



The value of air transport for Finland

Oxford Economics study summary

Helsinki, April 12, 2012

To represent, lead and serve the airline industry



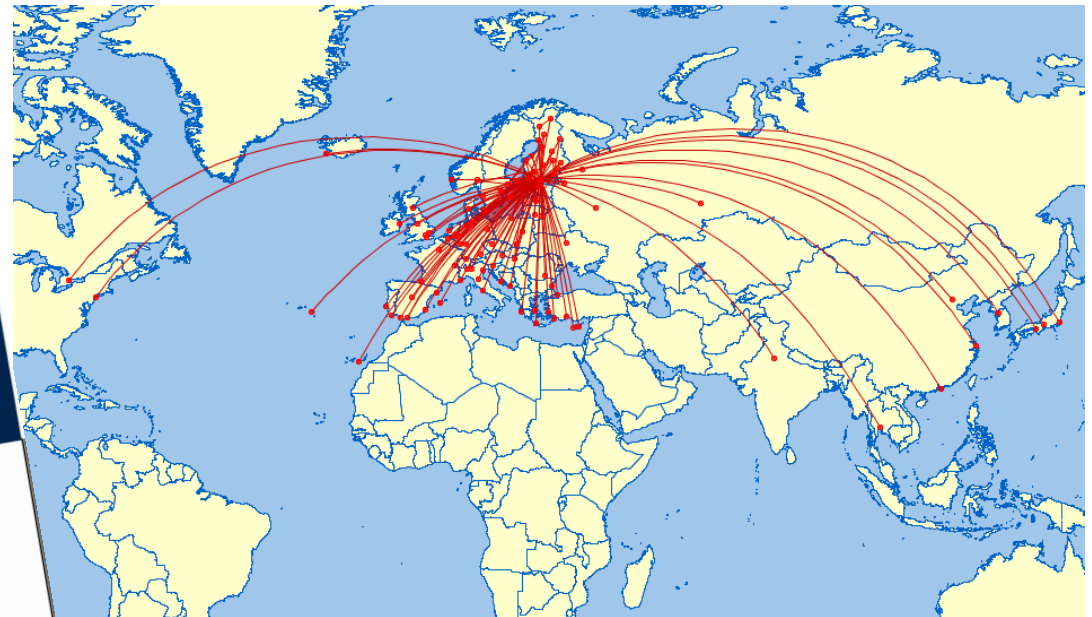
Air Transport: the Flight to Economic Growth

- Aviation **benefits** passengers and freight with swift, cost-effective transportation
- Aviation **contributes** to the overall economic growth of nations
- Aviation **provides** significant revenues to national public finances
- Aviation **creates** large numbers of high-value jobs
- Aviation **delivers** extensive catalytic benefits to international trade and tourism

A productive and efficient aviation industry plays a pivotal role in driving development of today's global economy.

