

The Internationalization of Kobe Airport in Japan and Policies for the Kobe Economy

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Abstract—In 2025, international flights began operating from Kobe Airport in the Kansai region of Japan. Previously, Kansai Airport held a monopolistic position as the primary gateway to the Kansai region, one of Japan’s foremost tourist destinations. However, foreign tourists now also be able to enter Japan via Kobe, which presents a significant opportunity for the economic development of Kobe. What policies should Kobe adopt to maximize the benefits of airport internationalization? This study uses flight booking data provided by OAG to clarify the traffic flow at Kobe Airport and the characteristics of its aviation market. Based on the results of this analysis, potential policies for development of Kobe economy will be suggested.

Keywords—internationalization of an airport, Kobe airport, Kansai airport, tourism, regional economy

I. INTRODUCTION

Kobe Airport (UKB), located in the Kansai region of Japan, commenced international flight operations in April 2025. During the summer schedule, the airport handles 40 flights per week to five different cities. The City of Kobe welcomes this internationalization, anticipating benefits such as increased consumption by foreign visitors, revitalization of the tourism industry, and the promotion of global business. Furthermore, Kobe residents can also enjoy the advantages of improved overseas accessibility, making international travel and business trips more convenient.

The Kansai region is served by three major airports as shown in Fig. 1. Kansai International Airport (KIX) functions as the international gateway, Itami Airport (ITM) as the core domestic hub, and UKB is positioned to complement these two. Consequently, since its opening in 2006, UKB had remained a small domestic-only airport, with its slot capacity restricted to 80 movements per day. However, the rapid increase in inbound tourists led to a shortage of slots at KIX, eventually permitting UKB to introduce international flights.



Fig. 1. The map of Kansai region.

While Osaka and Kyoto have experienced an economic boom, driven by a surge in foreign visitors and the

subsequent construction of hotels and commercial facilities, Kobe received fewer international tourists, placing its local economy in a less favorable position compared to the other two cities. Therefore, the internationalization of UKB is highly anticipated as a potent economic stimulus for Kobe.

This study aims to clarify the characteristics of the latest traffic flow of UKB in detail, comparing with the coexisting KIX, and examine how the airport can contribute to the City of Kobe. Section II reviews the existing literature on the role of airports in regional development and the issues surrounding multi-airport regions. Section III analyzes the traffic flow and aviation market of UKB and KIX, utilizing the latest flight booking data. Section IV discusses the necessary policies for UKB to develop and support the regional economy in the future. Section V concludes the paper.

II. LITERATURE REVIEW

The concept of the “aerotropolis” was introduced by Stevens and Baker *et al.* (2007), referring to an airport-centric urban area where high value-added, air-cargo-dependent, and export-oriented industries serve as the engine of economic development. Supporting this, Appold and Kasarda (2013) conducted an analysis of 25 U.S. cities and demonstrated a concentration of employment within a 2.5-mile radius of the airports. Similarly, Bai *et al.* (2021) showed that the airport in Zhengzhou, China, played a crucial role in promoting urban development. Furthermore, Peneda *et al.* (2011) proposed four key factors essential for the successful development of an aerotropolis: the connectivity of the airport and its surroundings, the economic potential of the surrounding area, a sustainable development context, and a commercial attitude by the airport operator. Previous studies, therefore, suggest that airports possess the power to foster the development of surrounding cities, provided certain conditions are met.

Regarding the operation of multi-airports in the same region, Mun and Teraji (2012) analyzed the efficient operational structures (integrated or separated operation) and ownership (private or public). More recently, Morimoto *et al.* (2020) focused on the three major airports in the Kansai region and revealed specific characteristics of airport choice behavior among Kobe residents.

Drawing upon the insights and findings of these prior studies, this research addresses the question: “What policies can be implemented to increase the number of passengers at UKB and thereby promote the economic development of the City of Kobe?”

III. ANALYSIS

During the 2025 summer schedule, as shown in Fig. 2,

UKB operates flights to five cities in three countries: Seoul (Incheon) in Korea, Shanghai (Pudong) and Nanjing in China, and Taipei (Taoyuan) and Taichung in Taiwan. For the discussion in Section 4, this section analyzes traffic data of UKB, comparing them with those of KIX. The analysis utilizes data from the Traffic Analyzer provided by OAG, which collects ticketing data. The data set includes information on passenger volume, fares, connecting airports and load factors by airline for each Origin-Destination (O-D) city pair.



