

3 to 9 December 2011 – 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?pageld=27909>.

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Regional News

European Commission's 'Better Airports' plan gets mixed reaction

2 December 2011

The European Commission's (EC) plan to tighten airport take-off and landing slot 'use-it-or-lose-it' rules, as part of a much anticipated airport policy package, has drawn a mixed response from industry.

The EC's 'Better Airports' legislative package also addresses **noise** and **ground-handling**, however, the **slot issue will be the most contentious** for airline and other operators. The new proposal would require carriers to use a slot 85% of the time or risk losing access, an increase from the current threshold of 80%. The shift should enable 24 million passengers a year to pass through Europe's air transport system by 2025, the EC projects.

The slot package would **clear the way for slot trading among carriers**, which is prohibited in some EU countries.

Another element of the package is to **introduce more competition to ground-handling services**. Airport operators would be asked to serve as coordinators at their facilities.

On **noise**, the EC says it is trying to **harmonise decision-making** and would reserve an **oversight role** for itself. Member States would still set noise levels, but the EC wants to ensure that the process is fair.

The Association of European Airlines (AEA) is opposed to tightening the 'use-it-or-lose-it' slot standard. Ulrich Schulte-Strathaus, AEA's Secretary General, felt that the regulation, if passed, would seriously **hamper airline operators' ability to react to changing demand**, and emphasised the necessity of business flexibility in today's tough economic climate. Mr Schulte-Strathaus commended the elements of the regulatory proposal that encourage competition and improve service quality.

Conversely, the European Business Aviation Association (EBAA) complained that it is forced into playing a secondary role to airline operators because **slot allocation is linked to passenger numbers**. EBAA welcomed a revision of the system for allocating slots at Europe's airports, however, they consider that a fair and equitable solution would recognise historical rights for all airspace users, with an understanding that each airspace model is an essential component of Europe's air transport policy. EBAA's CEO, Fabio Gama, set out that using slots 80% of the time is already extremely challenging and therefore the percentage required should not be increased.

Lobby group Airports Council International – Europe (ACI-Europe), however, **endorsed the proposed change, but noted that the measure alone will not fix Europe's capacity bottleneck**.

http://www.aviationweek.com/aw/generic/story_channel.jsp?channel=busav&id=news/avd/2011/12/02/09.xml&headline=EC%20Better%20Airports%20Plan%20Gets%20Mixed%20Reaction

Sir Foster reveals genesis of a vision for transport and tidal barrier scheme

3 December 2011

Norman Foster's work on the Thames hub proposal is winning support from figures within Government, including George Osborne, the Chancellor of the Exchequer. The plan is to create a new transport hub in the Thames estuary. In the world of aviation, this means it would play the **important role of international nexus for transfer flights**.

For the designers, the word encompasses their **broader vision for the estuary**: a **new Thames barrier**, for example, that would use green, **tidal technology** to power the airport as well as tens of thousands of homes; a **tunnel connecting Essex and Kent**; and a **high-speed London orbital railway**, roughly tracing the M25 motorway.

Connections to a future high-speed and other radial railway lines would help link the prosperous south-east to the Midlands and the north. "It's the same values" that went into the Millennium Bridge, which connects the City with the "the poorer, south side of the river – evening the divide; breaking down barriers", says Lord Foster.

Lord Foster's team estimate **the airport itself would cost £20bn, and the rest of the project another £30bn**. However, they believe that private funding should be easy to raise, and that the fact the project consists of individual components means it can be broken down into construction phases. Moreover, some of the elements, such as a new Thames barrier, will need to be built at some point in any case

The Ministry of Defence (MoD) had said the **nearby wreckage of a Second World War munitions ship would not pose a danger if the developers could steer clear of it during construction**. Twelve listed buildings on the Isle of Grain, the proposed site for the airport, could either be incorporated into the design or relocated. A man-made bird sanctuary is also proposed at three times the size of the **2 sq km of bird habitat that will be destroyed by the development**.

Financial Times

<http://www.ft.com/cms/s/0/62098c6a-1c2b-11e1-af09-00144feabdc0.html#axzz1fT0JOMh5>
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Industry News

Air Passenger Duty (APD) hikes prompt cut-backs at BA

6 December 2011

The operator of British Airways (BA) has said the company will not be recruiting 400 new staff members as a direct result of the Government's planned increase in Air Passenger Duty (APD) due in April 2012. As outlined in Chancellor George Osborne's Autumn Statement, APD is set to rise by between £1 and £14 depending on the class of travel.

The airline operator had been planning to create some 800 new jobs next year, but will now only recruit half that number. BA will also postpone plans to bring in an extra Boeing 747 aircraft next summer, and review the use of two others.

Air and Business Travel News - <http://www.abtn.co.uk/news/0616684-apd-hikes-prompt-cut-backs-ba>
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Air China to launch Beijing flights from Gatwick

5 December 2011

Air China has become the latest long-haul airline to announce flights from London Gatwick airport. The news came shortly after Gatwick Airport CEO, Stewart Wingate, outlined the operator's plans for growth, which include a strong focus on routes to the Far East.

The airline operator will start a four-times weekly service to Beijing on 1 May 2012 using an A330-200 aircraft. Flights will depart Beijing on Monday, Wednesday, Friday and Sunday at 01:35. From Gatwick, flights will leave on the same day at 13:15.

Air China already serves London Heathrow daily from Beijing, with Virgin Atlantic codesharing on the route. BA also serves Beijing from Heathrow.

The move makes Air China the latest in a raft of long-haul carriers to announce routes from Gatwick airport, since the facility was purchased from BAA Ltd. by Global Infrastructure Partners (GIP Ltd.).

