AIRPORT CAPACITY PRESENTATION

sasig
Strategic Aviation Special Interest Group

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LOOKING TO THE FUTURE – UK AIRPORT CAPACITY

- With most of the UK's larger airports at or above pre-Covid passenger volumes and the Government signaling its support for Airport growth there has been a surge in the preparation of airport masterplans and applications.
- Making best use policy has been used to support:
  - the recent planning approvals for expansion at Stansted, London City and Bristol
  - DCO's for Luton, Gatwick and Manston
- In July HAL and Aurora submitted proposals to Government for a Third Runway at Heathrow. The airport has materially exceeded its pre-COVID passenger volumes; but support is dependent on environmental sustainability (CO_2, Noise, Air Quality) and nationwide benefit
- The Climate Change Committee's scepticism about the ability of new technology to reduce aviation's carbon emissions, the need for new airspace design, noise mitigation, decarbonization and costs are all major challenges.
- What is needed for the benefits to be felt across the UK? Are their other strategic approaches that offer better outcomes for the rest of the UK.

GATWICK WITH DCO RUNWAY

PROJECTED GROWTH TO 2060

Year	CAGR (%)	UK Total MPPA
2024	2.50%	292.5
2030	2.00%	339.2
2035	1.50%	374.5
2040	1.00%	403.5
2045	0.075%	424.0
2050	0.050%	440.2
2055	0.050%	451.3
2060		462.7

- Even conservative CAGRs suggest total UK traffic will pass 400mppa in 2040
- Assuming the growth curve asymptotes, 2050 volumes will reach 440mppa and 2060 462mppa
- Climate Change Committee view is that exceeding 400mppa is incompatible with Net Zero

HEATHROW WITH RUNWAY 3

FUTURE CAPACITY SCENARIOS FOR LONDON AIRPORTS

Scenario		Heathrow	Gatwick	Stansted	Luton	London City	Southend	London Total
		mppa	mppa	mppa	mppa	mppa	mppa	mppa
Current Capacity		85.00	47.00	30.00	19.00	7.00	2.00	190.00
With Existing Approvals		95.00	63.00	43.00	32.00	9.00	3.00	245.00
Regional Preference		100.00	65.00	43.00	32.00	10.00	5.00	255.00
With R3 Heathrow		130.00	63.00	43.00	32.00	9.00	3.00	280.00
SE Aspirational		130.00	70.00	50.00	32.00	13.00	10.00	305.00
With R2 at STN		130.00	63.00	85.00	32.00	10.00	5.00	325.00

FUTURE CAPACITY SCENARIOS AT UK REGIONAL AIRPORTS

Scenario	Manchester mppa	Birmingham mppa	Edinburgh mppa	Glasgow mppa	Belfast mppa	Other mppa	Regional Total mppa		UK Total mppa	London %age	Regional %age
Current Capacity	30.80	12.85	15.80	8.05	6.75	30.75	105.00		295.00	64.41	35.59
With Existing Approvals	45.00	22.00	20.00	15.00	8.00	45.00	155.00		400.00	61.25	38.75
Regional Preference	55.00	40.00	30.00	20.00	10.00	55.00	210.00		465.00	54.84	45.16
With R3 Heathrow	50.00	22.00	25.00	16.00	12.00	55.00	180.00		460.00	60.87	39.13
SE Aspirational	45.00	22.00	20.00	15.00	8.00	45.00	155.00		460.00	66.30	33.70
With R2 at STN	45.00	22.00	20.00	15.00	8.00	45.00	155.00		480.00	67.71	32.29

PROSPECTIVE AIR FREIGHT CONSTRAINTS

- In 2024 freight volumes had recovered to within 100,000T of their pre-COVID peak: 2.549MT vs 2.646MT in 2018
- Air Freight CAGRs typically exceed GDP by 1%; even assuming a conservative 0.75%, growth is expected to be c3% over the next 5-10 years (due to e-commerce growing at 6-8%pa), declining thereafter to less than 2% by 2050
- Projected UK demand for airfreight will therefore reach 4.5MT in 2050; available capacity is closer to 3mppa, but that includes 0.5MT being trucked cross channel

- London and South East faces significant capacity constraints for freighter operations – No slots at LHR (TDRs), STN wants to displace freighter operations, Luton will too and LGW does not take freighters
- East Midlands has capacity but will itself run out in 10 years time
- Airfreight carries 40% of UK exports by value and supports many of the fastest growing and highest value sectors in the Modern Industrial Strategy
- A capacity crisis is imminent but there is no Air Freight Strategy and Government complacency about whether one is needed.

SOME KEY POLICY QUESTIONS FOR SASIG

- What should be the approach to London/Regional market shares and roles?
- Are the scenarios suggested realistic; are there any others that should be considered?
- Economic implications of the scenarios – impacts at a national and local/regional level
- Compatibility of options with environmental objectives and nation wide mission
- Extent to which Government should intervene in the future direction of development in the sector and with what objectives
- Implications for LAs
- The role of LAs in influencing and delivering/opposing national policy

HOW SHOULD SASIG TAKE FORWARD THIS AGENDA

- Pro-active or re-active approach?
- Research and publish a policy paper on preferred approach or react to consultations
- Rely on a statement of principles
- Partner with others – who? Engage with industry?
- Target which influencers and decision-makers?
- Scope of work, timing and approach