

Press Release

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For immediate use

HEATHROW PROMISES TO THE EAST MIDLANDS BASED ON FLAWED PROJECTIONS

In advance of Heathrow's East Midlands, Business Summit in Derby (Thursday, 23 November) it has been revealed that, far from bringing the economic benefits that the airport claim, the actual benefits of Heathrow expansion are likely to be negligible.

Although the Airports Commission had estimated (in its 2015 final report) that Heathrow's expansion could deliver a maximum £147bn of gross economic benefit over 60 years, the Department for Transport, after a further two years of considered scrutiny, now claims the maximum possible gross benefit from Heathrow expansion to be £74.2bn (less than the £75.3bn for Gatwick), with a "Net Present Value" (i.e. when all costs are also accounted for) of between *just* £3.3bn (over 60 years!) or a negative figure of minus £2.2bn **(1)**.

Using the government's figures, the No 3rd Runway Coalition **(2)** has calculated that per head of the population, over 60 years, the top end of this range (as opposed to the economic "disbenefit" possibility) won't even deliver the cost of a coffee at one of Heathrow's many profitable outlets.

It is difficult to see how such paltry benefits could "play a major role in boosting jobs and growth in the regions" outside of the South East, as Heathrow claims **(3)**, and will doubtless reclaim at the Derby Business Summit.

Furthermore, Heathrow claims that a new runway would enable it to serve a total of 14 domestic routes, up 6 from the current position. Yet, the Airport Commission's economic analysis demonstrated that even with a third runway, the number of domestic routes served by Heathrow would fall to 4, stating the routes may not be commercially viable; "without specific measures to support domestic connectivity even an expanded Heathrow may accommodate fewer domestic routes in future than the seven served currently" **(4)**. And, as yet, neither Government, nor Heathrow, have committed to providing the requisite funding (or guarantee of slot allocation) to support such a minimal growth in regional connections.

The CBI's 2016 report "Unlocking Regional Growth" **(5)** (to which Midlands business people contributed) identified that, while businesses recognise the need for better links to international markets, they believe that flights need to fly directly to centres of trade and commerce (i.e. without transfer before reaching their destination); in other words, that it will be through direct flights to the closest airports that the Midlands will become better connected.

Paul McGuinness, Chair of the No 3rd Runway Coalition, said:

"Rather than relying on the discredited figures that Heathrow continue to quote, politicians and business people in the Midlands will want to ask serious questions of Heathrow about how they can come anywhere close to delivering the jobs and investment, that they continue to promise, based on the now trusted, downwardly revised economic benefit figures.

Government needs to be more ambitious and ensure that regional airports receive significant investment, to deliver an internationally well-connected Midlands. Flights from Heathrow effectively compete with those from regional airports, so boosting Heathrow's near monopoly position can only advance the interests of the South East, to the further detriment of the rest of the country.

It is vital that the UK makes full use of the capacity at all its airports, to the benefit of the Midlands and other regions. The government should be promising a national aviation strategy, including improvements in surface access to regional airports, rather than succumbing to Heathrow's no expenses spared lobbying which is solely designed to advance its own narrow commercial interests."

Ends.

Notes for editors:

1. The government's "Heathrow expansion: revised draft Airports National Policy Statement" (<https://www.gov.uk/government/consultations/heathrow-expansion-revised-draft-airports-national-policy-statement>)
2. Set up in London in March 2017, the No 3rd Runway Coalition brings together MPs, NGOs, local authorities, community groups and residents opposed to Heathrow expansion. The All-Party Parliamentary Group on Heathrow Expansion is Co-Chaired by Labour MP Ruth Cadbury and Conservative MP Zac Goldsmith.
3. <https://your.heathrow.com/takingbritainfurther/jobs-and-growth/uk-benefits-by-region/>
4. [Airports Commission, Final Report, July 2015, p.183](#)
5. CBI's 2016 report "Unlocking Regional Growth" <http://www.cbi.org.uk/insight-and-analysis/unlocking-regional-growth/>

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