The Case against Heathrow Expansion

In an independent survey of small and large businesses, 95 per cent of them said a third runway would make little or no difference to them (1)
28% of all people disturbed by aircraft noise across Europe are under the Heathrow flight paths.
725,000 people are impacted by noise from Heathrow

No airport in Europe comes close to matching the noise footprint of Heathrow. The figures are based on noise maps published by the European Commission, detailed in a report published by the Civil Aviation Authority (2). Over the past 30 years aircraft have become quieter but this has been offset by the huge increase in the number of planes in the sky. The aviation industry is striving to make planes even quieter but admits it does not have a ‘silver bullet’ solution (3).

“Expanding Heathrow would be environmental, economic and political madness” Anatole Kalesky, then economics editor of the Times, 28/2/08
The flawed economic case for expansion

Heathrow must be looked at in the context of all London's airports

London has six airports and seven runways
London has more runways than any of its European rivals, except Paris: Paris is served by 3 airports and 8 runways; Amsterdam by 1 airport and 6 runways; Frankfurt by 2 airports and 5 runways; and Madrid by 1 airport and 4 runways.

More passengers fly in and out of London than any other city in the world. Paris, its nearest European competitor, is in 5th place.

<table>
<thead>
<tr>
<th>Rank</th>
<th>City</th>
<th>Total Passengers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>London</td>
<td>127,353,419</td>
</tr>
<tr>
<td>2</td>
<td>New York</td>
<td>107,506,717</td>
</tr>
<tr>
<td>3</td>
<td>Tokyo</td>
<td>98,024,706</td>
</tr>
<tr>
<td>4</td>
<td>Atlanta</td>
<td>89,331,622</td>
</tr>
<tr>
<td>5</td>
<td>Paris</td>
<td>86,203,669</td>
</tr>
</tbody>
</table>

London's air connections make it Europe's top city for business
These are perhaps best summarized in the annual, and influential, survey, carried out by global property consultants Cushman & Wakefield, The European Cities Monitor. In 2011, it found London topped the league for the 22nd year out of 22 (4). Cushman & Wakefield commented: “London is still ranked – by some distance from its closest competitors – as the leading city in which to do business. Paris and Frankfurt remain in second and third place respectively.” The survey found London owes its position to its excellent links to the rest of the world. It has the best external transport, best internal transport and top telecommunications.

London has more flights to key business destinations in every continent, except South America, than its European rivals.
Heathrow has fewer flights than Charles de Gaulle or Frankfurt to some of the second-tier cities of China but, overall, according to the report International Air Connectivity for Business (5), Heathrow has more flights to the world’s key business destinations than any other airport in Europe – in fact, more than the combined total of its two nearest rivals, Charles de Gaulle and Frankfurt.

Making connections with China
Lack of capacity at Heathrow is not the obstacle to connecting to more Chinese cities. There is a bi-lateral agreement which limits the number of flights between mainland China and the UK to 62 a week. Moreover, it is much harder and more costly for Chinese people to get visas to come to the UK than to visit most other European countries (6). Once these hurdles are dealt with, the airlines could fly from Heathrow to the Chinese second cities if they felt they was a market to do so by using some of the 25% of slots currently occupied by short-haul flights or by point-to-point flights – many to Greece or Cyprus, for example - that are not necessarily short-haul, but which do not contribute in any way to Heathrow’s hub-status, and which could be handled anywhere else, with ease. Heathrow has the terminal capacity to accommodate 20 million more passengers a year. Large aircraft replacing some of the smaller, short-haul flights could make the connections to China. The only argument against this is that it would weaken Heathrow’s hub status, which we deal with next.

Getting a visa for the UK is “torture with a system judged the worst in Europe. Perhaps stupidest of all is how we treat the Chinese.” Ian Birrell, the Guardian, 14/5/12
Heathrow needs to grow as a hub?

