

POLICY SUBMISSION

AIRPORTS COMMISSION AIRPORT OPERATIONAL MODELS

July 2013

SCDI is an independent and inclusive economic development network which seeks to influence and inspire government and key stakeholders with our ambitious vision to create shared sustainable economic prosperity for Scotland.

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Airport Operational Models

1. SCDI is an independent membership network that strengthens Scotland's competitiveness by influencing Government policies to encourage sustainable economic prosperity. SCDI's membership includes businesses, trades unions, local authorities, educational institutions, the voluntary sector and faith groups.
2. In preparing its response to the UK Government's Sustainable Aviation Framework consultation, SCDI undertook a detailed survey of its broad membership around Scotland to inform its submission and generate case studies. SCDI was also commissioned in parallel by Glasgow City Marketing Bureau to undertake a specific survey of 50 leading businesses in key sectors in West Central Scotland on business views, perceptions, requirements and impact of air links from Scotland. Their responses and SCDI's analysis provided further specific information. Overall, evidence from 100 businesses was incorporated. Case studies illustrating key points are attached as Annex A to this submission.
3. Following the sale by flybe of their arrival and departure slots at Gatwick to easyjet, SCDI recently undertook research on air connectivity between Inverness and London. Responses were received from nearly 300 businesses and organisations. The research report is attached as Annex B to this submission.
4. The need for additional airport capacity in South East England is well-established. The substantial economic benefits of a focal airport in the UK are also clear, as is the value that businesses around the UK place on good access to it. SCDI urges the Airports Commission as quickly as possible to develop and secure political agreement for action on a long-term solution, which provides the certainty businesses need to make the necessary infrastructure investments.

The Economic Benefits of a Focal Airport

5. Both focal and point-to-point airports are important. The focal airport model is economically and environmentally the most efficient model for the aviation industry, as it allows for the consolidation of routes, the optimisation of airline operations, and increases load factors so that planes are fuller and produce less carbon per passenger. Point-to-point has convenience and time saving opportunities, but does require sufficient patronage to be a viable proposition for an operator. Therefore, if this demand does not exist, a focal airport which is able to capture the additional traffic from point-to-point regional airports is required.
6. A focal airport is a key competitive advantage for countries which wants to remain or be a centre of commerce, business and tourism in the global economy. It places the UK at the centre of one of the world's largest international aviation route networks, enabling UK companies to win business in overseas markets as opportunities grow and diversify, and attracting inward investment and tourism. Most countries would highly-prize and aspire to a national asset such as the UK has in its focal airport and could not comprehend a decision not to maintain one.

7. Without expansion Heathrow does not have a viable future as a long term focal airport. In contrast to major European competitors, Heathrow now serves fewer routes than it did five years ago, with fewer links to markets like China and Brazil.
8. As the consultation paper states, future trends in the aviation industry are hard to predict. It seems likely that the UK's capacity to host a focal airport could under some pressure through competition from Gulf and other European hubs, the introduction of new aircraft for longer distance point-to-point traffic, and the relative decline of developed economies when compared to emerging markets. In these challenging circumstances, the Commission must be cautious about proposing untested or unproven models for the UK rather than those which are established as meeting the operational needs of the global aviation industry.
9. SCDI has not found support among Scottish businesses for the suggestion that an airport in northern England area could be developed as a second focal airport.

The Economic Need for Regional Access to the UK Focal Airport

10. Global connectivity is essential to growing businesses around the UK. Focal airports dominate international air travel and Heathrow is the UK's only one. The competitiveness of Heathrow as a focal airport and the ability of regional centres to access it, by air for Scotland, are essential to the UK economy and interlinked. Heathrow is a strategic asset for the UK as a whole and not only the South East.
11. Research by the CAA demonstrates that over 40% of international and 70% of long haul passengers from Scotland reaching their final destination indirectly. Over 30% of all long haul passengers hub via Heathrow, while, of those international passengers travelling, around 40% indirectly hub via Heathrow.
12. In recent years, there has been the withdrawal of regional services such as those from Inverness and BMI Glasgow to Heathrow as airlines utilise slots for more lucrative, long-haul routes. UK Government decisions and indecision on allowing additional capacity to be provided at Heathrow have accelerated this trend.
13. The UK Government acknowledges transport's role in rebalancing the economy, with more balanced growth between London and the South East and the regions. With London at least four hours travel by land based transport, air travel is particularly important for Scotland to access London and the UK's focal airport. For northern Scotland, surface journey times to London are nearly double and, even if high-speed rail is eventually developed to Central Scotland, they will remain uncompetitive over this distance. Aviation policy should seek to improve connectivity for more peripheral areas – especially regional economic centres with significant international travel needs - for their businesses to succeed in the global economy, including ensuring access to London and the UK's focal airport. A priority should be to ensure that key regional economic centres with surface journeys of over three and a half hours have air access to the UK's focal airport.

