

**Aberdeen
International
Airport
Consultative
Committee**



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Airports Commission
6th Floor
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**Discussion Paper 06
Utilisation of the UK's Existing Airport Capacity**

Aberdeen International Airport Consultative Committee welcomes the opportunity to respond to Discussion Paper 06. In doing so, we note with pleasure the recognition given by the Commission in its *Interim Report* to comments made by us, and other respondents, to earlier discussion papers, of the importance of regional connectivity through London's airports, particularly Heathrow.

In our view, it is critical that business travellers from the more peripheral regions of the UK have a choice of routes to those places outside the UK and Europe where they do business, through the UK's main hub as well as through competitor hubs in Europe, particularly Amsterdam, Frankfurt and Paris CDG, and increasingly through Dubai, Abu Dhabi and Istanbul. As we have observed to the Commission previously, whereas there are just seven UK regional airports¹ linked directly to Heathrow, 15 UK airports have links by KLM through Schiphol², Air France and Lufthansa have links with almost as many, and even six airports are linked non-stop to Dubai³.

We feel it is important for the Commission to note, in considering the utilisation of the UK's existing airport capacity, that Aberdeen International Airport has a more complex network of UK domestic routes than any other UK airport (see Table 1), underscoring the demand for services to a wide range of UK provincial airports where road and rail journey times deter surface transport, particular for business

¹ Aberdeen, Belfast City, Edinburgh, Glasgow, Leeds Bradford, Manchester and Newcastle, of which Aberdeen, Belfast City, Edinburgh and Manchester are currently served by two airlines on the route.

² Aberdeen, Birmingham, Bristol, Cardiff, Durham Tees Valley, Edinburgh, Glasgow, Humberside, Leeds Bradford, London Heathrow, Manchester, Newcastle, Norwich, plus Inverness and Southampton by code share,

³ Birmingham, Glasgow, London Gatwick, London Heathrow, Manchester and Newcastle,

passengers. It also has an established network of short haul scheduled services to Europe, particularly to the major hub airports and to airports serving the energy industry (see Table 2).

Also as we have observed previously, frequent direct access through Heathrow is critical for the oil, gas and renewable energy sector, life sciences, high value food and drink and financial sectors and higher education institutions based in and around Aberdeen City and Shire. The airport is currently 14th in the league table of UK airports for terminal and transfer passengers (3.441 million in 2013, more or less on a par with London City and Leeds Bradford with their very substantially larger catchment areas in terms of population served, and well ahead of Belfast City) and fifth for aircraft movements, ahead of Edinburgh and Glasgow and even Birmingham International, reflecting the number of aircraft movements by small inter-regional aircraft and helicopters servicing the North Sea energy installations. Aberdeen City and Shire have less than 10% of the population of Scotland, but generate nearly 30% of the country's wealth. The propensity to fly, at 6, is the highest in the UK, well ahead even of Heathrow, because the peripheral nature of Aberdeen within the geography of the UK means that air is the preferred means of transport for business and, to a large extent, for leisure travel much beyond the Scotland/England border, because of the corresponding journey times by road and rail.

The population of Aberdeen International's catchment area (712,000) makes it much more difficult to develop a business case for a network of sustainable direct long haul services to the destinations most frequently required by the industrial sectors based here (Houston, Dallas Fort Worth, Dubai or Abu Dhabi, for example) – however desirable such services would be to those flying these routes. Interlining therefore, whether at Heathrow, Amsterdam, Frankfurt or Paris, is a fact of life for business and leisure customers wishing to get beyond the shores of the UK or beyond the main hub airports on continental Europe. That is why we continue to emphasise the continuing need for access to London, and particularly Heathrow, from Aberdeen, a service to which BA has remained committed for more than four decades and to which we hope it will remain committed way into the foreseeable future. Indeed, BA's service to Heathrow from Aberdeen is the only constant of all the operators and routes that have flown into and out of Aberdeen over the past 35 years or more.

We are aware that both Birmingham and Manchester airports are seeking to promote themselves as alternative hubs to Heathrow for the connections to the world that they offer. The drawback for markets such as our own is that the airlines that serve these airports from Aberdeen (bmi Regional and Flybe) do not partner with any of the long haul carriers using BHX and MAN, so making connections at those airports effectively becomes a series of point-to-point flights, with all the potential problems of missed connections, rechecking for seats and baggage and so on. Business travellers, who make up almost 60% of Aberdeen's customers, prefer the certainty of through bookings, undertaking a single transaction at the point of departure.

