

## Aviation, the Economy and Jobs

The aviation industry, the Government and many local authorities justify expansion both nationally and locally on the basis of it being good for the economy and for jobs.

In reality, the situation is much more complex than that.

### Some key statistics:

- **There is an annual deficit in aviation tourism of around £17 billion a year.**
- There is a deficit in every region of the country except London (where there is a small surplus of around £½ billion).
- A recent report published by Airport Scotland found that, because of this aviation tourism deficit, Glasgow Airport is currently *losing* the Scottish economy £1.3 billion a year.
- The rise in the aviation tourism deficit almost exactly parallels the rise in budget flights.
- Business trips account for only around 25% of all trips at most airports (only Heathrow is a lot higher at 38%).
- The proportion of business trips is not expected to rise.

**This means that all airports, except Heathrow, are taking more money out of the region and the country as a whole than they are bringing in.**

■ **The tourist deficit is also costing jobs.** Brendon Sewill in his latest publication – [\*Airport Jobs: false hopes and cruel hoax\*](#) – estimates that around 900,000 jobs across the country as a whole are lost because of the deficit.

- He says that, because most of the predicted expansion is to cater for low-cost leisure flights, the Government's policy of doubling the amount of air travel is likely to lead to a net loss of a further 860,000 UK jobs by 2030

■ **The economy of a region is also much less dependent on an airport than the aviation industry would lead us to believe.** The European Cities Monitor in 2007 asked 200 UK firms what were the most important factors in their choice of location. They found:

- |                                      |       |
|--------------------------------------|-------|
| • Ease of recruiting qualified staff | 23%   |
| • East access to markets, clients    | 21.5% |
| • Value of money for office space    | 20.5% |
| • Cost of staff                      | 16%   |
| • Transport links with other cities  | 15.5% |
| • Availability of office space       | 15.5% |
| • Quality of life for employees      | 11%   |
| • Transport links internally         | 11%   |

***“The relationship between high growth sectors in the region and air travel appears to be weak.”*** South West Regional Development Agency study

***“Transport is a factor in business location decisions but is neither the only, nor the most important factor.”*** Napier University Study

■ **And, because of the tax-breaks received by the aviation industry, aviation jobs come at a price:**

- Aviation pays no fuel tax and no VAT.
- Tax-breaks amount to around £9 billion a year

That means that the tax subsidy per job in the aviation industry is £50,000 a year; or £1,000 a week; or nearly £30 an hour

■ **Airports, when they expand create fewer jobs than they used to because of the increased reliance on technology,** particularly since the advent of low-cost airlines. As airports become low-cost airports replacing staff with technology the number of jobs will fall even further.

- The old rule of thumb was 1 million passengers required 1,000 direct airport and airline employees no longer applies. Between 1998 and 2004, when the passengers using UK airports rose by 30%, direct jobs at airports only went up by 3%. And in Frankfurt, flight movements rose by 78% between 1978 and 1996, but jobs only by 0.6%. Little wonder, that the 110% predicted increase in passengers at UK airports is expected only to produce a 21% increase in direct jobs.
- Neither the Department for Transport nor the individual airports seem to have any real idea of how many jobs will be created in the future. Manchester claimed a new runway would bring 50,000 new jobs. *Actual* increase: 4,000 direct; 6,400 indirect and induced jobs.

**There is a real opportunity for us as campaigners not just to challenge the alleged economic benefits of airport expansion and the number of jobs it will create but also to point to the fact that investment in other industries could bring equal economic benefits and create more jobs at less cost to the taxpayer. And that these jobs could be more sustainable.**