

21-28 January 2012 – Regional and Industry News

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SASIG 2011/12 Meeting Date

The forthcoming SASIG meeting in 2011/12 will be on:

Friday 24 February 2012

Meetings are held between 11am and 1pm, at Local Government House, Smith Square, SW1P 3HZ, with lunch provided afterwards; a location map is at

<http://www.lga.gov.uk/lga/core/page.do?pagelid=27909>
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Regional News

Political wrangling over 'Boris Island' concept continues

22 January 2012

The fate of hundreds of thousands of migrating birds and hundreds of thousands of overflowed people are two of the considerations needing to be addressed by the Prime Minister in the next stage of the Government's national aviation policy review.

The Prime Minister told local MPs last year that the London Mayor's scheme for a new Thames estuary airport would not go ahead. However, as has been argued in previous policy reviews, all options for aviation activity across the country must be presented for discussion.

The Department for Transport may now be asked by the Prime Minister to include in their aviation policy framework consultation developments for the provision of new aviation capacity, such as 'Boris Island'.

In his Autumn statement of November 2011, the Chancellor laid some groundwork by announcing a watering-down of protection of natural habitats in planning decisions. The Government has also undertaken a wholesale review of national planning policy, with the final, overarching framework policy to be published around the time of the aviation policy consultation.

The costs of constructing a new hub airport are being further questioned on the basis that it would drive business away from Heathrow.

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'Free Enterprise Group' of MP's call for Heathrow runway debate to be reopened

23 January 2012

An influential group of Conservative backbenchers has reopened the debate on whether or not extra runways should be built at London's airports. The 'Free Enterprise Group' of MPs argues that runways could be built were fair compensation paid to those affected, and that the potential size of this compensation would drive commercial decisions as to where expansions should occur.

In their paper, 'The Case for Aviation', the group says Heathrow Airport could either have a new runway, or the RAF base at nearby Northolt Airport could be incorporated into Heathrow to provide more capacity. According to the group, Heathrow is already slipping far behind international competitors in terms of the number of flights offered; Paris and Frankfurt Airports have 1,000 more flights a year to China's three largest cities than does Heathrow, while 21 emerging market destinations are not served

<http://www.publicsectortravel.org.uk/2012/01/23/heathrow-runway-debate-should-be-reopened-say-mps/>

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London City Airport seeks growth with new commercial strategy

27 January 2012

The incoming Chief Executive of London City Airport, Declan Collier, who joins from Dublin Airport, has been told to review sale options when he starts at London City in the Spring. Global Infrastructure Partners (GIP), which also owns Gatwick, has asked Mr Collier to look at a potential sale in his first months in the job; investment banking advisers could be selected by the end of the year.

The operator of the airport has also set out how they intend to focus on inbound growth for 2012 and beyond, dedicating a large proportion of the year's marketing activity to key European hubs and substantially increasing resources within the commercial division. They aim to maximise upon the opportunities provided by upcoming events, such as the Queen's Jubilee, the London 2012 Olympic Games and the airport's own 25th anniversary.

Passengers using the airport can move from plane to surface transport in just ten minutes, and direct services to the main Olympic Park are also available from outside the terminal entrance.

This commercial strategy comes at a time of unprecedented upheaval for the airport industry. Edinburgh is up for sale, Stansted could be soon, and the Government is considering an airport in the Thames estuary.

Other options for London City, which had 7.6% more passengers last year, include syndicating the equity as GIP did for Gatwick in 2010. For example, Abu Dhabi Investment Authority spent £125m for an estimated 15% shareholding and Calpers, the US pension fund, dished out around £105m for a 12.7% stake.

Edinburgh is expected to fetch in excess of £600m, though the price might be slightly depressed as it is a forced sale. The airport operator, BAA Ltd., has been ordered by the Competition Commission (CC) to sell Edinburgh, as it is considered to have a near-monopoly in Scotland, just as it was at Gatwick. BAA Ltd., which is owned by the Spanish group Ferrovial, is still fighting the CC's ruling that it should also sell Stansted. The CC argued that by owning Heathrow and Stansted, as well Gatwick until 2009, BAA Ltd. was too dominant in the South East. However, BAA Ltd. believes that Heathrow and Stansted serve different markets, the former focusing on business and the latter leisure.

