

# Just a Reminder

A briefing from  
AirportWatch

## **This AirportWatch briefing aims to provide a timely reminder of the key facts surrounding airport expansion**

There has been intense lobbying recently from the aviation industry and many of its allies in business in favour of significant airport expansion. Huge figures have been bandied around about the loss to the economy if expansion does not take place.

Most of these figures are speculative and are seen as such by the Government. The Government remains unconvinced this level of expansion is required. In its forthcoming consultation on its draft aviation policy, it will ask supporters of expansion to prove their case with evidence-based submissions.

### **Is the UK economy losing out because of poor air connectivity to the rest of the world?**

**Fact:** London remains the top city in the world to do business. A principle reason for this is its excellent connectivity. That's according to global property consultants Cushman & Wakefield.

For further reading:

<http://www.hacan.org.uk/resources/reports/london.top.city.for.business.but.too.dirty.and.noisy.pdf>

**Fact:** Heathrow has more flights each week to key business centres of the world than its two closest European rivals, Paris & Frankfurt, put together.

For further reading:

[http://www.aef.org.uk/downloads/Business\\_Connectivity\\_Report\\_August2011.pdf](http://www.aef.org.uk/downloads/Business_Connectivity_Report_August2011.pdf)

**Fact:** A big majority of the top companies expect to reduce their flying over the next few decades and use video conferencing more.

For further reading:

[http://www.aef.org.uk/downloads/Moving\\_on\\_report\\_WWF\\_March2011.pdf](http://www.aef.org.uk/downloads/Moving_on_report_WWF_March2011.pdf)

**The key consideration for the future is whether London and the South East can retain its premier position.** This requires the sort of in-depth research the Government is calling for. It certainly needs more than anecdotal evidence that some Chinese firms are locating to other European cities because they prefer their air connections. The research should include consideration of how future oil prices, income levels and climate change targets will impact on the demand for air travel. It cannot assume that the growth over the next few decades will follow the expansion of previous years. Nor can it assume that aviation will continue to get the tax-breaks it currently enjoys. The research needs to take account of the growth of hub airports in the Middle East – places like Dubai – and in fast-industrializing countries such as China.

It may be that it is more important that the UK, especially London, is well-connected to these new hubs rather than having flights to smaller cities in these countries. This sort of in-depth work is required before an accurate assessment can be made about future demand, capacity and connectivity. Despite all the reports the aviation industry has produced it has not been done. The Government is right to ask for it.

## **Heathrow United**

**All the main political parties, together with environmentalists and local residents, are united in opposing Heathrow expansion.**



*“The Coalition has always been clear that it does not support a third runway at Heathrow”*

**.Aviation Minister  
Theresa Villiers**



*“The answer is not going to be to fall back on the third runway...it is off the agenda”*

**Shadow  
Transport Secretary  
Maria Eagle**

**Any attempt to propose a 3<sup>rd</sup> runway would also need to overcome the sort of popular campaign which saw it off last time:**

<http://www.hacan.org.uk/resources/reports/how.the.heathrow.campaign.was.won.pdf>

# Aviation and the Economy

## The Forgotten Facts

**Aviation does contribute to the UK economy but far less than is advertised – the picture is more complex than the industry tends to admit**

### What's missing

Aviation's contribution to the economy is less than the aviation industry suggests. Government policy is still based on the Labour Government's 2003 Air Transport White Paper which, in turn, is based on a report largely paid for by the aviation industry. The report, *The Contribution of Aviation to the UK Economy* was carried out by consultants Oxford Economic Forecasting in 1999 with an update in 2006. It ignored the tax-breaks the industry receives through tax-free fuel and being zero-rated for VAT. Nor did it factor into its calculations the huge cost aviation imposes on society and the environment, which are estimated to be around £16 billion a year. Independent experts argue that the report over-estimates the number of jobs aviation expansion would create. And it skated over the point that UK air passengers take more money of the UK on their foreign trips to spend abroad, than foreign visitors bring in on their visits.

### The tax-breaks

Airlines pay no tax on aircraft fuel and no VAT. The resulting loss of revenue is over £11 billion a year. Only just over £2.5 billion is brought in from Air Passenger Duty. To achieve fair tax with motorists, air passenger duty would need to be more than quadrupled!

#### For further reading:

[http://www.greenalliance.org.uk/uploadedFiles/Themes/Sustainable\\_Economy/Making%20aviation%20pay%20its%20way%20-%20final%20\(2\).pdf](http://www.greenalliance.org.uk/uploadedFiles/Themes/Sustainable_Economy/Making%20aviation%20pay%20its%20way%20-%20final%20(2).pdf)

### The tourism deficit

The tourism deficit – the difference between what British people spend abroad and visitors spend in this country - was £14 billion in 2010, down from a high of £20 billion in 2008. Most of this deficit is accounted for by air travel and closely parallels the rise in low-cost flights. All regions of the country, except for London and the South East - where there is a slight surplus – are in deficit. This deficit is damaging the economy and exporting jobs.

#### For further reading

[http://www.aef.org.uk/downloads/Airport\\_jobs\\_false\\_hopes\\_cruel\\_hoax\\_March2009\\_AEF.pdf](http://www.aef.org.uk/downloads/Airport_jobs_false_hopes_cruel_hoax_March2009_AEF.pdf)

<http://www.ons.gov.uk/ons/search/index.html?pageSize=50&newquery=tourism+deficit>

**More information on all these topics can be found on the AirportWatch website: <http://www.airportwatch.org.uk/>**

**June 2012**

AirportWatch is an umbrella movement which unites the national environmental organisations and the airport community groups to oppose any expansion of aviation and airports likely to damage the human or natural environment, and to promote an aviation policy for the UK which is in full accordance with the principles of sustainable development.

## Climate Change

Aviation accounts for about 13% of the UK's greenhouse gas emissions (if radiative forcing is included - about 6.5% without it), though that is somewhat of an underestimate, as it does not take account of the carbon on return flights to the UK. The present rapid growth of air travel, if allowed to continue unchecked, would mean the UK would find it almost impossible to meet its 2050 target for reducing emissions by 80%.

The Committee on Climate Change (CCC), in its April 2012 statement, recommended aviation be included in the UK's 5-year carbon budgets. Government must decide by the end of 2012 whether to accept this. The CCC also recommended emissions from aviation should be back at the level they were in 2005 by 2050. That will be challenging even although the target is less demanding than for other sectors of the economy.

## Noise

Transport Secretary Justine Greening has recognized that dealing noise presents perhaps an even bigger challenge to the aviation industry than climate change. New technology will be of less help. This makes it difficult to see how the noise climate could be improved for people under flight paths without a reduction in flight numbers. At most of the small and medium-sized airports problems with noise only became serious with the arrival of the low-cost flights. Night flights, too, can be a particular problem. The aviation industry's call for expansion is incompatible with an effective plan to tackle noise.