air transport service	air transport services other than domestic air transport services and international air transport services
3. Aircraft rental services	a business other than the business of operating air transport services, which provides services prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport, such as crop dusting, transportation of construction materials, aerial photography or flight training in compliance of the demand of others by using aircraft, for remuneration
4. Aircraft ground handling service	a business refueling of aircraft, loading and unloading of airfreight or luggage, and other ground handling prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport in compliance with the demand of others
5. Aircraft maintenance service	a business of providing any of the following services in compliance of the demand of others: (a) Maintenance, repair or modification of aircraft, engines, propellers, fitments, or parts; (b) Supporting technical management, quality management, etc. of services referred to in item (a);
6. Courier services	a business of delivering documents concerning exportation and importation falling under the proviso to subparagraph 7 of Article 1-2 of the Postal Service Act and samples pertaining thereto by using an aircraft for remuneration in compliance with the demand of others;
7. General sales agency	a business of making international transport contract for passengers or cargo by using an aircraft for remuneration on behalf of an air transport service provider
8. City airport terminal services	a business of establishing and operating facilities necessary to provide convenience concerning the transport and handling of air passengers and air freight in an area other than the airport area referred to in subparagraph 4 of Article 2 of the Airport Facilities Act
9. Air charter	a business of renting an entire aircraft, light aircraft or ultra-light aircraft (excluding business referred to in subparagraph 26 (b)) for remuneration in compliance with the demand of others;
10. Sports and leisure aviation service	a business of providing any of the following services for remuneration in compliance with the demand of others: (a) Flying an aircraft (limited to an airship and a glider), light aircraft, or ultra-light aircraft prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport, with persons aboard for the purpose of flight training, experience and viewing scenery; (b) Renting any of the following for sport and leisure aviation:
11. Ultra-light aircraft rental service	a business of providing services prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport, such as crop dusting and aerial photography, for remuneration by using an ultra-light aircraft prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport in compliance with the demand of others

3. Status of Air Transport Services in Korea

- Air transport services increased due to the growth of the air transport industry, especially in **leisure sports** and **ultra-light aircraft services**
 - For aviation leisure sports, new **37 companies increased in 2016** based on the aviation leisure business law
 - For ultra-light aircraft services, **the number of companies rapidly increased** due to the relaxed standard for the initial registration based on the Aviation Act of 2012

Categories	No of Companies registered			
	2015	2016	2017	2018
Domestic/International air transport service	8	8	9	9
Small-scale air transport service	7	7	8	8
Aircraft rental services	52	56	54	52
Aircraft ground handling service	30	27	39	46
Aircraft maintenance service	36	36	40	42
Courier services	594	634	660	689 (28%)
General sales agency	152	177	179	179 (7%)
City airport terminal services	2	2	1	3
Air charter	3	6	9	17
Sports and leisure aviation service	56	93	99	112 (4%)
Ultra-light aircraft rental service	439	726	1105	1,495 (56%)
Total	1,379	1,772	2203	2,652

4. Status of Air Transport Services in Korea (Statistics)

Comparative analysis of aviation related job statistics survey

Categories		Transportation survey related to Air Transport		Census on establishments related to Air transport		Employment Statistics related to Air Transport		Labor force survey of establishments related to Air Transport	
		2016	2017	2016	2017	2016	2017	2016	2017
No of Companies	Transportation and storage	371,891	375,274	385,846	386,770	-	-	42,699	-
	- Air transport	35	38	188	201	-	-	192	-
	- Service activities related to air transport	7	7	115	108	-	-	-	-
	- Air and land cargo handling	84	78	761	804	-	-	-	-
No of Employment	Transportation and storage	1,117,031	1,132,891	1,110,275	1,113,620	1,160,000	1,129,000	71,7749	726,303
	- Air transport	36,905	38,440	31,240	34,094	40,000	40,000	32,726	31,768
	- Service activities related to air transport	8,683	8,770	11,764	12,725	-	-	-	-
	- Air and land cargo handling	3,658	4,451	12,492	14,444	-	-	-	-

- Statistic values are different in the results of four surveys.
 - May be due to the difference in survey methods, and the scope of Air Transport Industries

5. Status of International Air Transport Services (Statistics)

Air Transport Industries Groups (ATAG, Air Transport Acting Group)

1. Direct impacts : a source of considerable economic activity, creating jobs that directly serve passengers at airlines, airports and air navigation service providers

- include check-in, baggage handling, on-site retail, cargo and catering facilities

2. Indirect impacts : include employment and activities of suppliers to the air transport industry

- aviation fuel suppliers; construction companies that build airport facilities; suppliers of sub-components used in aircraft

3. Induced impacts : directly or indirectly employed in the air transport sector supports additional jobs

- such as banks, telecommunication providers and restaurants

4. Supporting wider economic development : One of the industries that relies most heavily on aviation is tourism.

- Tourism represents a significant contribution to the worldwide economy, providing employment and boosting global economic activity

Aviation's global employment (2016) : 65.5 million

10.2 million

10.8 million

7.8 million

36.7 million

COUNTRIES

UNITED STATES

JOBS TOTAL 6,535,000	Aviation's global employment and GDP impact	GDP TOTAL \$778.4 billion
2,206,000	Aviation direct	\$266.7 bn
1,707,000	Indirect	\$209.9 bn
1,336,000	Induced	\$164.2 bn
1,287,000	Tourism catalytic	\$137.6 bn

China

JOBS TOTAL 6,000,000	Aviation's global employment and GDP impact	GDP TOTAL \$104.1 billion
1,378,000	Aviation direct	\$34.2 bn
2,294,000	Indirect	\$33.1 bn
708,000	Induced	\$10.2 bn
1,700,000	Tourism catalytic	\$26.6 bn