Fig. 2. Five destination cities of Kobe Airport.

A. Traffic Flow and Load Factor

Table 1 summarizes the flight frequency, passenger volume, and load factors for each route operating at UKB. Since the OAG data includes the origin information of the itinerary, it is possible to disaggregate passengers originating “from Japan” and those originating “from abroad”.

Some findings are obtained from the data. It can be said that there is enough demand for flights from UKB because load factors exceed 85% for all routes. Even routes to relatively smaller cities like Taichung and Nanjing show almost full occupancy. Regarding the passenger breakdown, 32.7% of itineraries originate from Japan, while 67.3% originate from abroad. Given that the Kansai region is one of the most popular tourist areas in Japan with six UNESCO World Heritage sites including temples and shrines in Kyoto and Nara, and Himeji Castle, UKB is primarily fulfilling the role of an inbound gateway for foreign visitors.

A route-by-route examination reveals that the proportion of Japan-originated itineraries for the Seoul route is approximately half. This is likely because Seoul remains one of the most popular destinations for Japanese travelers. Similarly, the Shanghai route has the second-highest share of Japan-originated itineraries, which is presumed to be driven by business travel due to the high concentration of Japanese companies in Shanghai. Conversely, routes to less familiar destinations for Japanese travelers, such as Nanjing and Taichung, are predominantly utilized by passengers visiting Japan from those respective cities.

Table 1. Traffic data of UKB

Destination	Frequency	Passengers				Total	Load Factor	Airlines
		from Japan	%	from abroad	%			
Seoul(ICN)	14	9,350	46.6%	10,728	53.4%	20,078	91.9%	1
Shanghai(PVG)	7	2,243	32.1%	4,755	67.9%	6,998	89.5%	1
Nanjing(NKG)	7	1,633	22.6%	5,594	77.4%	7,227	85.3%	1
Taipei(TPE)	5	1,447	27.4%	3,838	72.6%	5,285	85.6%	2
Taichung(RMQ)	7	1,620	15.9%	8,550	84.1%	10,170	90.2%	1
Total	40	16,293	32.7%	33,465	67.3%	49,758		

Table 2. Beyond travelers from/to UKB

Ranking	Transfar airport	Origin/Destination airport	Passengers
1	Nanjing(NKG)	Xian	239
2	Nanjing(NKG)	Chengdu	133
3	Nanjing(NKG)	Nanning	114
4	Seoul(ICN)	Los Angeles	97
5	Nanjing(NKG)	Zhangjiajie	88
6	Seoul(ICN)	Las Vegas	88
7	Nanjing(NKG)	Dalian	86
8	Seoul(ICN)	Vancouver	84
9	Seoul(ICN)	Honolulu	80
10	Shanghai(PVG)	Ho Chi Minh City	78
		Total	3,326

effectively links UKB not only to the five non-stop destinations but also to cities worldwide. This subsection analyzes the flow of multi-leg passengers. Tables 2 and 3 present the top 10 passenger flows for both “Beyond” and “Behind” traffic. Beyond passengers are those traveling from UKB via an intermediate airport to a final destination. Behind passengers are those traveling from an initial origin via UKB to the destination.

Beyond traffic totals 3,326 passengers, accounting for 6.7% of the total passenger volume. The top route is the Kobe–Nanjing–Xian route, and several other routes connecting to Chinese cities via Nanjing are also ranked. This is attributable to Juneyao Airlines’ extensive network across China from Nanjing. Four routes connecting via Seoul are also listed. Given Korean Air’s service to over 100 cities globally, passengers are dispersed across diverse destinations, including Los Angeles, Las Vegas, Hawaii, and Vancouver. Behind traffic totals 1,000 passengers, representing 2.0% of the total passenger volume. Notably, all of this traffic

A. Connecting Traffic

While the majority of international passengers are OD (origin and destination passengers) who travel directly between Kobe and the destination city, a portion of multi-leg passengers utilizes connecting flights. This connecting traffic

involves connections between domestic and international flights, with no international-to-international connections observed. Since UKB offers domestic routes to 12 Japanese cities, there is demand for travelers from these cities to connect at UKB for overseas travel. Among the Japanese cities ranked in the top 10, the majority, excluding Sapporo, have minimal international flight service, suggesting these travelers rely on UKB for overseas connections. Conversely, passengers from major metropolitan airports like Tokyo, which offer comprehensive international direct flights, are less likely to utilize UKB to travel abroad.