This is the main myth which needs to be nailed. The argument put is that the interchange passengers which use a hub enable the airport to run many more flights to key destinations. This choice of flights makes the airport, and the city it serves, popular with business people. There is some truth in this. But there is a growing body of evidence which suggests that, for London to remain attractive as a destination to business, Heathrow does not need to expand as a hub.

There is no hard evidence that the London economy will lose out if Heathrow does not expand as a hub. The reason for this is London’s importance to business people as a destination. This was emphasized in *Transport Statistics Great Britain 2011* (7), the most recent report from the Department for Transport, which showed that, worldwide, Heathrow had the largest number of terminating passengers on international flights in 2010. An earlier report (8) from the Dutch economists CE Delft made a similar point. In *The economics of Heathrow expansion* (2008) they argued that a third runway was not required at Heathrow because, for business as a whole, other factors, such as the vibrancy of London’s financial centre, were of greater importance than the size of Heathrow. Writing (about tax) in *The Times* (10/3/11), Camilla Cavendish spelt this out: London is attractive as a base to international companies because of “our open economy, time zone and language.” There has been no hard evidence produced that this will change if Heathrow does not increase its capacity to match Charles de Gaulle, Schiphol or Frankfurt.

What leading figures say about Heathrow expansion

**Steven Norris, the former Conservative Transport Minister, now a successful businessman:**
“the [Labour] Government is pushing ahead with plans for a third runway without really understanding what that means for the economy” Speech 14/2/08

**Bob Ayling, the former chief executive of British Airways:**
“a costly mistake……against Britain’s economic interests” Sunday Times 4/5/08

**Simon Jenkins, columnist:**
“Business may like good air links, and having London as a European hub may have beneficial side effects (for some), but the atrocious state of Heathrow does not appear to have impeded London’s advance over the past decade. The claim that Heathrow expansion is ‘vital’ for British business is palpable rubbish.” Sunday Times 2/3/08

**Andrew Gilligan, journalist:**
“If achieving the business crown of Europe was about having a world-class hub airport, Frankfurt and Paris would have won it decades ago. Instead, even as they have streaked ahead of London in runway capacity, both cities have fallen further behind in their share of world commerce.” Daily Telegraph (9/1/11)

**Sir, It is important to understand that many individuals in the business community do not believe that the rationale put forward for the third runway at Heathrow is sufficient to justify the Government’s recent decision. The benefits to business are unclear and unproven. We see little benefit in Heathrow’s increased reliance on transfer passengers…….”

This 2009 letter to the Times was signed by these leading business figures:
Ian Cheshire, Chief Executive, Kingfisher; Russell Chambers, Adviser, Credit Suisse; Jon Moulton, Founder, Alchemy Partners; Charles Dunstone, Chief Executive, Carphone Warehouse; David Levin, Chief Executive, United Business Media; Dominic Murphy, Partner, KKR; Justin King, Chief Executive, J Sainsbury; Sir Roy Gardner, Chairman, Compass Group; Jeremy Darroch, Chief Executive, BSkyB; James Murdoch, Chairman and Chief Executive, News Corporation; Howard Leigh, Managing Director Cavendish Corporate Finance; Martin Armstrong; Lord Young of Graffham, former President of the Institute of Directors.

Read the letter in full on page seven
A Third Runway would……..

Demolish at least 700 homes including the entire village of Sipson

Mean that expansion at any of the other UK airports would be severely restricted if the Government was to meet the Climate Change targets for aviation: cutting its CO2 emissions to 80% of its 2005 levels by 2050.

Risk breaking the EU air pollution levels as set out in the Air Pollution Directive. Already areas around Heathrow are in excess of these legal limits. Even with cleaner planes, it is difficult to see how an increase in flights from 480,000 to over 700,000 a year will enable the airport to stay within the limit.
A Better not Bigger Heathrow

A better Heathrow can provide excellent connectivity with the rest of the world without the environmental and social downsides expansion would bring.