Air and Business Travel News - <http://www.abtn.co.uk/news/0516668-air-china-launch-beijing-flights-gatwick>
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Eurozone crisis will hit airline profitability according to International Air Transport Association (IATA)

8 December 2011

Airline operators will make a global profit of \$3.5 billion in 2012, according to the International Air Transport Association (IATA). The figure represents a drop of \$1.4 billion on an earlier estimate by the aviation body.

The change to IATA's industry outlook has been prompted by increasing economic turmoil in Europe. IATA has also downgraded its profits prediction for European carriers in 2011, from \$1.4 billion to \$1 billion. This reduction comes despite Europe being one of the fastest growing regions in terms of traffic this year.

In 2012, IATA expects European airline operators to experience losses of \$600 million due to weakness in their home market and increases in passenger taxes. This compares with a predicted profit of \$1.7 billion for North American carriers and \$2.1 billion for airlines in the Asia-Pacific region.

Air and Business Travel News - <http://www.abtn.co.uk/news/0816690-eurozone-crisis-will-hit-airline-profitability-%E2%80%93-iata>
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Ryanair increases its fees

9 December 2011

No-frills carrier Ryanair is increasing its luggage fees by £5 online and £60 at the airport during peak travel periods, as well as raising its boarding card reissue penalty by £20. Ryanair claims the increased luggage fees are a ploy to encourage passengers to travel without hold luggage, and instead only take luggage within Ryanair's free of charge 10kg cabin bag allowance.

The increased baggage fee of £25 will be charged during June, July, August, September and Christmas 2012, and will apply to all bookings made from 15 December 2011.

The airline operator is also increasing its fee for passengers who arrive at the airport without boarding passes. Currently each passenger has to pay £40 to get it printed, but from 15 January 2012 this will increase to £60. According to Ryanair, 99.9% of passengers print off their boarding pass before arriving at the airport. The increased charge of this service is apparently intended to encourage the remaining 0.1% of passengers to print their boarding card prior to arrival at the airport.

Air and Business Travel News

<http://www.abtn.co.uk/news/0916692-ryanair-increases-its-fees>
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Traffic Statistics

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

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

- for all reporting UK airports in October 2011 - **18,371,494** compared with **18,525,269** in October 2010, a decrease of **0.83%**;
- for all reporting regional airports in October 2011 - **6,659,871** compared with **6,769,421** in October 2010, a decrease of **1.64%**; and
- for all reporting London airports in October 2011 - **11,711,623** compared with **11,755,848** in October 2010, a decrease of **0.38%**

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

- for all reporting UK airports in October 2011 - **157,712** compared with **161,568** in October 2010, a decrease of **2.39%**
- for all reporting regional airports in October 2011 - **70,387** compared with **73,915** in September 2010, a decrease of **4.77%**; and
- for all reporting London airports in October 2011 - **87,325** compared with **87,653** in October 2010, a decrease of **0.37%**

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A selection of the CAA figures for passengers (terminal and transit; PAX) and air transport movements (ATMs) for October 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 Oct 2011	Total ATM Oct 2010	ATM % change	Total PAX Oct 2011	Total PAX Oct 2010	PAX % change
Gatwick	21,199	21,202	-0.01%	2,923,271	2,851,370	2.52%
Heathrow	41,018	40,824	0.48%	6,023,140	6,108,756	-1.40%
London City	5,972	5,946	0.44%	262,667	252,566	4.00%
Luton	6,819	6,705	1.70%	865,421	821,907	5.29%
Stansted	12,317	12,976	-5.08%	1,637,124	1,721,249	-4.89%
London total	87,325	87,653	-0.37%	11,711,623	11,755,848	-0.38%
Birmingham	7,390	7,841	-5.75%	763,478	793,357	-3.77%
Blackpool	823	984	-16.36%	16,578	16,863	-1.69%
Bournemouth	608	777	-21.75%	62,835	81,368	-22.78%
Bristol	4,707	4,992	-5.71%	532,558	551,419	-3.42%
Cardiff	1,442	1,581	-8.79%	113,755	135,999	-16.36%
Coventry	145	0	0.00%	0	0	0.00%
Doncaster Sheffield	659	794	-17.00%	86,818	95,432	-9.03%
Durham Tees Valley	473	615	-23.09%	13,408	20,374	-34.19%
East Midlands	5,252	5,201	0.98%	411,952	402,032	2.47%
Edinburgh	9,718	9,874	-1.58%	868,563	853,539	1.76%
Exeter	1,151	1,232	-6.57%	68,448	73,183	-6.47%
Glasgow	6,429	6,780	-5.18%	664,209	664,260	-0.01%
Humberside	1,102	1,273	-13.43%	22,572	26,912	-16.13%
Leeds Bradford	2,652	3,204	-17.23%	245,935	273,472	-10.07%
Liverpool (John Lennon)	4,117	4,033	2.08%	489,201	482,054	1.48%
Manchester	13,806	13,624	1.34%	1,683,901	1,638,541	2.77%
Newcastle	4,049	4,524	-10.50%	407,772	434,728	-6.20%
Newquay	405	1,014	-60.06%	13,576	28,985	-53.16%
Norwich	1,758	1,784	-1.46%	38,290	40,157	-4.65%
Southampton	3,526	3,713	-5.04%	151,997	156,746	-3.03%
Southend	175	75	133.33%	4,025	0	0.00%
Regional total	70,387	73,915	-4.77%	6,659,871	6,769,421	-1.64%
TOTAL	157,712	161,568	-2.39%	18,371,494	18,525,269	-0.83%

CAA Statistics for October 2011 (published December 2011).

<http://www.caa.co.uk/default.aspx?catid=80&pagetype=88&pageid=3&sqlid=3#Data>
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Most of the Parliamentary information in this Bulletin and some news items were sourced from De Havilland Information Services plc.

The following sources are also used: 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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