14. Access to Gatwick is particularly important for key regional centres, such as Inverness, which have in recent years lost their direct service with Heathrow.
15. Public transport connections between London's airports are poor and very few passengers at the main airports connect between flights at different airports. Connections between some of London airports and central London are also substandard. Better connectivity would be between them and with central London would be welcome and improve connectivity for passengers, but could not be delivered in the short-term nor be a long-term solution to capacity pressures.
16. Decisions and indecision over many years by the UK Government on additional capacity at Heathrow have prevented the market responding to the demand for more slots. It should intervene, within EU competition law, to mitigate the regional economic damage this may cause. SCDI believes the Commission should recommend the prioritisation of slot allocation for a relatively small number of flights at the UK's focal airport Heathrow and (where necessary) Gatwick to protect domestic and international connectivity for the Scottish economy.

Disbenefits of Alternative Hubs

17. For passengers and freight, the location of the focal airport is usually less important than the choice of destination and carrier, the overall journey time and the costs. A small majority of the Scottish businesses surveyed (51%) prefer to use Heathrow rather than overseas focal airports. Some of the perceived disadvantages of the latter are included in this section and in the case studies in Annex A. For journeys to the West from the UK, travelling via Heathrow rather than a European hub reduces the total flying time and emissions. Heathrow also provides a wider range of choice of carriers and destinations than comparable European hubs, particularly to the U2SA and British Commonwealth countries. If UK regions have to access international route networks through a European hub rather than through Heathrow, they have reduced connectivity to these countries.
18. Many businesses in Scotland have headquarters in London which can make it preferable to have the opportunity to combine a visit to it with international travel.
19. Any policy decision not to maintain a UK focal airport, with the result that the UK becomes a spoke for international aviation routes, would reduce the number of direct connections for the UK, increase the costs of flying for businesses which have to fly via European hubs and reduce their productivity and competitiveness, and make the UK less accessible to potential international visitors. The UK's leading position in Europe in attracting inward investment would be compromised and Scottish businesses which are very dependant on global connectivity rather than other factors would be more likely to relocate to near a European hub.
20. There is a risk in believing that European hubs will always provide easy access to desired destinations for people and goods. This may turn out to be rather short-sighted if, in time, access to these hubs becomes more constrained as capacity is taken up by forecast increases in global aviation. It is incumbent on

the UK Government to ensure global connectivity for UK regions. It can influence capacity within the UK for this purpose, but it is unable to do so elsewhere.

21. In its Aviation Framework, the Government makes the mistake of suggesting that any link to an alternative European hub airport can compensate for access to Heathrow, specifically referencing the new Inverness-Amsterdam service. While the development of this route was an economic boost for the region, it is only a single daily service which is therefore comparatively inconvenient for interlining.

Regional Airports

22. As previously identified, Scotland has some specific characteristics which merit consideration in airports policy. Scotland is an open economy with export and tourism sectors which make a strong contribution to UK balance of payments and one of Europe's most successful track-records for foreign direct investment. Surface transport journey times between Scotland's cities and London and its airports are significantly less competitive with air than for most other UK regions.
23. Regional airports already absorb some of the pressures from constrained airports in the South East by providing direct access to international destinations, though clearly not for point-to-point movement to the South East of England. There is the potential to grow links, particularly on the busy European short-haul markets. However, current conditions in the aviation industry do not promote risk-taking. Government could facilitate efforts to attract new, direct international air routes. SCDI has repeatedly called for the reintroduction of a form of Scotland's previous Route Development Fund which is consistent with European rules. The European Commission is currently consulting on new state aid rules for airports and airlines. SCDI believes that the Airports Commission should support in representations to the UK Government and European Commission the case to allow start-up aid to airlines which would be able in the current market to support new routes to and from regional airports in the UK and boost economic growth.
24. The UK Government has significantly increased rates and restructured APD since 2007. Rates for short haul travel have increased by around 160% with long haul rates increasing by between 225% and 360%. The UK has now been ranked at 139th out of 140 countries for the competitiveness of its aviation taxes^[1]. Countries such as Ireland and Spain have cut their equivalent aviation taxes and The Netherlands has abolished them. A recent report has estimated that this will cost Scotland over two million passengers per annum and up to £210m in lost tourism spend per annum by 2016^[2]. The Scottish Government proposes to vary APD if it is devolved for the purpose of maintaining and developing new routes to and from Scotland, especially with key markets. Given this commitment, a transfer of powers over APD is strongly supported by SCDI.
25. While SCDI supports work to develop long haul services for Scotland, for established long haul markets like the USA or emerging markets in Asia, a focal airport and access to London will continue to be critical to economic viability.