Value of air transport for Finland

Connecting cities enables flows of trade, tourists, investment and ideas



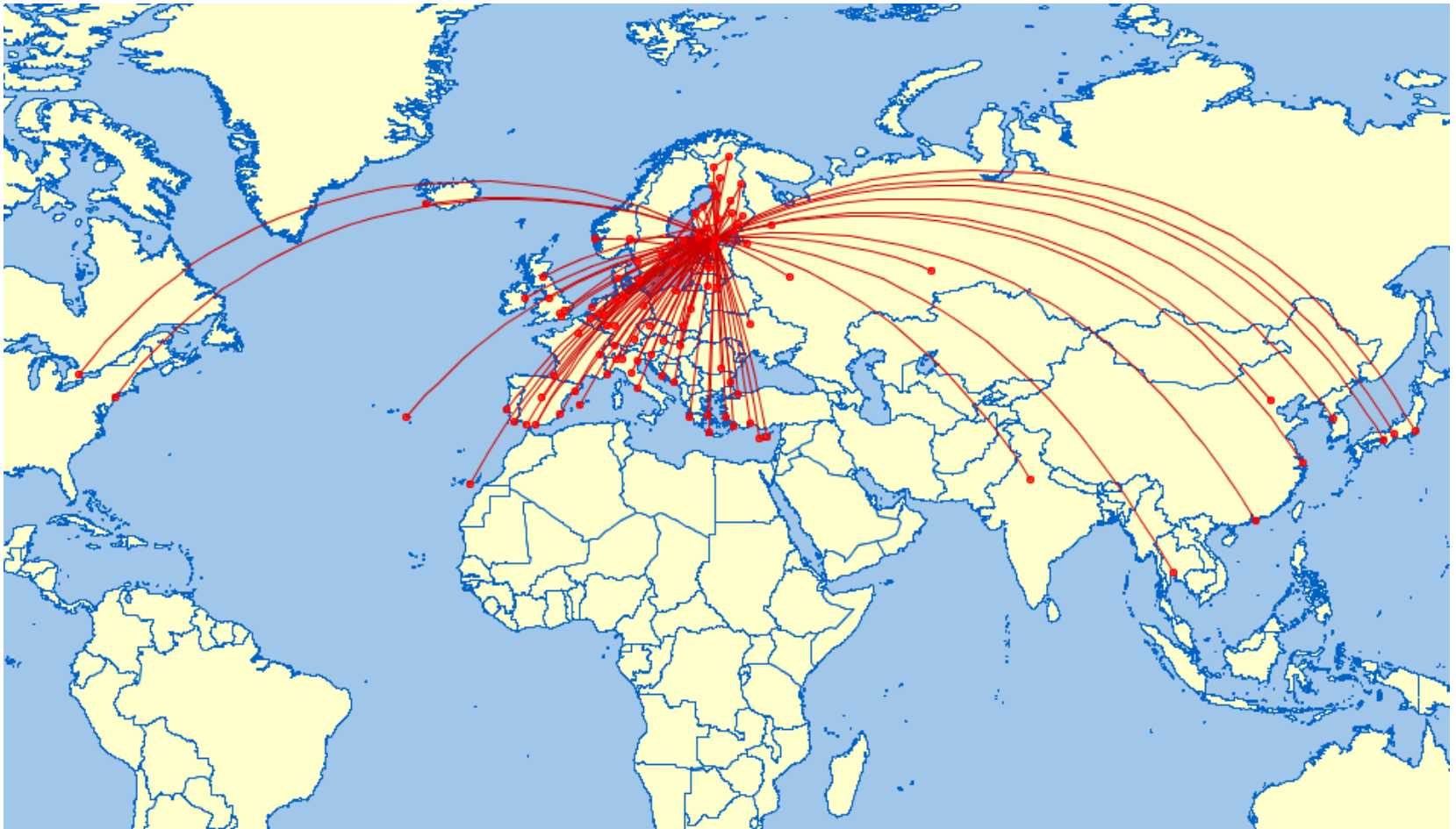
Globally air transport...

- Flies over 2.7 billion passengers and 50 million tones of freight annually
- Direct employs over 5.5 million workers and supports 56.6 million jobs with an industry turnover of more than \$1 trillion
 - If aviation were a country it would rank 19th in terms of GDP, larger than some G20 members
- Flies each year goods worth \$6 trillion (35% of world trade)

Air transport generates vital benefits:

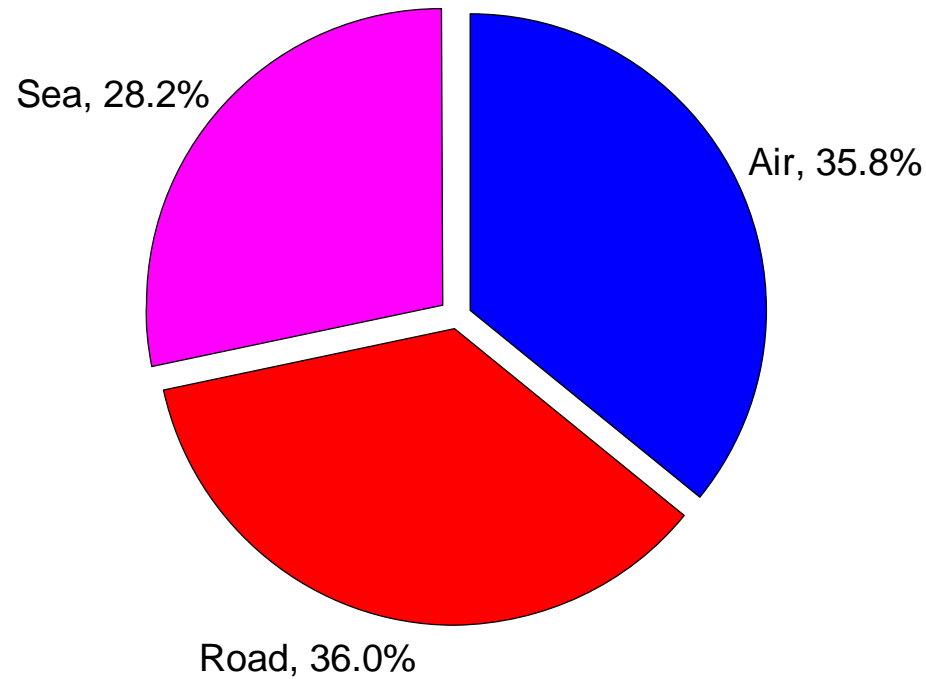
- It supports *critical connections* to overseas markets and delivers wider economic benefits