B. Comparison with Kansai International Airport (KIX)

The primary international airport in the Kansai region is KIX, which features two long runways and operates 24 hours a day. In August 2025, KIX handled a total of 2,238 thousand international passengers, whereas UKB handled 44 thousand. Given that UKB’s passenger volume is approximately 2% of KIX’s, KIX is clearly the market leader, with UKB acting as the follower. A comparative analysis with KIX illuminates

the characteristics of the market and passengers of UKB. Table 4 presents the traffic data for KIX. Among the routes served by UKB, Seoul, Shanghai, Nanjing, and Taipei also have flights from KIX, but Taichung does not.

Table 3. Behind travelers via UKB

Ranking	Origin/Destination airport in Japan	Origin/Destination airport abroad	Passengers
1	Ibaraki	Seoul(ICN)	458
2	Ibaraki	Shanghai(PVG)	121
3	Ibaraki	Taipei(TPE)	104
4	Niigata	Seoul(ICN)	58
5	Aomori	Seoul(ICN)	55
6	Niigata	Shanghai(PVG)	38
7	Sapporo	Taichung(RMQ)	26
8	Nagasaki	Shanghai(PVG)	25
9	Sapporo	Nanjing(NKG)	25
10	KOJ	Seoul(ICN)	11
		Total	1000

Table 4. Traffic data of KIX

Destination	Frequency	Passengers				Load Factor	Airlines	
		from Japan	%	from abroad	%			
Seoul(ICN)	192	98,507	29.1%	239,843	70.9%	338,350	85.5%	9
Shanghai(PVG)	181	92,914	33.3%	186,423	66.7%	279,337	83.4%	9
Nanjing(NKG)	19	8,951	32.5%	18,616	67.5%	27,567	79.5%	3
Taipei(TPE)	115	80,825	35.6%	146,110	64.4%	226,935	80.2%	9

The first finding regarding the differences between these airports lies in the number of airlines. While routes from UKB are served by only one or two carriers, KIX has up to nine airlines on its routes. This disparity means passengers flying from UKB have virtually no choice of airline, whereas KIX offers abundant options, allowing travelers to select their preferred type of carrier (full-service carrier or low-cost carrier) and alliance. Secondly, KIX operates a vastly greater number of flights, enabling passengers to plan their schedules flexibly. Conversely, UKB offers only one or two daily flights per route, necessitating that travelers plan their trips around the fixed flight schedule. Thirdly, UKB consistently demonstrates higher load factors than KIX across all comparable routes. Although KIX’s load factors are respectably high at around 80%, UKB’s Seoul and Taichung routes exceed 90% and are consistently near full capacity. This suggests that while UKB’s flight slots are now constrained due to CIQ (Customs, Immigration, and Quarantine) capacity, there is significant potential demand and possibility to increase flight frequency.

Fourthly, except for the Seoul route, UKB has a higher proportion of passengers originating from abroad than KIX. For routes to Nanjing and Taipei, UKB’s share of foreign-originated passengers is about 10 percentage points higher. This difference may be attributed to airport access methods. Japanese passengers are likely to choose private automobiles for airport access, so they need to use the same airport for both departure and arrival. The limited flight frequency at UKB therefore makes it less convenient for Japanese travelers. Conversely, foreign visitors often rely on public transportation, which allows them to arrive at UKB and depart from KIX or an airport in a different region. This interpretation is consistent with the observation that the Seoul

route from UKB with the relatively high frequency has a higher proportion of Japanese passengers.

Finally, using the fare data provided by OAG, it is possible to compare the average economy class fares for the Seoul route from both UKB and KIX, operated by Korean Air. The average fare from UKB was \$91.4, while the fare from KIX was \$105.1. The average fare from UKB is approximately 13% lower. This difference can be attributed to several reasons, including the lower recognition of UKB by travelers and UKB’s simpler facilities, such as the absence of lounges and duty-free shops.

