

31st October 2013

Sir Howard Davies
Chair
Airports Commission
Sanctuary Buildings
20 Great Smith Street
London
SW10 3BT

Dear Sir Howard

Re: London Chamber of Commerce & Industry Comments on Emerging Thinking

I welcome the opportunity to provide you with some comments on your emerging conclusions following the initial phases of your study.

The London Chamber of Commerce supports the thorough nature of your investigation to ensure that the final solutions proposed are implemented for the long-term, avoiding further paralysis by analysis, which would further damage business growth and economic prosperity.

We have long called for expansion of runway capacity in the South East of England, particularly at the UK's only hub airport, London Heathrow, and we are pleased that your initial conclusions are that additional capacity will be required.

Business growth and competitiveness are largely dependent on firms' ability to connect with the rest of the world, and London businesses are increasingly targeting specific non-European high-growth markets. In order to successfully tap into these fast growing, distant economies, businesses need quality, convenient international air transport links. Current limited hub capacity restricts access to these markets.

We share your views on the viability of airports outside the South East providing national connectivity. Airlines are free to fly new routes from regional airports but the spare capacity they offer, often with cheaper landing charges, is not a sufficient incentive for them to commence routes to key emerging markets that are not currently served by any UK airport. Instead, airlines wish to fly from airports in London and the South East due to the regions high concentration of demand and the local population's higher propensity to fly. Indeed, London is the largest aviation market in the world.

We also agree that varying the rates of Air Passenger Duty (APD) applied to passengers using regional airports and possibly increasing the rate at airports in the South East will not be sufficient to encourage a shift in demand, just as cheaper landing charges have not. If anything, it would make London an even more expensive place to visit and even less competitive relative to rival European cities.

The provision of additional capacity for the long-term is still years from realisation so measures must be introduced as soon as possible to make the best use of the limited capacity we have today. Some of the short- and medium-term solutions submitted to the Commission would improve airport performance.

We believe that an increase in the number of early morning arrivals at London Heathrow would attract more passengers on long-hauls routes from emerging markets, especially those affected by time differences like Asia, and grow the amount of cargo the airport can handle.

A pressing need is also improvements to surface access to and from London Gatwick and Stansted airports. The quality of access to the onward destination is one of the top three reasons why airlines chose to locate at a given airport. Improved rail access to a similar standard as the Heathrow Express would increase competition and make these airports more attractive to valuable new customers.

While we agree that short-term measures will not be sufficiently transformational to negate the need for additional capacity, implementing these interim solutions should be regarded as a matter of greatest urgency.

We urge the Airports Commission to recommend that Government produce a clear implementation plan detailing by when the short-term measures will implemented.

In our view, introduction of these measures must commence before the next General Election. London businesses cannot afford to endure further delay.

Yours sincerely



Colin Stanbridge
Chief Executive