The economic significance of small and regional airports

A case study on Samedan Airport

Samedan Airport in a few words:

Built in 1938, Samedan Airport (LSZS) is a small regional airfield in the village of Samedan (pop. 2,900), close to the famous Swiss holiday resort of St. Moritz. Situated at an altitude of over 1,700 metres in the Engadine valley, the airport has a reputation as one of the most difficult airports for pilots to land in the world. Regular operations ceased in the 1980s. Since then, the airport, with its 1,860-metre runway, has served mainly as a destination for leisure and business aviation as well as a base for three local helicopter companies. In 2004, the privately owned Engadine Airport AG took over the concession and ground operations at Samedan Airport.

With approximately 15,000 aircraft movements per year, Samedan Airport accounts for only 1.3% of Switzerland's total air traffic. The majority of these movements are generated by the three local helicopter companies and private helicopter flights (41.1%), followed by smaller piston aircraft (28.5%) flown for recreational purposes. Jet and turboprop aircraft, which can be classified as business aviation, account for a smaller share of total flight movements (18.6% and 11.8% respectively). Nevertheless, business aviation generates about 80% of the total revenue of airports, creating a cross-financing effect.

1. The Research Question:

What are the direct, indirect, and catalytic economic effects of Samedan Airport on the regional economy in the upper Engadine valley?

2. The Economic Model:

Economic Impact of (regional) Airports

Direct Effects
Jobs created as well as revenues and value added generated at the airport

Indirect Effects
Jobs created as well as revenues and value added generated at suppliers to the airport

Induced Effects
Multiplier effects from direct and indirect effects
e.g. Effects from wages spent, earned through directly and indirectly generated jobs

Catalytic Effects

Tangible
- Incoming Tourism
- Spending from incoming passengers (business and leisure)
- Settlement of companies
- Other revenues and jobs created

Intangible
- Network Effects
- Structural Effects
- Competency Effects
- Image Effects

Taken from: Wittmer, A. & Noto, C. (2021). *Intangible Effects of Regional Airports in the Aviation System -The Case of Switzerland*. Air Transport and Regional Development -Case Studies. Abingdon & New York: Routledge.

3. The Data Collection:

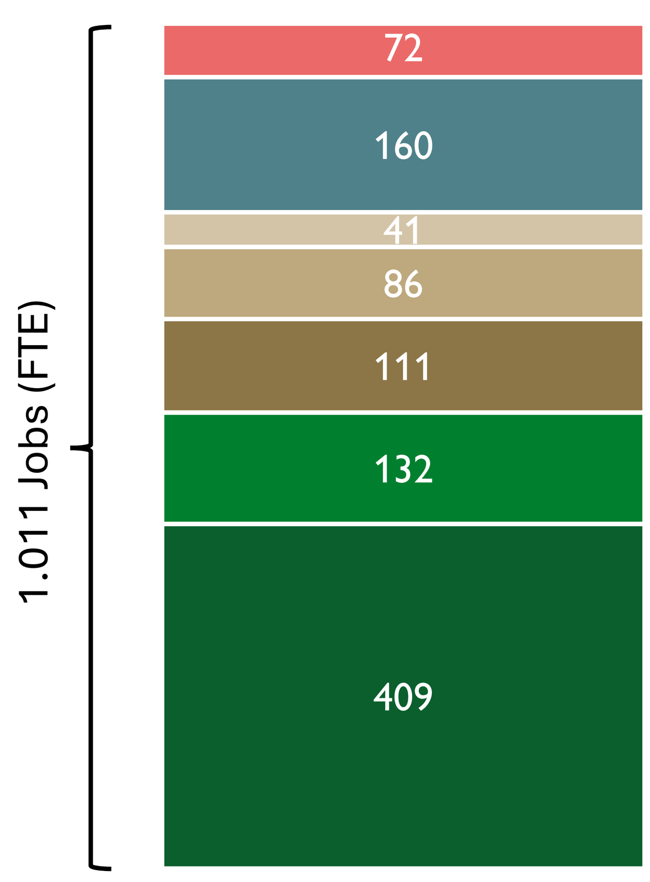
- Analysis of available datasets (Swiss Civil Aviation Statistics (BFS), UBS Alpine Property Focus, Local accommodation statistics)
- Analysis of available annual financial statement
- In-depth semi-structured quantitative and qualitative interviews with stakeholders, such as luxury hotels, ski resorts, tourism association and aviation businesses
- Online surveys with local 5*-Hotels as well as taxi and limousine companies