<http://www.independent.co.uk/news/business/news/london-city-airport-owner-prepares-for-sale-6292779.html>

<http://www.breakingtravelnews.com/news/article/london-city-airport-seeks-growth-with-new-commercial-strategy/>
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Chamber calls for investment in Birmingham Airport instead of Thames estuary airport

27 January 2012

West Midlands business leaders are calling for the Government to invest more in Birmingham Airport instead of another airport in the South East. The Birmingham Chamber of Commerce Group (BCCG) said Birmingham Airport is a viable solution to London's aviation capacity constraints. The Chamber highlighted the opportunities for business travellers in Birmingham and the ability for Birmingham Airport to absorb a significant proportion of the demand from the South East.

<http://www.birminghampost.net/birmingham-business/birmingham-business-news/businesslatest/2012/01/27/chamber-calls-for-investment-in-birmingham-airport-instead-of-boris-island-65233-30212167/>
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Industry News

Airports subject to the Airport Charges Regulations 2011

Each year, the Civil Aviation Authority (CAA) publishes a list of the airports that are 'regulated airports' under the Airports Charges Regulation 2011.

In 2012, the airports in the United Kingdom where annual traffic is over 5 million passenger movements (based on traffic reported for 2010) and, therefore, subject to the European Directive on airport charges are:

- Heathrow Airport
- Gatwick Airport
- Stansted Airport
- Manchester Airport
- Luton Airport
- Edinburgh Airport
- Birmingham Airport
- Glasgow Airport
- Bristol Airport
- Liverpool Airport

The list is available on the CAA website at: <http://www.caa.co.uk/docs/5/RegulatedAirports2012.pdf>
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Countries opposing EU ETS to convene second meeting within weeks to discuss retaliatory action against Europe

24 January 2012

Following a meeting of 26 countries in Delhi at the end of September 2011, to discuss moves to jointly oppose the inclusion of their airlines in the EU Emissions Trading Scheme (EU ETS), a second meeting is planned to take place either in Delhi or Moscow in early February 2012.

The first meeting resulted in the Delhi Declaration, which led to the ICAO Council adopting in November 2011 a similar declaration put forward by the coalition of nations including India, China, Brazil and the United States. Indian officials are believed to be in the United States this week to agree their positions ahead of the second meeting.

ICAO Secretary General, Raymond Benjamin, recently pledged to accelerate moves towards developing a global market-based system in a move to head off international confrontation over the European carbon reduction scheme, including a possible Article 84 legal challenge by the US.

<http://www.greenaironline.com/news.php?viewStory=1417>
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YouGov Poll surveys public sentiment regarding 'Boris Island' airport concept

24 January 2012

A recent YouGov poll indicates that less than a quarter (23%) of Britons support the idea of building a new London airport in the Thames Estuary; 47% oppose the new airport being built in the Thames Estuary. Around one in four people (27%) feel that Britain's status as an international travel hub would be threatened if airport capacity was not increased in this way; 49% disagree that Britain would lose its status as an international hub if capacity is not increased.

It has been proposed that a new airport should be built on the Thames Estuary, in response to fears that Britain's status as an international hub has become threatened due to a shortage of airport capacity in the South East.

[See the survey details and full results here](#)

http://cdn.yougov.com/cumulus_uploads/document/u73asayr8n/YG-Archives-Pol-ST-results-20-220112v3.pdf

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Aviation body attacks Government's 'tax on holidays' plan

27 January 2012

The Government has been accused of lacking joined-up thinking in its approach to taxes and aviation. The attack came from trade body the British Air Transport Association (BATA) as Deputy Prime Minister, Nick Clegg, called for a greener tax system on the day that the Department for Transport (DfT) issued results of a poll revealing public opposition to high taxation on aviation.

The DfT study into public attitudes to climate change and the impact of transport found that 54% of respondents were opposed to increased aviation tax or other charges.

The survey results coincided with Clegg's speech on cutting taxation, which he said is aimed at "the young couple who used to look forward to the holiday they would book or the car they would buy, but who now know that if the boiler breaks or the washing machine packs up, the money just isn't there."