JAPAN

JOBS TOTAL 1,420,000	Aviation's global employment and GDP impact	GDP TOTAL \$117.5 billion
301,000	Aviation direct	\$29.9 bn
314,000	Indirect	\$24.0 bn
237,000	Induced	\$18.1 bn
568,000	Tourism catalytic	\$45.5 bn

SOUTH KOREA

JOBS TOTAL 838,000	Aviation's global employment and GDP impact	GDP TOTAL \$47.4 billion
158,000	Aviation direct	\$13.6 bn
215,000	Indirect	\$11.4 bn
87,000	Induced	\$4.6 bn
378,000	Tourism catalytic	\$17.8 bn

6. Survey Analysis on Air Transport Industries(1/2)

Survey Results

No of companies surveyed : 2,544
 No of companies answered : 610 (24%)

Categories	Companies Surveyed		Companies Answered		Response Rate(%)
	No	Composition (%)	No	Composition (%)	
Domestic/International air transport service	2	0.1%	2	0.3%	100%
Small-scale air transport service	16	0.6%	13	2.1%	81%
Aircraft rental services	38	1.5%	20	3.3%	53%
Aircraft ground handling service	38	1.5%	26	4.3%	68%
Aircraft maintenance service	24	0.9%	12	2.0%	50%
Courier services	13	0.5%	3	0.5%	23%
General sales agency	591	23.2%	170	27.9%	29%
City airport terminal services	86	3.4%	20	3.3%	23%
Air charter	2	0.1%	1	0.2%	50%
Sports and leisure aviation service	27	1.1%	12	2.0%	44%
Ultra-light aircraft rental service	1707	67.1%	331	54.3%	19%
Total	2544	100 %	610	100 %	24%

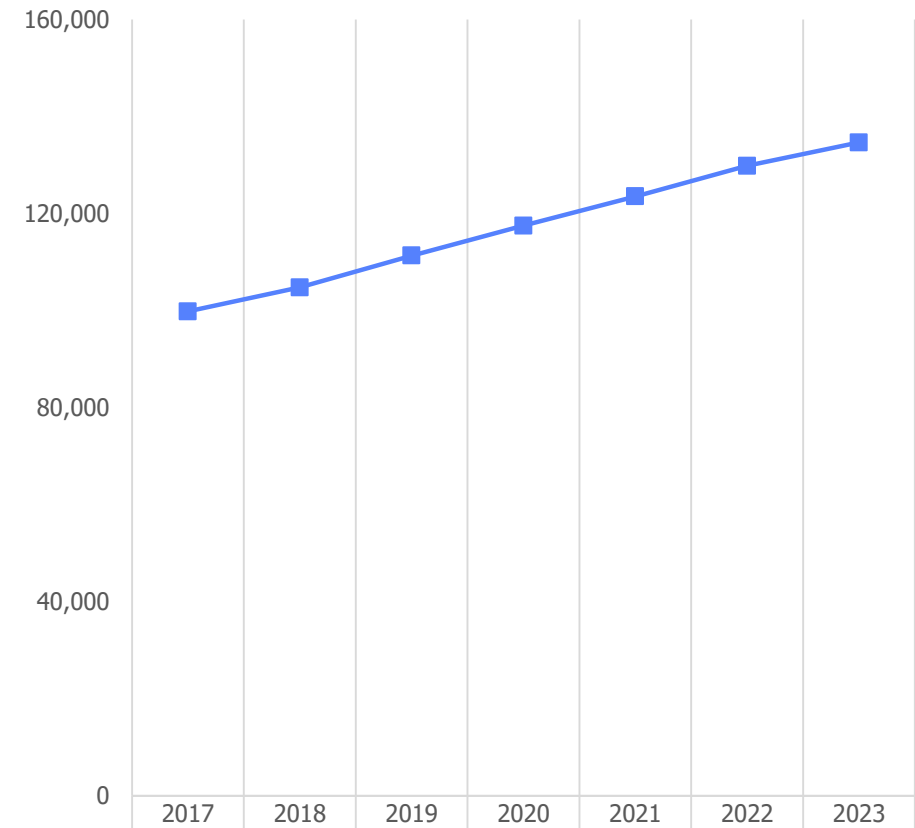
• Surveyed on companies registered in Korea in June 2018

6. Survey Analysis on Air Transport Industries(2/2)

Survey Results

No of companies surveyed : 2,544
 No of companies answered : 610 (24%)

Categories	Estimated Employees	Type	
		Full time	part-time
Domestic/International air transport service	3,519	3136	366
Small-scale air transport service	38,091	30736	6912
Aircraft rental services	1,165	856	228
Aircraft ground handling service	10,590	7755	2779
Aircraft maintenance service	19,306	17682	1578
Courier services	374	361	0
General sales agency	16,221	12213	3331
City airport terminal services	1,819	1297	324
Air charter	269	230	0
Sports and leisure aviation service	84	18	17
Ultra-light aircraft rental service	13,321	7503	3755
Total	104,759	81,787 (81%)	19,290 (19%)



7. Conclusion

- * Due to growth of air traffic and deregulation of air transport industries, employees will be steadily increased.
 - Rapid growth of LCC and related industries
 - Reduction of capital requirement for sports and leisure aviation service
 - Deregulation for small-scale air transport service with VFR helicopter
 - Relaxing of registration requirements for leasing equipment of aircraft handling business, etc.
- Thereby, it is expected to create more jobs with expansion of new air transport companies

8. Future Works

◦ As demand for air transport is expected to increase steadily, airlines are planning to expand the market by introducing more aircrafts, which will lead to more airmen and employees in the future

→ In order to effectively support the establishment of national policies for job support in response to an increase in the number of air transport employees, provision should be made to provide statistics that can identify the overall employees of the air transport industries.

Thank you