4. The Results:

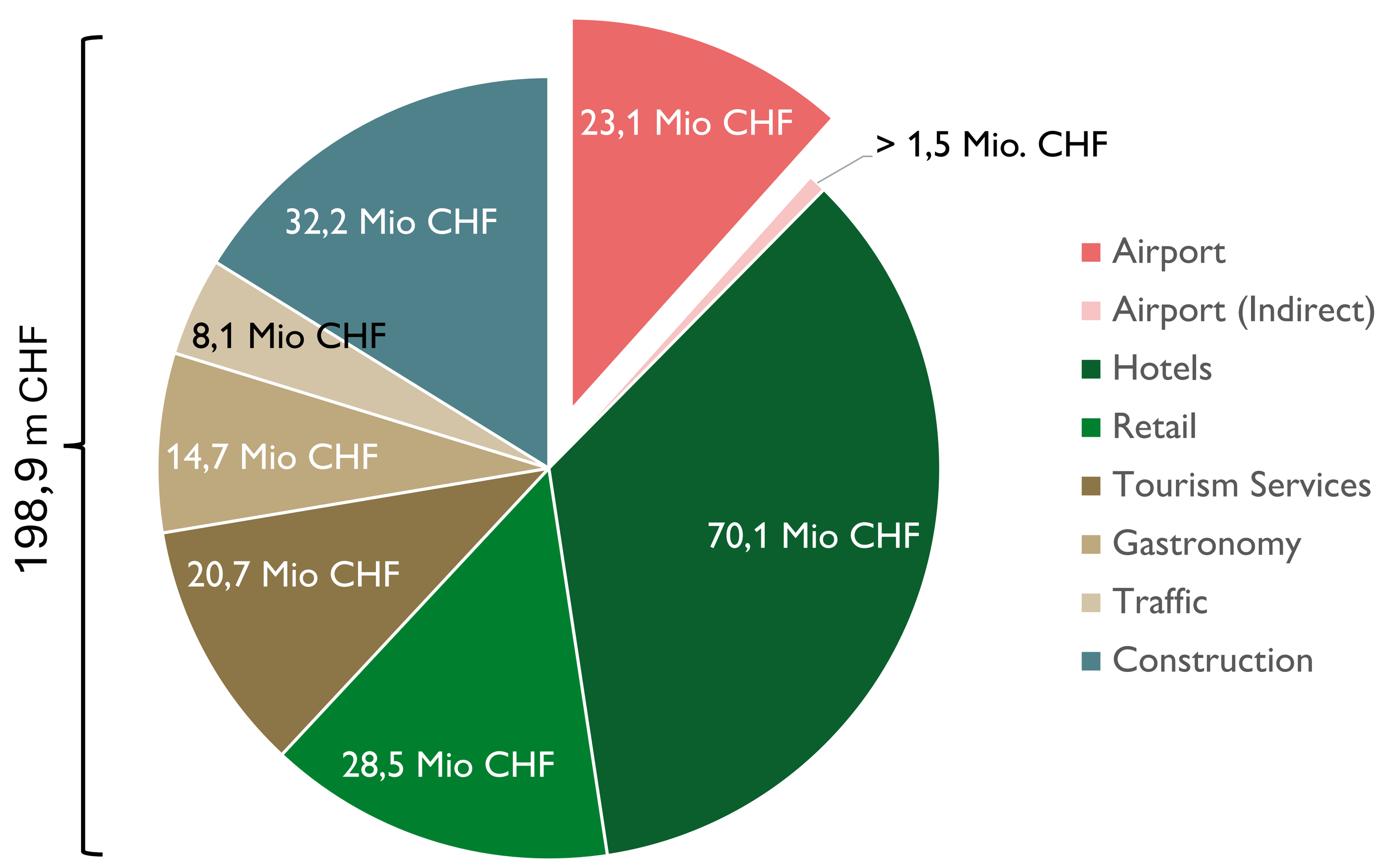
Tangible Effects

With an estimated 1,000 jobs created and total annual turnovers of around CHF 200m , Samedan Airport plays a key role in the regional economy of the Upper Engadine valley. The lion's share of the measured impact is due to catalytic effects associated with incoming luxury tourism. In 2023, Samedan Airport registered over 6,500 incoming passengers, who spent an estimated CHF 142m in the local tourism industry. This includes the nine local 5* hotels, where air passengers were responsible for 27% of the total turnover. Local construction companies benefit from around 100 luxury second homes directly linked to Samedan Airport. Maintenance and refurbishment expenditure is estimated at over CHF 32m per annum.

Jobs Created (2023)



Revenues Generated (2023)



Intangible Effects

- Savings in the provision of helicopter services to municipalities, ski resorts, and forestry businesses (*est. 1.3 to 3m. CHF annually*).
- Savings in healthcare costs due to more efficient emergency services (*est. 700.000 CHF annually*), avoidance of long-term health damages.
- Positive cross-financing effects in the two local hospitals through the creation of a profitable health tourism.
- Positive impact on the wider tourism industry through the attraction of premium events and high-class hotels, gastronomy and retail businesses.
- Considerable additional local tax incomes connected to a vibrant high-class holiday apartment market.

University of St.Gallen
Center for Aviation and Space Competence

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