



The Voice of UK Airlines

Speech

Date of Issue: 18th October 2011
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Speech by Simon Buck, Chief Executive of the British Air Transport Association at a Reception hosted by Brian Donohoe MP and held in the Houses of Parliament on Tuesday 18th October 2011.

THANK YOU BRIAN AND MAY I ADD MY WELCOME ON BEHALF OF BATA TO MEMBERS OF BOTH HOUSES OF PARLIAMENT, BATA MEMBERS AND ASSOCIATES AND OUR OTHER GUESTS, ALL OF WHOM WE ARE VERY PLEASED 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 BRIAN FOR VERY KINDLY HOSTING THIS RECEPTION FOR US TODAY AND FOR YOUR OPENING WORDS.

SECONDLY, I'M DELIGHTED THAT ANDREW STRONG, MANAGING DIRECTOR OF FLYBE UK IS HERE WITH US TODAY. ANDREW IS HERE IN PLACE OF OUR ADVERTISED SPEAKER JIM FRENCH WHO, REGRETTABLY, CANNOT JOIN US TODAY. I AM ALSO DELIGHTED TO WELCOME JAMES RAMSBOTHAM, CHIEF EXECUTIVE OF THE NORTH-EAST CHAMBER OF COMMERCE. BOTH ANDREW AND JAMES WILL BE SPEAKING TO YOU IN A MOMENT OR TWO.

BUT BEFORE THAT, I'D LIKE TO SAY JUST A FEW WORDS ABOUT BATA AND ABOUT THE THEME OF TODAY'S RECEPTION – THE IMPORTANCE OF AVIATION TO THE NATIONS AND REGIONS OF THE UK 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 DIRECTLY 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 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 EITHER OVER WATER OR SIMPLY ECONOMICALLY UNVIALE FOR SUBSTITUTION BY HIGH SPEED RAIL.

AIRPORTS PLAY A VITAL ROLE IN EVERY REGION OF THE UK SERVING AS A MAGNET FOR BUSINESS, PROVIDING REGIONAL CONNECTIONS BOTH NATIONALLY AND INTERNATIONALLY. IT IS GOOD THAT THIS IS RECOGNISED BY MANY SENIOR POLITICIANS FROM BOTH COALITION PARTIES AND IN OPPOSITION, MANY OF WHOM ACTIVELY CAMPAIGN TO RETAIN AIR LINKS TO LONDON. BUT PERHAPS CRUCIALLY AT A TIME WHEN THE UK IS SUFFERING THE HIGHEST LEVELS OF UNEMPLOYMENT FOR 17 YEARS, AVIATION SUPPORTS NEARLY ONE MILLION JOBS IN TOURISM, ENGINEERING AND SUPPLIER INDUSTRIES SPREAD ACROSS THE UK NATIONS AND REGIONS.

TOURISM IS OF COURSE ONE OF THE LEADING INDUSTRIES IN THE WORLD. MANY COUNTRIES BOTH WITHIN AND BEYOND THE EU RELY HEAVILY ON TOURISM REVENUES – INDEED IT IS THE KEY INDUSTRY IN MANY DEVELOPING COUNTRIES AND UK RESIDENTS HOLIDAYING OVERSEAS HELP SUPPORT NOT ONLY UK JOBS WITHIN THE UK OUTBOUND TRAVEL INDUSTRY BUT ALSO THE LIVELIHOOD OF MANY MILLIONS OF PEOPLE IN DEVELOPING COUNTRIES EVERY YEAR. IN FACT TOURISM IS THE UK'S THIRD HIGHEST EXPORT EARNER AND WILL PLAY A VITAL ROLE IN REBALANCING OUR ECONOMY. ABOUT THREE OUT OF FOUR OVERSEAS VISITORS COME TO THE UK BY AIR – FOR MANY, OF COURSE, IT'S THE ONLY PRACTICAL WAY OF GETTING TO OUR ISLAND NATION OFF THE NORTH COAST OF THE EUROPEAN CONTINENT. EQUALLY AVIATION FULFILS AN ESSENTIAL ROLE FOR CONNECTIVITY WITH FAMILY AND FRIENDS FOR MANY BRITISH RESIDENTS NOT BORN IN THE UK. HOWEVER, THE TAX ON FLYING, KNOWN AS AIR PASSENGER DUTY, HAS MORE THAN DOUBLED IN THE LAST FIVE YEARS. OVER THE SAME TIME, THE TOTAL NUMBER OF VISITORS TO BRITAIN HAS FALLEN BY 2 MILLION AND OUR EUROPEAN COMPETITORS ARE NOW GROWING THEIR TOURIST NUMBERS AT OUR EXPENSE.