It requires:

- An efficient border control system
- Incentives to operate full aircraft - at present planes are on average 75% full
- Reform of the slot system to allow more flexibility – and in particular the substitution of short-haul slots with long-haul where required
- Renegotiating or scrapping restrictive agreements such as the bilateral treaty between China and the UK which limits flight numbers between the two countries
- A simpler and cheaper system for all foreign national to get a visa to enter the UK

In short, the right conditions to enable airlines to seize the opportunity to serve the emerging markets of the world.

Letter to the Times, 2009

Leading business people explain why they oppose a 3rd runway

Sir, It is important to understand that many individuals in the business community do not believe that the rationale put forward for the third runway at Heathrow is sufficient to justify the Government’s recent decision.

The benefits to business are unclear and unproven. We see little benefit in Heathrow’s increased reliance on transfer passengers. A new runway comes with no guarantee of securing a greater number of international destinations or domestic connections. Indeed, the most recent capacity increases at Heathrow that came as the cap on flight movements was raised resulted in exactly the reverse — that is, an increase in the number of frequencies between certain already well-served high-density international city pairs and an overall continued decrease in the number of destinations served by Heathrow. We have no reason to believe this trend would not simply continue with the addition of a further runway.

In a recent independent survey of small and large businesses (Continental Research, November 2008), 95 per cent of businesses — said a third runway would make little or no difference to them.

Alternatives to a third runway have not yet been adequately explored. We cannot accept that the only way to improve the passenger experience of those using Heathrow is to add an extra runway and increase flight numbers massively. Insufficient money has been invested over the past 15 years in transforming the Heathrow infrastructure on the ground to reduce congestion and delays caused by the outdated alignment of buildings, jetties and parking areas. Additionally, new high-speed rail links directly connecting Heathrow to Scotland via the Midlands and the North of England will also clearly have an enormous impact in releasing significant capacity at Heathrow. All this has yet to be fully understood. At the same time the Government must reforecast all the growth assumptions made by BAA, the owner, and the airlines to take account of the significant recent falls in passenger volumes as a result of economic decline and fuel-price volatility.

The quality of life impact is too important to ignore. The Government has already admitted that air quality in the Heathrow area breaches EU standards. The increase in movements and ground transport from a third runway would put people’s health further at risk. Climate change cannot be ignored and our approach to transport must reflect the seriousness with which we take our Climate Act target to cut emissions by 80 per cent by 2050. In addition, we must avoid the increased noise and safety issues resulting from an rise in the number of aircraft passing directly over a densely populated city such as London.

We recognise the business need for air travel and that strong air links between the UK and the rest of the world are required, but the business case for the third runway simply does not stack up. Moreover, millions of people in the UK oppose the new runway. They are our customers and our colleagues. The business community must take account of the strongly held views of those living in the broader community in which we operate. To say that all those from the business community support the third runway is wrong. It is a misconception and one that we wish to put right. Today we are calling upon the Government to rethink their decision and begin the detailed work to address the real questions regarding the future of aviation in the UK, the competitiveness of our country and the challenge of making it a better place for people to live and work.
The Political Reality

At present all political parties oppose expansion at Heathrow. And for good reason. They know the previous Government's attempt to expand the airport ended in failure. They are aware that any plans for expansion would meet with huge opposition. Quite simply, they know it is a vote loser. That is the political reality.

References:

1. Survey by Continental Research, November 2008
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3. ‘Computer model highlights the various noise reduction’, IACO Journal, vol 5, no 4, pp18-19, 32-33, Ollerhead and Sharpe
4. The European Cities Monitor 2011, Cushman & Wakefield
5. International Air Connectivity for Business, WWF and AirportWatch, 2011
7. Transport Statistics Great Britain 2011, Department for Transport
8. The economics of Heathrow expansion, CE Delft, 2008

This pamphlet was written and designed by HACAN Chair John Stewart. It is intended as a summary of the economic, environmental and social arguments against the further expansion of Heathrow. For further information: johnstewart2@btconnect.com

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