26. Investment to improve access by private and public transport to Scotland's major airports would support their potential to attract customers and grow their routes.

Findings from SCDI Report on Air Connectivity Between Inverness and London

27. The findings from SCDI's latest research of businesses in the Highlands and Islands underline a number of points made in this submission. They show that, in relation to point-to-point journeys, Heathrow and Gatwick are by far the preferred airports, followed by London City, with Luton, Stansted and Southend generally considered unsuitable in meeting their business needs. The provision of services to and from Heathrow and Gatwick at times of day which allow for a full working day in London without overnight stays is of the highest importance to businesses. The location of the airport with respect to central London and the availability of rail access to central London are clearly the most important factors in the ratings.

28. Despite there being no direct service between Inverness and Heathrow, the UK's focal airport seen to be the most important for businesses wishing to access international services. The survey found that 21% of journeys of the businesses between Inverness and London are for international connections through Gatwick, with 10% going for onward connection through Heathrow. However, the results show that many wishing to do so choose to fly from Aberdeen, Glasgow or Edinburgh - which are between 100 and 170 miles from Inverness - rather than travelling around London from Gatwick to Heathrow. The results of this survey suggest that over 50,000 passengers a year are lost from Inverness Airport to other Scottish airports through the lack of an Inverness-Heathrow link.

29. In relation to international air connectivity, half or more of the businesses rank the ability to fly to/ from Inverness rather than another Scottish airport, current Gatwick/ Heathrow connections and a restored direct Inverness-Heathrow service as extremely important to their business, ahead of an improved/ more frequent Inverness-Amsterdam service, ranked at the same level by a quarter.

Gareth Williams
Head of Policy
Scottish Council for Development and Industry

Annex A – Businesses Evidence from SCDI’s Submission to the Department for Transport’s consultation on *A Sustainable Aviation Framework 2011*

The importance of aviation

In the survey of Glasgow businesses undertaken by SCDI, aviation connectivity was identified as particularly important with regard to meeting customers (73% crucial; 25% important). Two-fifths of businesses surveyed use aviation weekly to meet customers and for internal business activities. Inward and outward freight was either crucial or important to more than 50% of businesses, with around a third of businesses sending or receiving freight weekly.

In the survey of Glasgow businesses, of those respondents who stated that exports represented over 50% of their annual turnover, over 25% of total aviation travel is to overseas markets.

Food and drink company based in the Highlands:

“We operate in a very competitive market, but having said that, it is growing and we see continued potential for future growth. If we cannot visit markets that growth may not happen and we will lose out to spirits from other countries.”

The need for connectivity between Scotland and a UK hub

In the survey of Glasgow businesses, the majority of responses from inward investors cited the importance of connectivity through Heathrow.

Large legal firm based in Edinburgh:

“Frequency of Scotland to Heathrow flights reduces stopover time and aids efficiency of travel. Also more flight options if all goes wrong.”

Oil and gas supply chain company based in the Highlands:

“We rely on our air links between Inverness and Aberdeen to London and having had the service to Heathrow from Inverness withdrawn it has added considerable expenditure to our people needing to use Heathrow as their international departure airport.”

Multinational life sciences company with a facility in the Highlands on the new Inverness-Amsterdam route:

“Welcome, but timings will be important. Connection times via Amsterdam possibly an issue. Overnight stay/ additional cost would be a bit of a pest. Most US visitors use Heathrow.”

Media company based in the Highlands:

“Lack of a link to a good international hub such as Heathrow is far from helpful. When we started the business we had that option. I might use another airport if it has a direct link to my end destination, otherwise going via London from Inverness is far easier. Scotland’s other airports are ALL 2-3 hours distant. An air link to Glasgow might change things.”

In the survey of Glasgow businesses, 51% said that they preferred transiting through Heathrow as opposed to another European hub. 44% of businesses had chosen to connect utilising airports outside the UK on the grounds of lower costs. However, they also cited the cost of time added to the journey, with the impact that this had on staff in terms of additional overnight accommodation requirements, as the area of most disadvantage.

The economic risks to Scotland of reduced access to the UK’s hub airport

In the survey of Glasgow businesses, over two thirds of respondents cite that the loss of the BMI Glasgow-Heathrow route has had a direct impact on their business. Similarly, two thirds of businesses said that if the Glasgow-Heathrow route was reduced or discontinued it would have a severe or high impact on their business, by far the highest percentage for any UK airport. Comments and reference to business impact was phrased as “horrific”, “hugely”, “serious impact” etc which emphasise the scale of impact on business operations.