WE ALL RECOGNISE THE IMPORTANCE OF REDUCING THE PUBLIC DEBT AND THAT WE MUST ALL PLAY OUR PART IN THAT, BUT MANY IN THE UK TOURISM INDUSTRY HAVE FIRM EVIDENCE THAT THE BRITISH ECONOMY WOULD BE BETTER SERVED BY THE CHANCELLOR TAKING POSITIVE STEPS TO REDUCE APD TO BOOST TOURIST NUMBERS. RESEARCH BY THE TOURISM ALLIANCE SUGGESTS THAT APD SUPPRESSES THE UK'S TOURISM EARNINGS BY APPROXIMATELY 6% - THIS REPRESENTS OVER £1 BILLION PER ANNUM. MORE IMPORTANTLY PERHAPS, AT THE CURRENT TIME, THIS LOSS OF REVENUE COSTS THE UK 25,000 JOBS.

I'M PLEASED THE CHANCELLOR HAS RECOGNISED THE DAMAGE THAT APD IS DOING TO TOURISM IN NORTHERN IRELAND AND HAS REDUCED THE LEVEL OF APD TAX ON LONG HAUL FLIGHTS THERE. BUT THERE ARE MANY OTHER AREAS OF THE UK THAT ARE SUFFERING SIMILARLY AND THE MESSAGE IS SIMPLE. THE TAX IS COUNTER PRODUCTIVE AND DAMAGING TO BRITAIN'S INTERNATIONAL COMPETITIVENESS.

THE CHANCELLOR'S ANNOUNCEMENT EARLIER THIS YEAR 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 THEREFORE URGE THE CHANCELLOR TO FOLLOW THE EXAMPLE SET BY THE GERMAN GOVERNMENT THAT HAS RECENTLY ANNOUNCED IT WILL BE REDUCING ITS AIR TICKET TAX, ALREADY MUCH LOWER THAN THE UK APD, TO COMPENSATE FOR THE ADDITIONAL COSTS AIRLINES WILL EXPERIENCE WITH THE ACCESSION OF AVIATION TO THE EU ETS.

TODAY, ON BEHALF OF THE FAIR TAX ON FLYING CAMPAIGN, I INVITE PARLIAMENTARIANS TO SIGN A LETTER TO THE CHANCELLOR CALLING FOR NEXT YEAR'S PLANNED DOUBLE INFLATION INCREASES IN APD TO BE ABANDONED IN ORDER TO AVOID SERIOUSLY DAMAGING BRITAIN'S TOURISM INDUSTRY IN THE LONG TERM AND PRISING ORDINARY, WORKING FAMILIES OUT OF AN ANNUAL SUNSHINE HOLIDAY. A COPY OF THE LETTER IS BY THE DOOR WITH MY COLLEAGUE JOSETTE.

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 FEEL FREE TO PUT THEM ON THE SPOT!

ENDS

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 ten BATA member airlines are: bmi, British Airways, DHL, easyJet, flybe, Jet2.com, Monarch, Thomas Cook, Thomson Airways and Virgin Atlantic.

BATA Contacts

BATA Office: 0207 222 9494/Simon Buck: 07584 016 925/Neal Weston: 07855 736 487