



The Voice of UK Airlines

Speech

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Speech by Simon Buck, Chief Executive of the British Air Transport Association at a Reception hosted by Graham Brady MP and held in the Houses of Parliament on Wednesday 18th May 2011.

WELCOME ON BEHALF OF BATA TO MEMBERS OF BOTH HOUSES OF PARLIAMENT, BATA MEMBERS AND ASSOCIATES, ALL OF WHOM WE ARE DELIGHTED TO HAVE WITH US TODAY.

MY NAME IS SIMON BUCK, CHIEF EXECUTIVE OF THE BRITISH AIR TRANSPORT ASSOCIATION (OTHERWISE KNOWN AS BATA) AND IT IS A PLEASURE TO SEE YOU ALL TODAY. FIRSTLY, MAY I THANK YOU GRAHAM FOR VERY KINDLY HOSTING THIS RECEPTION FOR US TODAY.

I'D LIKE TO SAY JUST A FEW WORDS ABOUT BATA AND THE KEY ROLE THAT AVIATION PLAYS IN THE UK ECONOMY.

BATA IS THE TRADE BODY FOR UK-REGISTERED AIRLINES, WITH MEMBERS REPRESENTING ALL SECTORS OF THE INDUSTRY, SCHEDULED, CHARTER, LOW-COST, REGIONAL AND CARGO. BATA MEMBERS EMPLOY OVER 71,000 PEOPLE, OPERATE OVER FOUR-FIFTHS OF THE UK COMMERCIAL AIRCRAFT FLEET AND ARE RESPONSIBLE FOR SOME 96% OF UK AIRLINE OUTPUT, CARRYING 119 MILLION PASSENGERS AND 1 MILLION TONNES OF CARGO EACH YEAR.

AVIATION IS SOMETIMES REFERRED TO AS THE REAL WORLD WIDE WEB AND PLAYS A CRUCIAL ROLE PROVIDING INTERNATIONAL CONNECTIVITY FOR OUR ISLAND NATION. DOMESTIC AIR LINKS ALSO FULFIL AN ESSENTIAL ROLE FOR THE REMOTER PARTS OF THE UK REGIONS – IT'S IMPORTANT TO NOTE THAT ABOUT 85% OF THESE AIR ROUTES ARE OVER WATER AND COULD NOT REALISTICALLY BE SUBSTITUTED BY HIGH SPEED RAIL.

IN TERMS OF ECONOMIC IMPACT, AVIATION CONTRIBUTES OVER £50 BILLION A YEAR TO UK GDP AND SUPPORTS ALMOST A MILLION JOBS. AVIATION ALSO RAISES ALMOST £9 BILLION IN TAX AND DUTY EACH YEAR FOR THE GOVERNMENT. NOT BAD FOR AN INDUSTRY THAT SOME SAY IS UNDERTAXED.

BUT ENOUGH OF DRY STATISTICS. AIRPORTS PLAY A VITAL ROLE IN THE REGIONAL ECONOMIES OF THE UK SERVING AS A MAGNET FOR BUSINESS, PROVIDING REGIONAL CONNECTIONS BOTH NATIONALLY AND INTERNATIONALLY. NEARLY EVERYBODY IN THE UK HAS AT SOME TIME FLOWN BY PLANE AND THE VAST MAJORITY HOPE TO FLY AS OFTEN OR MORE FREQUENTLY IN FUTURE – BE THEY RESIDENTS OF WEST DORSET OR SHEFFIELD, NO

MATTER WHAT THE REPORTED VIEW OF SOME POLITICIANS MAY BE! VISITS BY BRITISH CITIZENS OVERSEAS NOT ONLY ENRICH OUR OWN LIVES BUT HELP PROVIDE MUCH NEEDED REVENUE FOR MANY DEVELOPING COUNTRIES WHO RELY ON TOURISM AS THE MAIN PART OF THEIR ECONOMY.

