

19th April 2013

Our Ref: N13/8

Airports Commission
6th Floor
Sanctuary Buildings
20 Great Smith Street
London
SW1P 3BT

Dear Sir / Madam

Discussion paper on “Aviation Connectivity and the Economy”

Thank you for the opportunity to submit a response to the Airport Commission’s discussion paper on “Aviation Connectivity and the Economy”. As the Regional Transport Partnership for the North East of Scotland, Nestrans has a keen interest in the issues discussed in the paper and would like to make the following comments:

Whilst there is reference to transfer passengers being around 9% of all London airports throughput and there being a reducing number of UK domestic airports served there is no reference to Heathrow’s role as a hub in relation to domestic access to the airport for the remoter parts of the UK to allow domestic passengers to use Heathrow as a hub.

Of particular interest to the north east of Scotland are the tourism and business sections.

In relation to tourism, the document notes: *Aviation is essential in supporting both inbound and outbound tourist activity to and from Britain.* It doesn’t mention that most tourists arrive via Heathrow and cannot then get direct access to Inverness for example. It does however mention: *Since tourists often value direct connections when choosing their holiday destinations, direct connectivity from the UK to emerging economies is likely to attract inbound tourism from these countries in the future.* What this misses is that for the smaller more remote regions (including Aberdeen and Inverness) the direct access from the hub airport is therefore even more important since point to point traffic to our locations is not possible.

The document also notes: *The Government Tourism Policy promotes domestic tourism for UK residents and supports the growth of the sector’s international market. One of the strategies to promote that growth is based on attracting four million extra visitors to England over the next four years, particularly from emerging economies such as China.* This point overlooks the Scottish Government’s policy for increasing tourism and the fact that tourists to Scotland from countries such as China are likely to arrive via the hub airport.

In relation to business investment and innovation, the discussion paper states that: *International connectivity from passenger air services is important in attracting international business headquarters and foreign investment into the UK. London’s connectivity helps sustain clusters of specialised high-value services sector in the UK such as financial, legal,*

IT consultancy, business management and chemical sectors which are knowledge-intensive and increasingly global in operations.

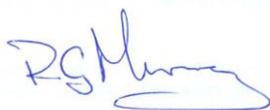
This description misses both the Energy sector which is knowledge-intensive and increasingly global in operation and that some of these sectors are remote from London, including both the energy sector in north east Scotland and the financial sector based in Edinburgh. The UK Government's Oil and Gas Strategy¹ and the Scottish Government's strategy² both call for an increasing internationalisation of the Oil and Gas supply chain sector. At around £16 Billion/ annum in total with just under 50% currently international trade this growing sector warrants consideration with the other professional disciplines listed. That much of this work and investment is concentrated in the north east of Scotland with a crucial need for the connectivity that Heathrow provides to develop and maintain this income and jobs to the UK economy should also be reflected

A key ambition of the Treasury's Plan for Growth³ is to "*encourage investment and exports as a route to a more balanced economy*". Ensuring the UK remains one of the top destinations for foreign direct investment, increasing exports to key target markets, increasing private sector employment (especially in regions outside London and the South East) and increasing investment in low carbon technologies are all identified as key to achieving this ambition and are also key to the north east of Scotland and in particular the energy industry. The Scottish Government's Economic Strategy⁴ reinforces this and contains a target to deliver a 50% increase in exports by 2017.

An SCDI survey of the oil and gas activity⁵ also shows the importance of this international market and the diversity of international trading locations meaning that a small country like Scotland cannot create the level of point to point market to justify new direct links. This, along with the locations that Heathrow serves, reinforces the need for Heathrow to continue to be the hub for this activity as identified in the Hitrans / Nestrans commissioned study⁶.

I hope that the above comments are helpful and that you are able to take these on board in the Commission's assessment of airport capacity.

Yours faithfully



Derick Murray
Director

¹ <https://www.gov.uk/government/publications/uk-oil-and-gas-industrial-strategy-business-and-government-action-plan>

² <http://www.scottish-enterprise.com/~media/SE/Resources/Documents/MNO/Oil-and-Gas-strategy-2012-2020.pdf>

³ http://cdn.hm-treasury.gov.uk/2011budget_growth.pdf

⁴ <http://www.scotland.gov.uk/Resource/Doc/357756/0120893.pdf>

⁵ http://www.scdi.org.uk/sr/Docs/Survey_of_International_Activity_in_the_Oil_and_Gas_Sector_2010-11.pdf

⁶ http://www.nestrans.org.uk/db_docs/20120531_Air_Links_to_London_from_the_North_of_Scotland_Final_Report_1.pdf