
SOUTH EAST LOCAL ENTERPRISE PARTNERSHIP AVIATION CONNECTIVITY AND THE ECONOMY

General

- Local Enterprise Partnerships have a responsibility to ensure we accurately interpret the voice of business, prioritise those issues with the greatest impact, and work to facilitate an environment which supports jobs and growth.
- The South East LEP recognises the importance of the link between airports and the continued prosperity and further potential for growth in the South East and the UK more broadly. We are home to Stansted, Southend, Manston, and Lydd airports, and encompass much of the natural economic area of Gatwick airport.
- The South East LEP recognised early in its development the value of these airports, their economic contribution, and the implications that decisions on the future of aviation would have. We have prepared some perspectives of the local business community on the issues relevant to connectivity and the economy of the South East.
- The most important factors for today's UK business travellers are: comfort/service and airport convenience – above cost.

To which destinations are aviation connections most important and why?

- The UK is well connected to Europe and the USA. In order to support growth of the economy, connectivity needs to be directly linked with the global economies that have most potential to grow and are emerging markets.
- This growth of new markets must not be at the expense of existing connectivity, established trade routes needs to be maintained and strengthened.
- Key cities within countries and other international hubs should be the focus for growth in capacity and additional routes.

What is the impact of providing indirect flights rather than direct ones on connectivity of the consumer and freight?

From a business perspective:

- Direct flights are vital for short haul destinations.
- For long haul flights they are preferred but if the journey is convenient this would not be essential.
- It is recognised that indirect flights drive demand for a location and are often a precursor to direct flights being introduced.
- An indirect flight through a convenient airport with a smooth process, no queues, congestion and easy connectivity to the final destination would be preferred than a direct flight through an overused, busy and poorly serviced hub.

- If an indirect flight added significant time this would be unacceptable but an addition of a few hours on a long haul flight would be tolerable.

Business/economy perspective:

- Multi-national companies are less likely to set up a location or do business if accessibility is poor and there is a lack of direct flights to core markets.
- If the South East wishes to attract inward investment from the emerging markets it must exploit any opportunity, positioning itself competitively to be able to take advantage of connectivity with key cities in emerging economies.
- The overwhelming majority of business leaders believe face-to-face meetings are essential. Despite developments in technology, meeting clients and business partners directly is very important to business.

Freight:

- Direct flights and speed of transition are essential for supply chains and international deliveries.
- Reliability over journey time is the most important factor for business freight travel; however speed and cost are important considerations.
- Access to commodities in the long term has an impact on the in market value, it is important therefore to ensure provision of effective freight routes in future capacity, capacity increases should not focus solely on passenger demands.
- There are opportunities for regional airports in the South East to benefit from increased freight flights. Stansted is a recognised and award winning leader in freight and Manston has significant capacity.
- Freight decisions are directly linked with the time it takes to handle on arrival and the onward connection an airport has to the final destination. The strategic road network is integral to the development of the air freight industry in the South East.

How should connectivity for leisure passengers be valued?

- Consideration of jobs created directly and indirectly and the wider local economies which develop around airports.
- The Tourism industry has wider benefits beyond the airport economies and benefits of inbound tourism needs to be considered along with domestic consumer spend in preparation for outbound travel.
- In some areas the critical mass is required to make a route viable. Business trips may not be able to sustain direct flights without leisure demand.
- A large proportion of freight is carried on passenger aircraft – these routes contribute to options for businesses to use.

How does providing flights at the right time of day and day of week impact connectivity? Which consumers are impacted most? What about freight?

Business perspective:

- Time and day is essential in determining the value of connectivity – as defined by the commission it is ease of with which a destination can be reached.
- Businesses do not wish to ‘waste’ time when travelling so poor connections or not being able to make a trip at the right time is essential.
- Business passengers are likely to choose flights at peak times, this impacts on the overall experience of using a facility when running close to capacity.

- Connections with other modes of transport upon arrival, for and easy transition to final destination is essential.
- Business travellers also value a simple booking process and ensuring flights are easily connected would impact on this.
- Business travellers often make short trips and would choose flight times that would cause the least disruption. They are not likely to choose 'odd-timed' flights as will cause disruption to working day or sleep patterns and limit the productivity of a trip.

Freight perspective:

- Supply chains rely heavily on the timings of flights and connections.
- Flexibility of 24 hour arrivals and departures would benefit freight routes as they are not restricted by the 'human element' in choosing flight timings
- Freight only flights can use smaller regional airports whose business model may focus on the air-freight market.

What is the impact of airport congestion on consumer connectivity? Should reliability be taken into account?

- These are two elements which are important from a business traveller perspective.
- Delays are caused by capacity issues and cost airlines and business traveller's money.
- Reliability directly impacts the true connectivity of a location.
- These issues are important on short haul flights especially where contingency time is limited and delays can make a trip unproductive. Businesses would plan and make more allowances for long haul routes.

What is the impact of ticket cost to the consumer? How price sensitive are business and leisure travellers?

How can this be captured in measuring of connectivity?

- The general consensus is that cost has a greater impact on Leisure than business travel, as businesses travel for a specific purpose and to particular destinations. This is less true for small businesses than large businesses.
 - Large and medium businesses often have travel management companies who can negotiate and access alternative fares to direct passengers. This is not the case for small businesses so they will be more sensitive to cost. In addition, SMEs and business owners may act more like Leisure travellers in choosing a route as they are more connected with the bottom line profits and finances of the company.
-