EVEN WITHIN THE UK, THE PRIME MINISTER HAS IDENTIFIED TOURISM AS THE THIRD HIGHEST EXPORT EARNER BEHIND CHEMICALS AND FINANCIAL SERVICES, PLAYING A VITAL ROLE IN REBALANCING OUR ECONOMY. INDEED, ABOUT THREE OUT OF FOUR OVERSEAS VISITORS COME TO THE UK BY AIR. HOWEVER, THE TAX TAKE ON FLYING, KNOWN AS AIR PASSENGER DUTY, HAS SOARED BY 16% IN THE LAST YEAR AND MORE THAN DOUBLED IN THE LAST FIVE YEARS. AT THE SAME TIME, AIR PASSENGER NUMBERS HAVE NOW DIPPED TO THEIR LOWEST LEVEL FOR SEVEN YEARS. WHILE THE RECENT DECISION BY THE CHANCELLOR NOT TO INCREASE THE TAX THIS YEAR IS TO BE WELCOMED, HIS ANNOUNCEMENT THAT THE TAX WILL RISE BY TWICE THE RATE OF INFLATION NEXT YEAR WILL DO NOTHING TO MAKE THE UK A MORE AFFORDABLE PLACE TO VISIT OR BOOST OUR FALTERING TOURIST NUMBERS. APD ALREADY RAISES MORE THAN THE TAX ON THE BANKS KNOWN AS THE BANK LEVY AND WILL COST AIR TRAVELLERS OVER £15 BILLION THE NEXT FIVE YEARS. WE URGE HIM TO LISTEN TO THE FAIR TAX ON FLYING CAMPAIGN, IN WHICH BATA PLAYS A KEY PART, AND RECONSIDER THIS DECISION - ESPECIALLY IN THE LIGHT OF AVIATION ENTERING THE EU EMISSIONS TRADING SCHEME FROM 1st JANUARY NEXT YEAR. ETS WILL OFFER A FAR SMARTER WAY OF ADDRESSING AVIATION'S ENVIRONMENTAL IMPACT THAN A BLUNT TAX THAT SIMPLY MAKES THE UK UNCOMPETITIVE AND INCREASINGLY UNAFFORDABLE BOTH FOR BUSINESS AND TOURISM ALIKE.

WE WOULD, IN FACT, GO FURTHER AND URGE THE CHANCELLOR TO FOLLOW THE EXAMPLE SET BY THE NEW IRISH COALITION GOVERNMENT THAT HAS RECENTLY ANNOUNCED IT WILL BE SCRAPPING ITS TAX ON FLYING AND INSTEAD CHALLENGING ITS AIRLINES TO INCREASE TOURIST NUMBERS THUS BOOSTING THE IRISH ECONOMY. MR OSBORNE, BRITISH AIRLINES AND THE ENTIRE BRITISH TOURISM INDUSTRY WOULD WELCOME A SIMILAR FISCAL INITIATIVE AND CHALLENGE!

OVER THE LAST FEW YEARS, BATA HAS BEEN PLAYING A SIGNIFICANT ROLE IN THE SUSTAINABLE AVIATION INITIATIVE. THIS INITIATIVE IS UNIQUE IN THE UK TRANSPORT SECTOR IN REPRESENTING A PROACTIVE COALITION OF AIRLINES, AIRPORTS, ENGINE AND AIRFRAME MANUFACTURERS AND AIR TRAFFIC MANAGEMENT PROVIDERS TO ADDRESS AVIATION SUSTAINABILITY ISSUES. GREAT STRIDES HAVE BEEN MADE IN RECENT YEARS IN IMPROVING THE ENVIRONMENTAL PERFORMANCE OF AIRCRAFT BUT WE ARE COMMITTED TO WORKING TOGETHER FURTHER TO IMPROVE AVIATION'S ENVIRONMENTAL PERFORMANCE AND ENSURE SUSTAINABLE GROWTH. WE RECENTLY PUBLISHED OUR LATEST PROGRESS REPORT AND COPIES OF THE TWO PAGE EXECUTIVE SUMMARY ARE AVIALBLE FOR YOU TO TAKE AWAY.