Finally, we are concerned at the fragility and lack of consistency of airlines, who add and chop routes and frequencies, often at short notice, as they develop new business models; use slots and aircraft for what they see as more lucrative services; fail sufficiently to understand the market they are seeking to serve; or (as sadly happens from time to time) go into administration or receivership. We have tried to illustrate this point in Table 3, which provides a brief historical overview of services from Aberdeen to London's five main airports over the past four decades.

An airport provides the infrastructure for airlines to operate their services. But if there is no airline willing to operate a particular route, the airport and the population it serves is the loser. In our own case, we can recall the three occasions in 1987, 1992 and 2012, when BA absorbed BCal, DanAir and then bmi, each time impacting on services from Aberdeen to Gatwick and Heathrow, and the occasions in 2000 and 2007, when KLM and BA respectively changed their business models and abandoned at relatively short notice all their UK provincial services to concentrate on feeder services into Amsterdam and Heathrow respectively. The latest example of fragility occurred as this submission was being prepared, when BA announced the cessation of their London City service from Aberdeen from October 2014, as part of a restructuring of their market from City: a decision that drew adverse reactions from the local business and political community alike. However, to show how quickly airlines are able to respond to changes of this kind, at the date of despatching this letter, Flybe announced that it intends to take over the London City route from BA, on the day following BA's departure from the route.

Yours sincerely

A black rectangular box redacting the signature of the Chairman.

CHAIRMAN

TABLE 1

**UK REGIONAL AIRPORTS WITH DIRECT FLIGHTS FROM AND TO ABERDEEN
(from north to south in the UK)**

Destination	Frequency	Notes
Scatsta	Several times most days	Eastern Airways – oil industry charter
Sumburgh, Shetlands	Up to five flights a day	Flybe
Kirkwall, Orkney	Up to three flights a day	Flybe
Wick John O’Groats	Two flights a day	Eastern Airways
Stornoway, Western Isles	One flight a day	Eastern Airways
Belfast City	Once each weekday, with seasonal variations	Flybe
Newcastle	Up to three flights a day	Eastern Airways
Durham Tees Valley	Up to four flights a day	Eastern Airways
Leeds Bradford	Up to three flights a day and Three flights a day	Eastern Airways Flybe from end October 2014, new service
Manchester	Up to six flights a day and Three flights a day	Flybe bmi regional
Humberside	Up to four flights a day	Eastern Airways
Norwich	Up to three flights a day and Two flights a day	Eastern Airways bmi regional
East Midlands	Up to three flights a day and Once a day, Monday to Friday	Eastern Airways Flybe, from 27 October 2014
Birmingham	Four flights weekdays, fewer at weekends	Flybe
London Luton	One flight a day	easyJet
London Heathrow	Up to eight flights a day and Up to three flights a day	British Airways Virgin Little Red
London City	Up to three flights a day to be succeeded by Two flights a day	BA (until 26 October 2014) To be operated by Flybe from 27 October 2014
Bristol	Two flights a day	bmi regional
Cardiff	One flight a day	Eastern Airways
London Gatwick	Two flights a day	easyJet

Southampton	Up to two flights a day and Up to three flights a day	Eastern Airways Flybe from end October 2014, new service
Jersey	Three flights a day	Flybe, from end October 2014, new service

TABLE 2**EUROPEAN AIRPORTS HAVING SCHEDULED DIRECT SERVICES
FROM AND TO ABERDEEN**

Destination	Frequency	Notes
Amsterdam	Up to six flights a day	KLM
Bergen	Two flights a day	SAS/Wideroe
Copenhagen	Two flights a day	SAS/Cimber Air
Dublin	Up to two flights a day	Aer Lingus
Esbjerg	One flight a day	bmi regional
Frankfurt	Three flights a day	Lufthansa
Kristiansund N	Three flights a week	bmi regional
Oslo	One flight a day and One flight a day	bmi regional SAS
Paris Charles de Gaulle	Three flights a day	Air France (hop!)
Riga	Four flights a week	Air Baltic
Stavanger	Four flights a day and Two flights a day	SAS/Wideroe Eastern Airways

TABLE 3
SERVICES INTO LONDON AIRPORTS FROM ABERDEEN
From late 1970s to 2014

Table intended to show impact of changes in airline models and commercial considerations