I. POLICY IMPLICATIONS

UKB is scheduled to expand its slot capacity to 20 movements per day—3.5 times the current limit—by 2030. Given the demonstrably high load factors at UKB at present, it is highly anticipated that new airlines will seek to launch services. The key question for city of Kobe is: What types of new airlines and new routes should the city prioritize to maximize the benefits from the additional passengers? Furthermore, how can the slot expansion of UKB effectively stimulate the Kobe economy? This section suggests potential policies for Kobe based on the findings derived from the data analysis in Section III.

A. Desirable International Airlines and Routes

Among inbound and outbound passengers, the former contributes to stimulating Kobe economy. While facilitating overseas travel for Japanese citizens certainly holds value, the key from a regional economic perspective is maximizing the consumption by foreign visitors within the region. Therefore, it is desirable to attract routes that are projected to have a high proportion of inbound passengers. This suggests

that the preferred routes should target large metropolitan cities that are not typically considered major resort destinations (e.g., Hawaii, Cebu, or Bali) for Japanese travelers.

Regarding the efficient utilization of the limited slot capacity, a strategy of operating single daily flights to a diverse number of cities is preferable to operating multiple daily flights to only a few destinations. KIX already holds an advantage in terms of flight frequency, and as the data suggests, foreign visitors are relatively less sensitive to limited flight schedules. Consequently, UKB should prioritize expanding the number of served destinations to maximize the potential travelers.

B. Revitalizing Kobe's Tourism Industry

Fig. 1 provides a map of the Kansai region. The region is characterized by the major metropolis of Osaka, known for its gourmet dining and entertainment, and Kyoto, which is the historically and culturally rich ancient capital, and Himeji Castle, a World Heritage site. Kansai is Japan's most popular tourist region, and thanks to the increasing number of foreign visitors, the local economy is booming with the development of hotels and commercial facilities. However, Kobe has lagged behind, possessing relatively fewer renowned tourist resources and struggling to capitalize on the tourism surge. Using the concepts of "Gateway" and "Base", possible strategies for Kobe to reap benefits from the additional air traffic are proposed.

Firstly, UKB offers superior access to key tourist destinations compared to KIX. The required railway travel times to Osaka, Kyoto, and Himeji Stations are 46 minutes, 79 minutes, and 65 minutes from UKB, versus 62 minutes, 105 minutes, and 140 minutes from KIX. Utilizing this proximity to major attractive cities, UKB can serve as the primary gateway for passengers destined for the wider Kansai region. The first step of the policy is to attract as many travelers as possible to Kobe by this Gateway Strategy.

There exist direct railway services to major tourist destinations from central Kobe, so it is possible to recommend tourists to utilize Kobe as a "base" of their travel. Tourists stay in hotels in Kobe and make excursions to various tourist destinations. Kobe also holds appeal as a lodging place, notably featuring popular hot springs. An increase in overnight stays will naturally lead to higher spending on dining, drinking, and souvenirs. Furthermore, the presence of traditional Japanese sake breweries in Kobe offers travelers an excellent opportunity to experience local sake.

II. CONCLUSION

This study analyzed the current status and characteristics of passengers utilizing UKB where international flights have started, employing ticketing data provided by OAG. It was

found that despite UKB's competitive disadvantages compared to KIX, such as fewer airline and flight options, load factors on all routes at UKB were higher than those on comparable routes from KIX. This implies the existence of sufficient market demand for international flights at UKB. Furthermore, UKB demonstrated a high proportion of passengers originating from abroad. Notably, on the Taichung route, 84% of its passengers originated from overseas.

Based on these analytical findings, potential policies were suggested aiming at stimulating Kobe's economy and tourism industry. To increase consumption within Kobe by foreign tourists, the "Gateway and Base" Strategy was proposed. At the first step, flights to major metropolitan cities abroad are used to attract foreign visitors, and at the second step, these travelers are encouraged to lodge in Kobe while using the city as a base for sightseeing across the wider Kansai region.

A limitation of this study is its reliance on aggregate data due to data constraints, which precluded an analysis incorporating detailed passenger attributes such as age, gender, and trip purpose. Future research should address this by conducting large-scale questionnaire surveys to enable analyses using individual-level data. Additionally, the destinations visited and consumption behaviors of foreign tourists after their arrival in Japan are also worth to research.

CONFLICT OF INTEREST

The authors declare no conflict of interest

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