A SUSTAINABLE AVIATION POLICY IS ESSENTIAL FOR OUR FUTURE ABILITY TO COMPETE IN THE WORLD ECONOMY AND ATTRACT NEW BUSINESS TO THE UK. THE GOVERNMENT HAS PUBLISHED A SCOPING DOCUMENT AS THE FIRST STEP IN DEVELOPING ITS AVIATION POLICY FRAMEWORK. WE WILL BE RESPONDING ROBUSTLY AND I URGE ALL WHO CARE ABOUT OUR FUTURE AS A SUCCESSFUL TRADING NATION, WITH THE CAPACITY TO COMPETE ON A GLOBAL LEVEL, TO RESPOND POSITIVELY. WE HAVE A CHRONIC SHORTAGE OF RUNWAY CAPACITY IN THE SOUTH-EAST OF ENGLAND AND IT IS NOT A VIABLE OR PRACTICAL SOLUTION TO SEEK TO DISPERSE THIS TRAFFIC ELSEWHERE IN THE UK WHEN THE VAST MAJORITY OF PEOPLE USING LONDON'S AIRPORTS DO SO EITHER BECAUSE THEY LIVE IN LONDON OR THE SOUTH-EAST OR ARE VISITING LONDON. IN FACT MAKING THESE PEOPLE TRAVEL FURTHER TO REACH AN ALTERNATIVE AIRPORT OUTSIDE LONDON COULD OF COURSE INCREASE EMISSIONS WHICH IS NONSENSICAL.

IT IS VITAL THAT NOT ONLY THE VOICE OF THE AVIATION INDUSTRY IS HEARD WHEN RESPONDING TO THE GOVERNMENT'S CONSULTATION DOCUMENT, BUT THAT OTHER VOICES FROM INFLUENTIAL THIRD PARTY ADVOCATES ARE ALSO HEARD. TO THAT END, I AM VERY PLEASED THAT DAVID FROST CBE, DIRECTOR GENERAL OF THE BRITISH CHAMBERS OF COMMERCE IS WITH US TODAY AND WILL SAY A FEW WORDS.

BUT JUST BEFORE I HAND OVER TO DAVID, MAY I REMIND OUR PARLIAMENTARY GUESTS THAT WE WILL SHORTLY BE MAKING A CHARITY PRIZE DRAW FOR TWO RETURN TICKETS TO NEW YORK, KINDLY DONATED BY VIRGIN ATLANTIC AIRWAYS, TO DONATE TO A CHILDREN'S OR YOUNG PERSON'S CHARITY IN YOUR CONSTITUENCY OR LOCALITY, SO PLEASE DO STAY WITH US FOR THAT AND ENJOY A GLASS OF WINE AND SOME LUNCH. I AM PLEASED THAT REPRESENTATIVES OF BATA MEMBER AIRLINES AND BATA ASSOCIATE MEMBERS ARE HERE TODAY TO TALK TO YOU ABOUT ANY ISSUES OR MATTERS YOU WOULD LIKE TO DISCUSS WITH THEM, SO PLEASE MAKE SURE THEY ARE GAINFULLY EMPLOYED.

Notes to Editors

- BATA is the trade body for UK-registered airlines, with members representing all sectors of the industry.
- In 2010, BATA members employed over 71,000 people, operated four-fifths of the UK commercial aircraft fleet and were responsible for some 96% of UK airline output, carrying 119 million passengers and 1 million tonnes of cargo.
- The eleven BATA member airlines are: Air Southwest, bmi, British Airways, DHL, easyJet, flybe, Jet2.com, Monarch, Thomas Cook, Thomson Airways and Virgin Atlantic.

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