

Press Release

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For immediate use

HEATHROW PROMISES TO THE NORTH EAST BASED ON FLAWED PROJECTIONS

The No 3rd Runway Coalition (1) reveals, on the day of a Heathrow business in Newcastle, that Heathrow expansion would not bring the large economic benefits the Airport claim, in fact the actual benefits could be negligible for the north east.

The Airports Commission 2014 report estimated that expansion at Heathrow could deliver £147bn of total economic benefit. Consequently, Heathrow pledged that expansion via a third runway will deliver the north east 5,100 jobs by 2050 (204 per year from 2025) and £4bn of real GDP growth (1).

In October 2016, the Department for Transport (DfT) revised down the estimate of maximum economic benefit to £61bn over 60 years. The *Further Review and Sensitivities Report* also concludes that the Net Present Value of the Heathrow proposal to be just £0.2bn to £6.1bn over a 60-year period (2).

A commensurate reduction in the alleged benefits for the North East would mean expansion at Heathrow would deliver significantly less than promised.

Further, Heathrow claims that a new runway would enable it to serve a total of 14 domestic routes, up 6 from the current position. However, the Airport Commission's economic analysis shows that even with a third runway, without government intervention or a regional slot allocation, 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” (3).***

The Government has yet to make clear whether it is prepared to financially support these regional connections.

The report recognised that 'reserving' slots for domestic routes is not currently an option as it would be in breach of EU regulations. Public Service Orders would be possible, but there are restrictions on which routes would qualify and these would be entirely dependent upon the willingness of the UK Government to provide subsidies.

Alternatively, Heathrow could potentially continue to subsidise links with UK regional airports in perpetuity. However, this is not something that they have committed to.

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Indeed, the CBI's 2016 *Unlocking Regional Growth* report, businesses recognised the need to better link regions to international markets to increase and encourage export capabilities (4). It is clear that businesses want to fly directly to centres of trade and commerce without the need to transfer before reaching their destination. Consequently, direct flights to and from regional airports will bring much greater benefit to the people and economy of the North East than an expanded Heathrow ever could.

Paul McGuinness, Chair of the No 3rd Runway Coalition, said: *“Politicians and businesses in the North East must ask serious questions of Heathrow on how they intend on delivering jobs and investment promised on the base on severely reduced economic benefits to the ones they promote*

Government needs to be more ambitious and ensure that regional airports receive significant investment. Flights from Heathrow effectively compete with those from regional airports, with the monopoly position enjoyed by Heathrow further distorting the aviation sector. There should be greater determination to deliver an internationally well-connected North. It can be asserted that a second national aviation hub should be established in the North rather than further investment poured into the South East.

It is vital that the UK makes full use of the capacity of all its airports and the Government should publish a national airports strategy that enables regional airports to develop their own unique identity and competitive advantage in addition to fulfilling a wider strategic role for UK plc. Such a strategy should include clear improvements in surface access to airports and form part of an integrated transport strategy for the country.”

Ends.

Notes for editors:

1. 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.
2. <https://your.heathrow.com/takingbritainfurther/jobs-and-growth/uk-benefits-by-region/>
3. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/562160/further-review-and-sensitivities-report-airport-capacity-in-the-south-east.pdf, p.9
4. Airports Commission, Final Report, July 2015, p.183

For more information:

Robert Barnstone, 07806 947050, Robert.barnstone@outlook.com

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www.no3rdrunwaycoalition.co.uk