Department for Transport (DfT) study into public attitudes to climate change:

<http://www.dft.gov.uk/statistics/releases/climate-change-and-impact-of-transport-2011/>

<http://www.travelweekly.co.uk/Articles/2012/01/27/39412/aviation+body+attacks+governments+tax+on+holidays+plan.html>

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Traffic Statistics

Civil Aviation Authority (CAA) traffic statistics (November 2011)

The Civil Aviation Authority (CAA) provides monthly UK aviation statistics. The total terminal and transit passenger figures for November 2011 compared with November 2010 are summarised below:

- for all reporting UK airports **14,884,068** in November 2011 compared with **15,014,393** in November 2010, a decrease of 0.87%;
- for all reporting regional airports **5,562,773** in November 2011 compared with **5,598,248** in November 2010, a decrease of 0.63%; and
- for all reporting London airports **9,321,295** in November 2011 compared with **9,416,145** in November 2010, a decrease of 1.10%.

The total air transport movement figures for November 2011 compared with November 2010 are also summarised below:

- for all reporting UK airports **162,198** in November 2011 - compared with **165,219** in November 2010, a decrease of 1.83%;
- for all reporting regional airports in **88,301** November 2011 - compared with **89,450** in November 2010, a decrease of 1.28%; and
- for all reporting London airports in **73,897** November 2011- compared with **75,769** in November 2010, a decrease of 2.47%.

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A selection of the CAA figures for passengers (terminal and transit) and air transport movements (ATMs) for November 2011 are given in the following table for the larger English airports, showing the percentage change from a year earlier.

Reporting Airport Name	Total ATM Nov 2011	Total ATM Nov 2010	ATM % change	Total PAX Nov 2011	Total PAX Nov 2010	PAX % change
Gatwick	16204	17044	-4.93%	2137374	2125193	0.57%
Heathrow	38007	38077	-0.18%	7359655	5244981	40.32%
London City	5444	5354	1.68%	5459861	233191	2241.37%
Luton	4949	5328	-7.11%	836206	598209	39.78%
Stansted	9171	9882	-7.19%	1125434	1214571	-7.34%
London total	73775	75685	-2.52%	16918530	9416145	79.68%
Birmingham	6005	6156	-2.45%	546957	544619	0.43%
Blackpool	656	765	-14.25%	555774	9094	6011.44%
Bournemouth	319	250	27.60%	19408	11880	63.37%
Bristol	3138	3500	-10.34%	323705	322385	0.41%
Cardiff	999	1134	-11.90%	54007	73521	-26.54%
Coventry	167	0	100.00%	31021	0	100.00%
Doncaster Sheffield	258	416	-37.98%	35387	43111	-17.92%
Durham Tees Valley	410	513	-20.08%	18106	15434	17.31%
East Midlands	4167	4099	1.66%	225195	217254	3.66%
Edinburgh	7931	7880	0.65%	853698	621771	37.30%
Exeter	875	934	-6.32%	679850	41946	1520.77%
Glasgow	5405	5802	-6.84%	510651	486555	4.95%
Humberside	1089	888	22.64%	18070	16285	10.96%
Leeds Bradford	2047	2385	-14.17%	145139	158911	-8.67%
Liverpool (John Lennon)	2683	3107	-13.65%	302773	313832	-3.52%
Manchester	11486	11170	2.83%	1194113	1150663	3.78%
Newcastle	3031	3201	-5.31%	244454	247650	-1.29%
Newquay	278	656	-57.62%	250790	13919	1701.78%
Norwich	1518	1553	-2.25%	36663	30391	20.64%
Southampton	3066	3047	0.62%	124449	126989	-2.00%
Southend	122	84	45.24%	601182	0	100.00%
Regional total	55650	57540	-3.28%	6771392	4446210	52.30%
TOTAL	129425	133225	-2.85%	23689922	13862355	70.89%

Southend Airport has now been moved from the London group to Regional as it is felt that this is more inline with the geographical location of the airport.

CAA Statistics (November 2011) January 2011

<http://www.caa.co.uk/default.aspx?catid=80&pagetype=88&pageid=3&sqlid=3#Data>

<http://www.caa.co.uk/default.aspx?catid=80&pagetype=88&sqlid=3&fld=201108>

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The following sources are used in the compilation of this bulletin: ABTN Air & Business Travel News, ACI Airports Council International, AERBT An Executive Review of Business Travel, Airwise.com, Anna Aero, Aviation International, BAA Ltd, ENDS Environmental Data Services, Financial Times, IATA International Air Transport Association, BBC, The Guardian, The Independent, Planning Portal, The Telegraph, Transportinfo, United Kingdom Parliament.

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