**Cover letter**

Dear Editors:

We would like to submit the enclosed manuscript entitled “Understanding Spatial Spillover Effects of Airports on Economic Development: New Evidence from China”, which we wish to be considered for publication in “Regional Science, Policy and Practice”. No conflict of interest exists in the submission of this manuscript, and the manuscript is approved by all authors for publication. I would like to declare on behalf of my co-authors that the work described was original research that has not been published previously, and not under consideration for publication elsewhere, in whole or in part. All the authors listed have approved the manuscript that is enclosed.

In this paper, we analyzed the direct effects of airports on the local economy, the spillover effects on economic development of neighboring cities connected through airport network and total effects using a panel data of China’s 45 cities with main hub airports for the period 2005-2014. The empirical results show strong evidence that airport activity in terms of air passenger traffic, air cargo shipment and flight frequency can induce positive and significant spillover effects to all other neighboring cities. The total effects of airport on GDP proved to be underestimated by the traditional non-spatial model. To the best of our knowledge, this study is the first attempt to investigate the spillover effects of China’s airport on economic development allowing for spatial autocorrelation.

I hope this paper is suitable for “Regional Science, Policy and Practice”.

We deeply appreciate your consideration of our manuscript, and we look forward to receiving comments from the reviewers. If you have any queries, please don’t hesitate to contact me at the address below.

Thank you and best regards.

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Highlights

* New evidence that airports can produce positive and significant impacts on the urban economy.
* Spillover effects are much larger than the direct effects due to the externality of the airport network, which has been neglected in non-spatial models.
* Air passenger is the most significant key determinant in terms of facilitating urban economic development in China in contrast to the other measures of airport activity.
* Other things equal, increasing flight frequency of existing air services has a larger impact on GDP as opposed to expanding air service to new destinations.