London airport served	Late 1970s	1980 - 1985	1985 - 1990	1990 - 1995	1995 - 2000	2000 - 2005	2005 - 2010	2010 - 2015
Heathrow	BEA/British Airways ¹ has maintained between five and eight daily services throughout this period. Passenger load split more or less 40:60 between point to point and interlining traffic							
					BMI ² entered route in competition to BA, offering up to five services a day until the airline was absorbed into IAG/BA in 2012			
								2013, Virgin 'Little Red' ³ entered route as part of approval for IAG to buy BMI
Gatwick	BEA flew route 2 – 3 times daily	BA left route, taken over by DanAir with 3 – 4 services daily, until bought by BA in 1992			BA maintained up to four rotations a day until the opening of T5 at LHR in 2007, when the level of interlining pax dropped as BA services to IAH and DFW transferred from LGW to LHR			FlyBe took on route with 3 rotations daily until its disagreement with LGW over landing fees in 2012
		BCal also offered one service daily for a limited period, until absorbed into BA in 1987						EasyJet ⁴ entered route in 2012 with 2 services daily. Currently only service to LGW

Stansted		AirUK/KLM uk ⁵ operated up to 4 rotations daily from opening of STN main terminal until KLM uk was absorbed into KLM Cityhopper in 2000 , and KLM ceased all UK domestic routes to concentrate on their feeder services to AMS. No other airline has shown interest in restarting this route						
Luton						EasyJet ⁶ commenced service with 2 rotations daily, later dropped to one afternoon rotation, which continues		
London City						Jersey Airlines ⁷ (now FlyBe) started a service, 2 – 3 rotations a day which ceased as unprofitable		BA ⁸ commenced service with 3 rotations daily in 2012 but has recently announced the cessation of the service from end October 2014. Flybe has subsequently announced start of new service twice a day from day after BA leaves the route ⁹

NOTES

¹ British Airways service to London Heathrow is the only 'constant' on the chart. Even when, in <year> BA changed its business model to concentrate on international services from LHR and ceased to operate regional UK services, Aberdeen remained one of only four UK regional airports to be served by BA to LHR, based on load factors and demand for interlining services.

² BMI, BCal and DanAir, the main British airlines to offer any competition to BA on routes to London have, as shown, all been absorbed into BA over the past 25 years as they were each in financial difficulties. As BA's business model and priorities have changed, particularly at LGW, the services they previously offered were initially taken over by BA and subsequently ceased, with LGW-based BA short haul aircraft being used for services to European destinations.

³ The advent of Little Red has reintroduced some competition for the route to Heathrow, although brand loyalty by frequent flyers to BA has meant continuing high load factors for them, and lower than expected loads for Little Red.

⁴ Throughout the last 30 years or more, the more successful services have recognised the demand from the Aberdeen business market for an early morning departure southbound to its London destination, and a mid-evening return, preferably with at least one other rotation a day. An early morning southbound departure to LGW is also critical for passengers seeking to interline/connect onto long haul business and leisure routes. At the moment easyJet's schedule does not offer such a service, and is therefore of less value to Aberdeen-originating passengers than the services previously offered by DanAir, BA and FlyBe.

⁵ This service was heavily used, as it generally offered the earliest arrival via a London airport into central London, as approaches were not constrained by stacking.

⁶ The same comment applies here as to 4 above, that by using Luton based aircraft, EasyJet has not been able to tap into the lucrative business travel market from Aberdeen.

⁷ This service, operated initially by Jersey Airlines' 146 jets and later by smaller ScotAirways Dornier 320 aircraft was hampered by the same issue as 4 and 6 above: the operator was unwilling to allocate a slot at LCY for an early morning arrival from Aberdeen. A first arrival sometime after 1000 is not appropriate to the ABZ business travel market.

⁸ The relative success of this new service, compared with the experience of Jersey Airlines at note 7, arises from the fact that there is an early (0630) departure from ABZ, a midday/early afternoon rotation and an early evening service in both directions – and the fact that an on-time arrival into LCY just after 0800 means it is possible to be in central London by about 0900. Unfortunately BA has recently announced the demise of this service as part of its route restructuring from LCY.

⁹ This new service was announced on 23 July, meeting the key criterion of arrival into LCY by 0830, Monday to Saturday, and departing LCY early evening Sunday to Friday, allowing a day's business in London for travellers.