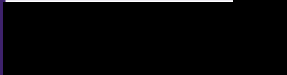




***Consultation: Discussion Paper 06: Utilisation of the UK's Existing Airport Capacity***

***Date: July 2014***

***Contact:***



***Our (PID) reference number: PD 200101920***

## Introduction

The General Consumer Council for Northern Ireland (the Consumer Council) is an independent consumer organisation, working to bring about change to benefit Northern Ireland (NI) consumers. Our aim is to *'make the consumer voice heard and make it count'*.

We have a statutory remit to promote and safeguard the interests of consumers and have specific functions in relation to energy, water, transport and food. These include considering consumer complaints and enquiries, carrying out research and educating and informing consumers. In addition, from April 2014, we have taken on responsibility for representing consumers in respect of postal services in NI.

The Consumer Council is also a designated body for the purposes of supercomplaints, which means that we can refer any consumer affairs goods and services issue to the Competition and Markets Authority, where we feel that the market may be harming consumers' best interests. In addition, we have 'supercomplainant' status for financial services, with powers to bring supercomplaints on financial matters to the Financial Conduct Authority (FCA).

In taking forward our broad statutory remit we are informed by and representative of consumers in NI. We work to bring about change to benefit consumers by making their voice heard and making it count. To represent consumers in the best way we can, we listen to them and produce robust evidence to put their priorities at the heart of all we do.

## **Airports Commission Discussion Paper 06: Utilisation of the UK's Existing Airport Capacity**

The Consumer Council welcomes the opportunity to respond to this consultation.

Given NI's geographic location, the region's passengers are dependent on air travel to access GB destinations and further afield. NI's air links, both international and domestic make an important contribution to the region's economic growth and social well-being, supporting trade and inward investment and facilitating tourism.

### **Domestic Connectivity**

The Airports Commission's consultation document highlights that 'in 2013 30 per cent of passengers passing through regional airports were travelling to and from other UK airports. This compares to just eight per cent for the London area airports.'

However, when CAA passenger figures for Northern Ireland are examined it can be seen that 78 per cent of all NI passenger journeys are to or from other UK airports.<sup>1</sup> Flights to and from NI airports account for 26.4 per cent of total flights within UK, i.e. flights between two UK airports. In contrast the population of NI is 2.9 per cent of the overall UK

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<sup>1</sup> Figures based on CAA passenger statistics

population.<sup>2</sup> This demonstrates the high reliance on air travel for accessing GB destinations.

In other parts of the UK, consumers are not required to make journeys by air given they can access GB destinations by road and rail. Therefore NI is in a unique position in the UK as our domestic air services are vital in terms of enabling mobility between NI and GB.

This high level of dependence on air travel has also been recognised by the Northern Ireland Affairs Committee who in its report *Air Passenger Duty: implications for Northern Ireland*, stated “that for many people in NI travelling by air is not a luxury, but is an essential element of family and economic life”.<sup>3</sup>

NI’s exports via air are worth £1 billion annually and represent 31 per cent of the region’s total exports by value. The importance of access to hub airports from NI is highlighted by the fact that 60 per cent of exports by air go via a hub to their final destination. In addition, visitors arriving in NI via connections provided by Heathrow contribute £21.4 million to GDP and support approximately 1,000 jobs.<sup>4</sup>

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<sup>2</sup> <http://www.ons.gov.uk:80/ons/rel/regional-trends/region-and-country-profiles/population-and-migration--december-2013/regional-profiles---population-tables--december-2013.xls>

<sup>3</sup> House of Commons Northern Ireland Affairs Committee *Air Passenger Duty: implications for Northern Ireland* (July 2011).

<sup>4</sup> Oxford Economics, 2012

## **Reduction in air connectivity**

The consultation document highlights a number of reasons for the recent reduction in air connectivity between London and the UK regions.

From an NI perspective a pressure which is distinctive to airports and routes is that NI shares a land border with the Republic of Ireland. The Dublin Airport Authority (DAA) recently reported that NI residents accounted for more than 570,000 air passenger journeys from Dublin Airport in 2013. This figure was an 11 per cent rise from 2012, and follows a rise of 15 per cent from 2011 to 2012.

