

Aviation - an essential ingredient

Roger Wiltshire, Secretary General, British Air Transport Association

2009 was bookended by two significant events for the UK aviation industry...

IN MID JANUARY 2009, the Government approved plans for a Third Runway at Heathrow. The Secretary of State for Transport at the time, Geoff Hoon, made very clear that it was being given the green light subject to meeting strict environmental limits.

At the end of the year, just before the Copenhagen Climate Change Conference, the UK's Committee on Climate Change published its report on options for reducing emissions from UK aviation.

During the rest of the year, the industry continued to deal with the real and difficult challenges posed by the global recession. The imposition by government of ever greater financial and regulatory burdens on the industry, especially in the UK, also continues. Taxation on air travel, in the form of Air Passenger Duty (APD), was dramatically increased in recent years - with a doubling of rates in 2007 and a further hike and restructuring of the tax in November 2009. A further large increase is planned for November 2010. The result is that passengers will have seen the tax they pay to the UK Government for simply flying out of a UK airport rise by up to 325 percent in less than four years. As we approach 2012, when aviation will be included in the EU Emissions Trading Scheme, it is more apparent than ever that a unilateral national tax like APD acts as a barrier to trade and travel, threatening jobs and investment.

As demand grows for greater control of national borders, perversely at a time of greater globalisation and mass movement, governments are introducing ever more complex and numerous data gathering systems in order to monitor those leaving and entering through their airports. Security requirements are also ever changing with new regimes and technology being introduced with minimal consultation with the industry. There are also frequent developments relating to consumer rights, often emanating from Europe, which all have an impact on airlines.

All these burdens are collectively adding to the weight threatening to hold down the industry as it attempts to recover from the recession.



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Whatever the result of the forthcoming General Election, High Speed Rail will continue to be a high profile policy issue. Indeed, we believe it should play its part in the modern, efficient and integrated transport infrastructure that the UK desperately needs. It is simplistic to pretend however that it can be anything more than a complementary mode of travel to air transport on many domestic and short haul routes.

Aviation is essential for our island trading economy not only because of its direct effects on jobs and GDP, but also because of the role it plays in supporting the wider economy through the provision of access to goods and markets. As the economy recovers from the recession, this role will be crucial in stimulating the development of businesses in new and exciting sectors throughout the UK.

The Department for Transport forecasts that by 2030 passenger numbers at UK airports will rise to 424 million. To gain the full economic and social benefit of this rise in demand, access to aviation will need to grow through both the best use of existing airport infrastructure and the development of new terminals and runways at our airports. We also need to increase our capacity in the air through developments in the way we manage airspace.

Demand management measures such as increased taxation or the artificial use of planning restrictions are potentially distortive and economically inefficient as well as a threat to people's freedom to fly. International cap and trade mechanisms and technological improvements offer a superior and sustainable alternative.

The Airbus A380 and Boeing 787 are current examples of the industry's continued progress on fuel and emissions efficiency. 2009 was also the year when a sustainable drop-in alternative to traditional kerosene was proved to be technically feasible, promising an eventual end to our dependence on fossil fuel.

BATA believes that aviation is good for society and the economy and that sustainable growth can be achieved within environmental limitations, a position supported by the Committee on Climate Change in its report published in December 2009. This growth will provide further benefits to the UK economy through increased productivity and competitiveness, creating jobs and wealth which can enhance our quality of life.