The connections provided by air transport are a key asset for the economy – facilitating flows of tourists, trade, investment, ideas



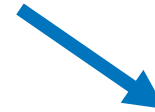
Air transport is vital for tourist arrivals

Tourist arrival by mode



More specifically, connectivity brings about wider economic impacts

Greater Access to the Global Air Transport Network



Broadens the Available Market

- Higher revenues
- Higher potential returns from investment

Facilitates Efficiency Improvements

- Access to a wider base of suppliers
- Access to new production techniques

Fosters Greater Competitiveness

- Increases inward and outward investment
- Ability to exploit economies of scale

Connectivity has facilitated the success of many businesses e.g.

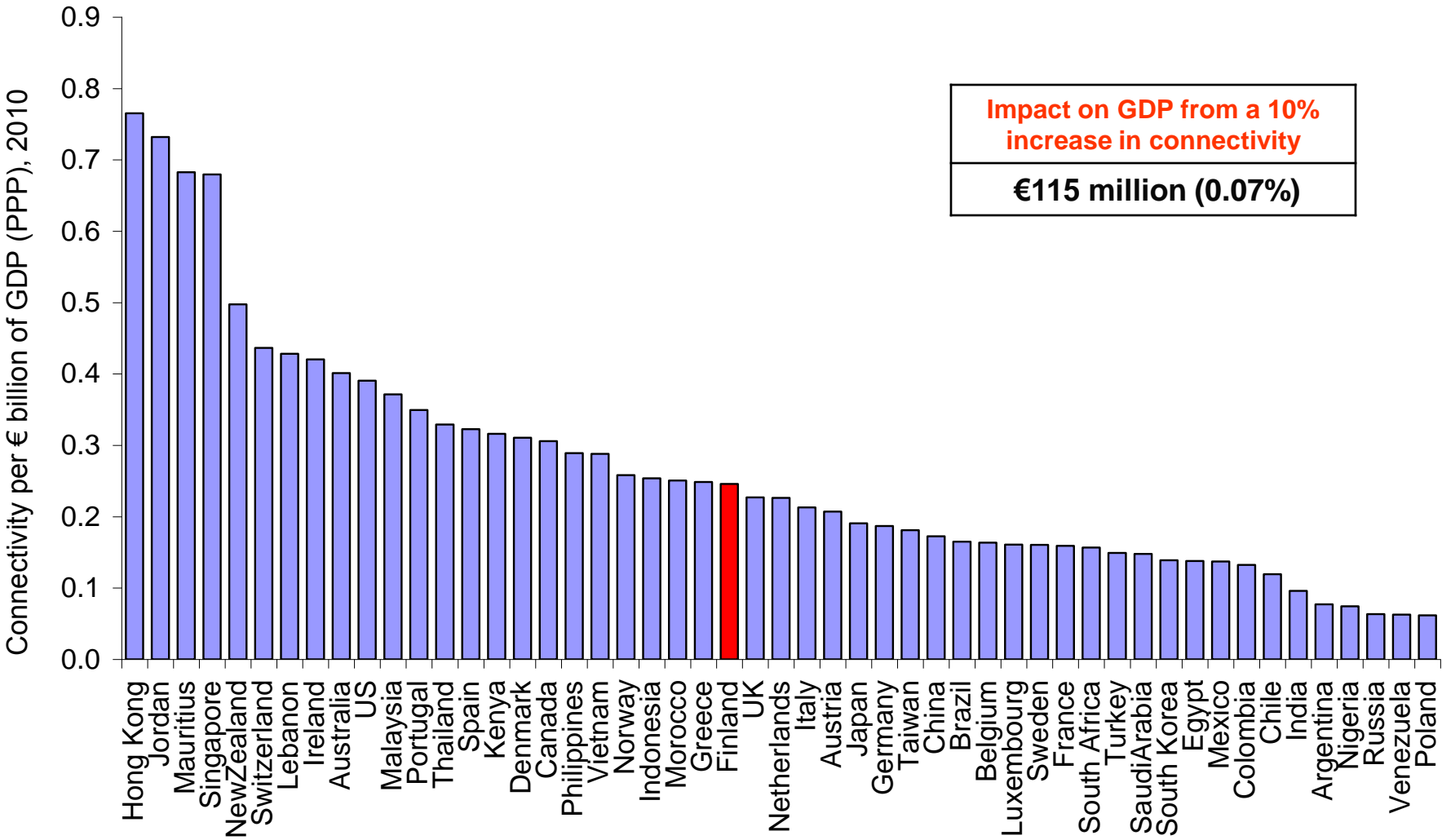


Businesses can set up much more efficient global supply chains



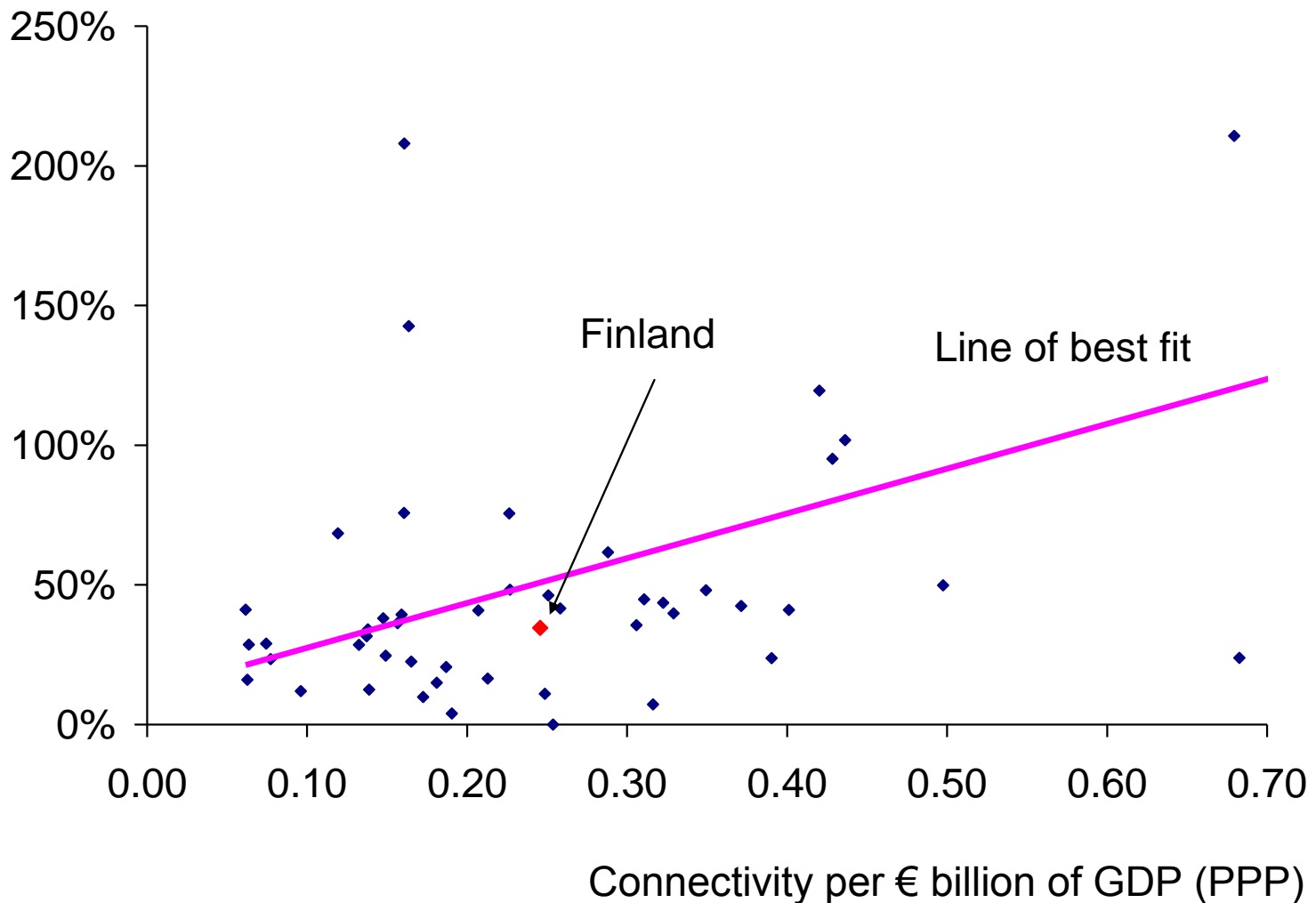
Production Facilities

Success depends on how well connected is your economy



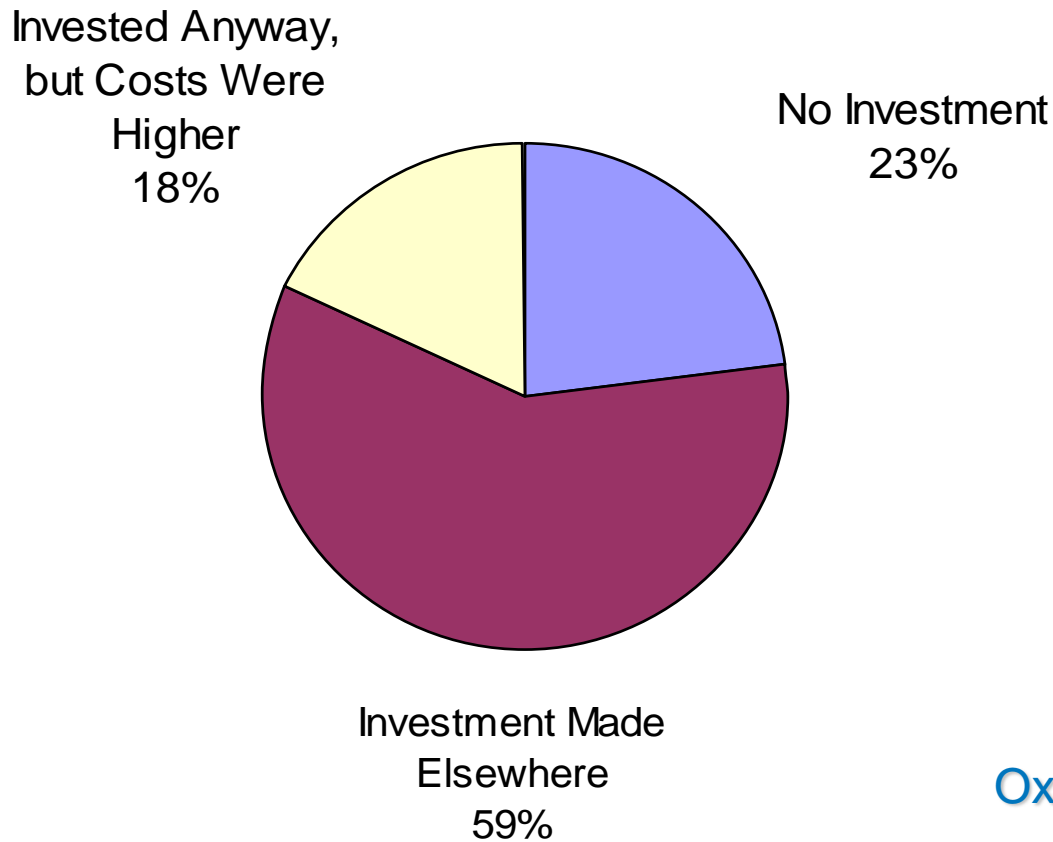
Finland is well connected and clearly benefits from Foreign Direct Investment

FDI stock as % GDP



Connectivity influences business decisions

Has the absence of good air transport links affected your investment decisions?



Oxford Economics survey
of 600 companies
worldwide

Air transport generates vital benefits:

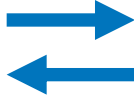
- It supports *critical connections* to overseas markets and enables wider economic benefits
- The value it provides to *passengers* and *shippers*

