



BUSINESS AVIATION GENERATES €100 BILLION IN ECONOMIC VALUE, STUDY REVEALS CRITICAL POLICY THREATS

News / Business aviation



Oxford Economics study outlined business aviation’s substantial economic contributions in Europe, warning that restrictive government policies could jeopardise up to €120 billion in foreign investments and 104,000 jobs by 2030. The study, commissioned by the General Aviation Manufacturers Association and EBAA, underscored business aviation’s indispensable role in European connectivity, linking regions unreachable by other transport modes. That makes it indispensable in attracting investments, providing essential medical transport and leading environmental innovations across the continent.

But proposals by EU regulators to cap short-haul flights and place slot restrictions on business aviation in certain airports would make Europe a less attractive destination for doing business, according to the study, “The Socio-economic Benefits of Business Aviation in Europe.” “Policies that seek to constrain the growth of business aviation create implicit trade-offs between the environmental benefits arising from fewer flights and the foregone benefits associated with business aviation,” it said.

While acknowledging the need to reduce the environmental footprint of aviation, the study said these restrictive regulations could lead to troubling outcomes, including decreased business aviation activity that would cut Foreign Direct Investment (FDI) in EU member states by €76 billion to €120 billion by 2030 and reduce foreign-controlled entities direct employment in the EU by 57,000 to 104,000 by 2030.

“Europe would become less attractive as a destination for foreign investment...[and] lower inflows of FDI can be expected to have a negative impact on the region’s economic dynamism and productivity growth,” it said.

The study said the employment fallout would be mostly felt in Germany, Italy and Poland, which have high levels of FCE activity and would experience larger than average connectivity losses in the policy scenarios.

By focusing solely on FDI and FCE losses, the study exposed significant negative impacts stemming from the regulatory restrictions. The scope did not account for the potentially devastating effects on the sector's core economic activities, such as direct investments and employment. That suggests the full economic damage of such policies could be far worse than the already concerning findings indicate.

Overall, the study highlighted previous research estimating business aviation employed about 94,000 workers in Europe and directly supported a €44 billion GDP contribution. Through the sector’s supply chain purchases and workers’ compensation, an additional 355,000 jobs and €56 billion in GDP were supported.

EBAA Secretary General, Holger Kraemer commented: "Targeting business aviation with restrictions and unfair regulatory burdens, like the exclusion from the EU Taxonomy framework, risks €120 billion in FDI and thousands of jobs by 2030. We should move away from the ban mentality and focus on policies that support innovation, decarbonisation, and competitiveness."

Nicolas Chabbert, Senior Vice President, Daher Aircraft Division & CEO of Daher and Kodiak Aircraft, stated: "Daher and Kodiak Aircraft, along with other business aviation manufacturers, have been deploying massive investments to adapt to a fast-moving society and to find new innovative path to address societal and environmental concerns. We are aware that we must innovate rapidly, but we need Europe to facilitate and provide stability so as we can't do it alone. We need regulators to work with us to develop effective solutions that balance environmental goals with economic realities, instead of proposing policies hindering progress and stifling the innovation needed. We need time in order to effectively innovate, otherwise, it will never become a reality."

Alternative solutions for more sustainable business aviation

While these policies could reduce business aviation emissions, the environmental benefits would be limited. In 2023, at the EU-level, only 0.8%¹ of all aviation emissions or 0.04%² of overall CO₂

emissions were attributed to business aviation. This was driven by around 400,000 flights departing 1,100 European airports for flights averaging 800km³.

Meanwhile, research has showed that increasing the use of Sustainable Aviation Fuels has the potential to reduce CO₂ lifecycle emissions per flight by up to 80% and could offer a more effective path towards decarbonising the sector while preserving its economic benefits. The industry has committed to ambitious goals, aiming for net-zero carbon emissions by 2050. The study underscores the need for effective R&D and industrial policies to support the development of a robust SAF supply chain in Europe to yield additional competitiveness benefits. That was echoed in the Draghi report on the future of European competitiveness, which stressed that “the EU needs to start building a supply chain for alternative fuels, or the costs of meeting its [decarbonisation] targets will be significant”.

Kyle Martin, Vice President European Affairs, GAMA said: “General and business aviation manufacturers play a pivotal role in maintaining a strong innovation pipeline for the broader aviation industry. We are leading the way in aviation’s future by furthering advancements that mitigate carbon emissions and safety enhancing technologies to market first, before they scale up to commercial aviation. Misguided government proposals can stifle our progress and investments. Balancing growth, sustainability and prosperity amid rising international challenges will boost the competitiveness of Europe.”

“Policymakers must consider the broader economic impact of their decisions in such critical times for Europe. With this study we aim to fill an information gap to provide policymakers with greater visibility and ability to assess some of the economic trade-offs associated with policies they are proposing. Our study only captures part of the impact of the restrictive policies, i.e., the competitiveness impact that would reduce FDI and the jobs supported by foreign controlled entities. A strategic approach, focused on ramping up the production and uptake of SAF has scope to provide a path to decarbonisation which preserves the significant economic benefits of business aviation,” said Vasilis Douzenis, Lead Economist at Oxford Economics.

“SAF is not just a future aspiration; it’s a viable, proven, low-emission drop-in solution available now and it’s essential to decarbonise air travel already today. Rolls-Royce actively supports the ramp-up of its availability to the aviation industry, for example through its pioneering service SAFinity that was launched in 2023. Rolls-Royce, the general aviation manufacturers represented by GAMA, and the operators of business aircraft in Europe represented by EBAA, are committed to increasing the use of SAF in European business aviation, we aim to be using 20% SAF by 2030 and 100% SAF by 2050, a rate even higher than what is mandated by ReFuelEU. Meanwhile we are working on long-term alternatives to fossil fuels such as hydrogen technologies to fully decarbonise the sector,” said Frank Moesta, Senior Vice President, Business Development, Rolls-Royce.

Business aviation’s important role in the EU

Business aviation facilitates a range of economic benefits, improving connectivity, offering time and cost savings for businesses and attracting investment. Business aviation is of particular importance to multinational enterprises, which drive foreign direct investment. In addition, the sector supports essential services like medical transport. In 2023, European business aviation networks operated an estimated minimum of 70,000 medical flights in 2023, or the equivalent of more than 191 flights per day on average.

Carlos Brana, Senior Executive Vice President, Civil Aircraft, Dassault Aviation commented: “Often perceived as a luxury, business aviation plays a crucial role in economic development. We’ve seen

firsthand how it fosters growth in the regions it connects, from creating jobs in remote areas to attracting investment and reducing travel time. Business aviation is a key driver of economic activity, both in Europe and globally. As a European family business, Dassault Aviation understands how well a thriving business environment is necessary for Europe's small and medium-sized enterprises. We know these companies rely on efficient and flexible transportation to contribute to the economy. This study shows, not using SAF, the real tradeoff between economic and environmental impacts linked to business aviation regulation. Regional economies experience real harms, while CO2 reductions are negligible. Therefore, by using SAF, we remain committed to addressing aviation's full climate impact without compromising Europe's competitive advantage.”

“Our customer base is made up of leaders, entrepreneurs, investors, and innovators, ‘enablers’ who create jobs, develop new technologies, and invest in our shared future. By serving and flying these individuals, we directly support more than a million jobs—imagine that across all of Europe. We firmly believe our industry can drive sustainability, and business jets are important ‘enablers’ for our customers,” said David Van Den Langenbergh, Chief Industry Affairs Officer, Luxaviation.

Download full report:<https://www.oxfordeconomics.com/resource/the-socio-economic-benefits-of-business-aviation-in-europe/>

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