Interestingly, Heathrow airport was the top airport destination for NI residents using Dublin Airport and the UK is the most popular country destination accounting for 20 per cent of overall NI passenger traffic.<sup>5</sup>

In contrast, NI airports have seen a small decrease (0.13 per cent) in passenger numbers during the same period, however passenger numbers remain 0.7 per cent higher than 2011.<sup>6</sup>

There are likely to be a number of factors that have influenced the increase in people from NI travelling to Dublin for flights. Better infrastructure has improved journey times to Dublin by road, making the airport more accessible. Public transport also provides fast, efficient

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<sup>5</sup> Dublin Airport Grows Northern Ireland Business By 11%,  
[https://www.dublinairport.com/gns/at-the-airport/latest-news/14-04-16/Dublin\\_Airport\\_Grows\\_Northern\\_Ireland\\_Business\\_By\\_11.aspx](https://www.dublinairport.com/gns/at-the-airport/latest-news/14-04-16/Dublin_Airport_Grows_Northern_Ireland_Business_By_11.aspx)

<sup>6</sup> CAA Passenger Statistics

routes directly to departures at Dublin Airport. Dublin Airport also offers flights to many destinations which airports in NI do not. Also, the Irish Government recently removed Air Travel Tax for air passengers travelling from the Republic of Ireland's (RoI) airports.

Decreased demand for air services from NI's airports could lead to a decline in the number of services and routes operated, reducing choice, convenience and competition for consumers living in NI. Moreover, an increase in the number of NI passengers travelling via RoI airports rather than NI will result in a loss of revenue for HM Treasury, NI airports and the region's economy.

### **Hub Connectivity**

As the Airport Commission report notes there has been lost or reduced services on some routes between London and UK regions. NI consumers benefit from good links to London provided by services operated to Gatwick, Stansted, Luton, Heathrow and most recently London City.

However, it is the region's Heathrow services that are of significant importance given they facilitate international connectivity for NI passengers. In 2013 almost 10 per cent of passenger traffic through NI airports was to or from Heathrow.<sup>7</sup> There are very limited interlining opportunities for NI passengers via other UK airports.

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<sup>7</sup> In 2013, 666,280 passengers travelled on Northern Ireland's Heathrow services.

The Consumer Council does not have a view regarding whether or not Heathrow should remain as the UK's focal/hub airport. Nonetheless, the Consumer Council believes it is essential that NI passengers retain access to the UK's hub airport in the future, wherever it may be situated, to ensure the region's passengers continue to be able to access international connections.

The Consumer Council believes that action needs to be taken to ensure slots are reserved for airlines operating regional services from areas where it is not practicable to access to Heathrow by road or rail.

Currently NI only has point-to-point services to European Hub airports. In order to increase consumer choice, the Consumer Council would welcome the development of additional services to European Hub airports.

## **Conclusion**

The consultation document states that the outcome of the process will be a recommendation to government to increase capacity at Gatwick, Heathrow or an Inner Estuary site. The Consumer Council does not have a view on which site capacity is increased at, given that the evidence clearly demonstrates NI's over reliance on air travel and its uniqueness of being the only region in the UK to share a land border with another EU country.

Therefore, the Consumer Council requests that any recommendation made by the Airports Commission recognises the unique position that NI consumers and airports face and ensures that secure and regular access to the UK's hub airport is maintained.

**If you wish to discuss any aspect of this response in more detail please do not hesitate to contact [REDACTED] or by email on [REDACTED]**





**The Consumer Council**

# ***Making the consumer voice heard and making it count***

Elizabeth House  
116 Holywood Road  
Belfast  
BT4 1NY

Telephone: 0800 121 6022  
Textphone: 028 9067 2488  
Fax: 028 9065 7701  
E-mail: [info@consumercouncil.org.uk](mailto:info@consumercouncil.org.uk)  
Website: [www.consumercouncil.org.uk](http://www.consumercouncil.org.uk)