Consumer benefits for passengers and shippers

14.2 million passengers



← Benefit from flying: EUR 2.8 billion



→

← Benefit from shipping: EUR 133 million

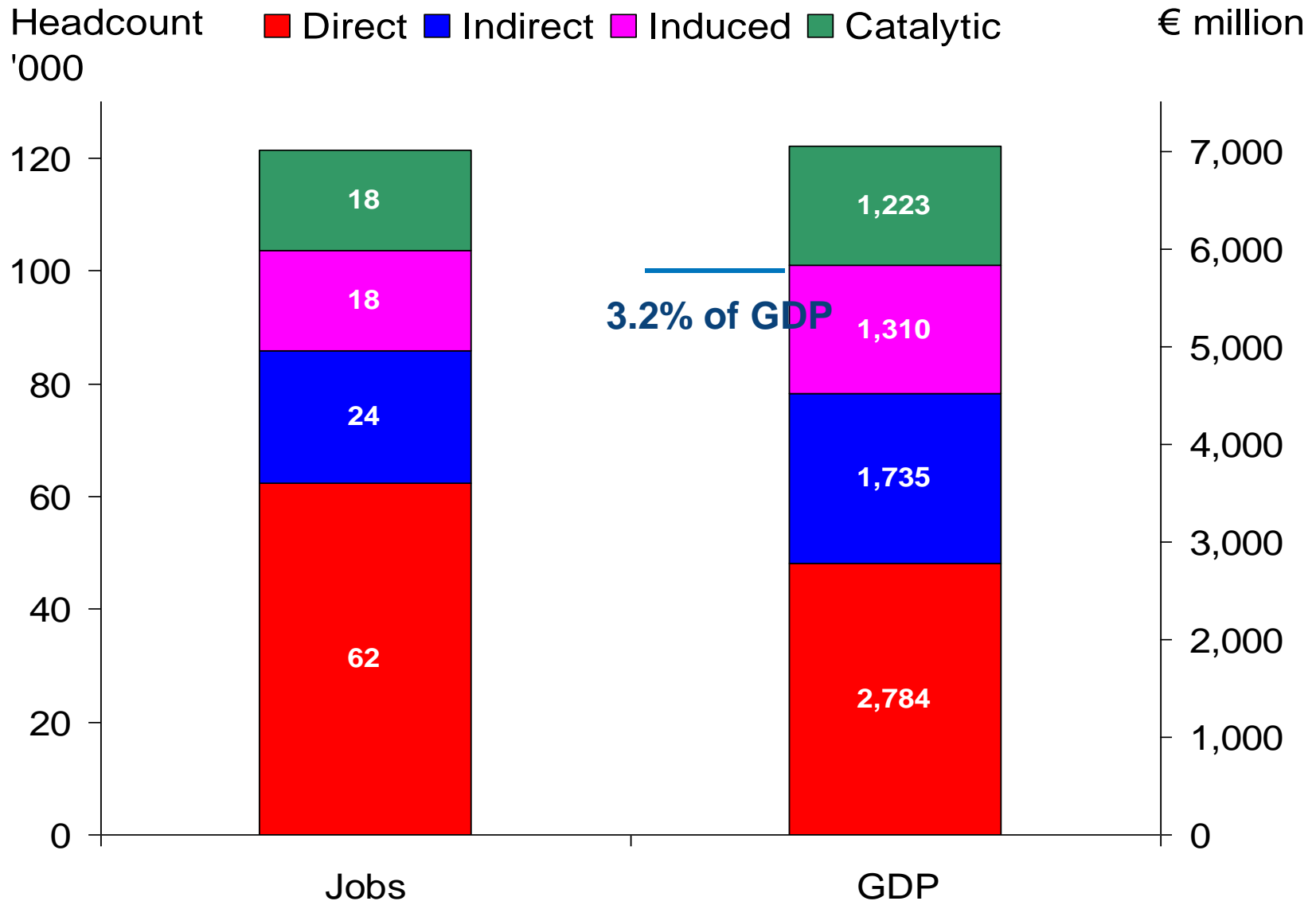


157,000 tonnes

Air transport generates vital benefits:

- It supports ***critical connections*** to overseas markets and enables wider economic benefits
- The value it provides to ***passengers*** and ***shippers***
- ***Jobs*** are created, ***GDP*** is boosted and ***tax revenues*** are paid by the industry's activities

Air transport in Finland provides 104,000 jobs and EUR 5,830 million of GDP



Finally, aviation makes a substantial contribution to Finnish tax system

	€ million	€ million
Taxes on Aviation Sector's GVA		1,053
	<i>Comprised of:</i>	
Corporation Tax	188	
Income and SS	864	
Sales tax		19
Aviation Sector's direct tax contribution		<u>1,072</u>
Tax generated through the aviation sector's indirect and induced impact		1,595
Total tax attributable to the aviation sector's economic footprint		<u><u>2,667</u></u>

Regional Comparison

Aviation's contribution to GDP Nordic countries.

Country	Aviation's contribution to GDP
Iceland	6.6%
Finland	3.2%
Norway	2.0%
Sweden	1.7%
Denmark	1.2%

To summarize:

- Passenger benefits of EUR 2.8 billion and shipper benefits of EUR133 million
- Air transport in Finland provides 104,000 jobs and EUR 5,830 million of GDP
- Finland has medium measure of connectivity, relative to its economic size
 - Increasing connectivity could lead to increased economic growth
 - Finland could make further use of its current connectivity to exploit further FDI



Thank you

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