



Government Policy on Aviation

The Aviation White Paper. The Government published the Aviation White Paper on 16th December 2003. It set out the Government's Aviation Policy for the next 30 years. It aims to cater for an almost doubling of passengers by 2020 and a near trebling by 2030. The Government argues that the economy will benefit from this sort of expansion. It also argues that, if people want to fly, they should be enabled to do so.

Where would the proposed expansion take place?

2nd runway at Stansted to be opened by 2011/12 (this has now slipped by at least couple of years)
3rd runway at Heathrow to be opened 2015/20, but only if air pollution problems can be sorted out
2nd runway at Gatwick, not before 2019, if Heathrow cannot be sorted out
Luton - full use of full-length runway, based broadly on the current alignment
Extension of existing runway at Birmingham
New runway at Edinburgh, possibly around 2020
Land to be safeguarded for possible 2nd runway at Glasgow
Possible new terminal at Manchester
Possible runway extensions at Bristol and Leeds/Bradford, Liverpool, Bristol and Newcastle
Plus "full use" of existing runways at virtually every airport in the UK
Coastal and off-shore airports ruled out

But little of this expansion is definite. The Government is dependent upon an airport operator coming up with plans for new runways (and paying for them). The disagreements within government on the level of expansion are expected to continue. And the nationwide protests against airport expansion show no sign of going away.

The Progress Report updated the White Paper. The Progress Report updated the White Paper. The Government's 'Progress Report' on the White Paper was published in December 2006. It essentially endorsed the principals and policies laid out in the White Paper.

Is there an alternative to this level of expansion? Many argue that there is. The growth of aviation in the UK is being artificially created by the **tax concessions** the aviation industry enjoys. These amount to around £9 billion a year (through tax-free fuel and VAT-free transactions). If aviation fuel was taxed at the same rate as petrol for cars and the VAT exemption was withdrawn, passenger demand would fall so that, while there would be some growth, there would be no need for any more runways over the next 30 years. People also point out that the White Paper paid very little attention to the potential of **high-speed rail** as an alternative to short-haul flights. 45% of the air trips made in Europe are 500 kms or less in length. Many of these could be transferred to high-speed rail, as the Germans, the French and the Spanish are doing. Many businesses are also making increasing use of sophisticated video-conferencing facilities.

Wouldn't limiting expansion harm the economy? This is unlikely as only 24% of air trips are on business. The big explosion in predicted air travel of the next 30 years is in leisure flights. Aviation is less important to the economy than is often thought. The airline sector of aviation only accounts for 0.8% of UK Gross Domestic Output, with airports contributing a further 0.13%. The insurance and computing sectors of the economy are double the size of air transport, while banking and finance are ten times as large.

Wouldn't limiting expansion stop poor people flying? The poorest 10% fly hardly at all (because of the overall cost of the holiday). Some people who can about afford to fly on holiday once every two years might have to reduce the number of times they do it. But the main 'losers' would be the top 10% of income earners. It is this group, taking regular weekend breaks abroad, which account for most of the predicted growth over the next 30 years.

Doesn't the Government claim its policy is 'sustainable'? It does. It has got the support of the UK aviation industry to take part in any European emissions-trading system that comes on-stream shortly. (Emissions trading is where a company buys the right to pollute by buying emissions from another company). The Government also wants to make sure the aviation industry pays for the social and environmental problems it causes. But, so far, no scheme to make that happen has been put in place. The Government is not keen on imposing other taxes. Many argue it uses the term 'sustainable' to mask an expansionist aviation policy.