Multinational life sciences company with facilities in west central Scotland:

“If air services between Glasgow and London airports are subject to future reductions we cannot move product and it would make no sense that the product is made here – so theoretically it could impact on decisions as to where to place manufacturing.”

Company with offices in the Heathrow area and west central Scotland:

“If air services levels between Glasgow and London airports are subject to future reductions we will move out of Scotland”.

Oil and gas supply chain company based in Aberdeen on the possible loss of the Heathrow service:

“A large unacceptable impact and the company would move out of UK.”

Multinational life sciences company with a facility in the Highlands on Heathrow and Gatwick:

“[The loss of] Heathrow was a big disappointment. The taxi from Gatwick to the UK HQ is one and a half hours and expensive and meetings can’t start until mid-morning.”

Multinational infrastructure company with an office in Inverness:

“There would be a large impact on business should the Gatwick interline be lost as this is the route we use on a regular basis to attend meetings/seminars at our head office.”

Food and drink company based in the Highlands on reductions to services between the north of Scotland and Heathrow or Gatwick:

“If the frequency of service decreased this would result in increased costs with layovers at hub airports with the results detailed above. If the services stopped, it would have a major impact on our business.”

Organisation involved in the Commonwealth Games in Glasgow in 2014 on the Heathrow service:

“This link is vital for both ongoing business and connections during the event period (July-Aug 2014). [Its loss would present] both budget and logistical problems as in many cases no suitable cost/time alternative exists.”

Oil and gas supply chain company based in Aberdeen on the loss of the Heathrow service:

“We would become even more of a backwater in the eyes of the global business players!”

Similar comments are expressed by businesses in other parts of Scotland. For many businesses in the Highlands, the loss of the Inverness-Gatwick would have an equivalent negative impact.

Multinational life sciences company with a facility in the Highlands:

“We plan to centralise more of R&D in Inverness. We are reorganising the operational side, leading to more inter-UK and global travel, and more integration with different sites on the East Coast of the US. Gatwick would be a big loss.”

The relationship between Scotland and London point-to-point/ international connectivity

Multinational oil and gas company with a base in Aberdeen:

“Over the next 5 years we are planning a multi-billion dollar investment programme. If Aberdeen’s connectivity to London/SE England and the wider international market was reduced significantly, it would both reduce our ability to execute our investment programme effectively.”

Multinational oil and gas company with a base in Aberdeen:

“The company’s demand for Aberdeen to London services and Aberdeen international air travel is expected to be sustained over the coming two decades at least.”

Multinational oil and gas company with a base in Aberdeen:

“Aberdeen needs excellent air services and strong UK/international links if it is to retain its place as a major international oil and gas hub.”

Oil and gas supply chain company based in the Highlands:

“Aviation connectivity is vital to our business. Our staff fly between head office, regional offices and London and Manchester regularly. We also use London hub airports, mainly Gatwick, and Amsterdam. The new Inverness-Amsterdam link will be very useful. Our hired out contractors depart from almost all UK locations so we are totally dependent on air travel in that regard. We would have problems if any of the Gatwick or Heathrow routes were binned. We are growing again as a business both in the UK and internationally and rely heavily on air travel. Our turnover this year will be circa £300 million, around half from overseas.”

The need to improve resilience at Heathrow

Oil and gas supply chain company based in Aberdeen on Heathrow:

“Unreliable, chaotic to be avoided if possible. Transatlantic terminal moves are a real challenge. Flight delays are a common occurrence so difficult to schedule meetings with confidence results in a costly overnight stay in London.”

“Variations in timing and frequency of London Heathrow and Gatwick flights (and number of carriers) has also impacted our business in a negative way over the years. We need reliable, frequent and consistent service.”

Oil and gas supply chain company based in Aberdeen:

“Over the past few years we have become more and more concerned at the frequency with which flights to and from London are cancelled...to make way for their more profitable intercontinental ones. Cancellation of flights on inward legs to Heathrow leave the traveller in the unenviable position of being held to ransom by the hoteliers around Heathrow.”

Oil and gas supply chain company based in Aberdeen:

“Consistently reliable flights to Heathrow are the cornerstone of our reasoning to keep our business based in the North East of Scotland. We regularly opt to transit via Schiphol as the facilities in the single terminal there are far superior to the sprawling terminals that are known as Heathrow. Should the rot in the standard of service continue we will be forced to consider relocating our business outwith the UK.”

The economic impact of peripherality and less competitive aviation connectivity

Multinational manufacturer with a facility in the Highlands:

“With the current air connections (from/to INV or EDI) we lose a lot of time waiting for connection flights, sitting in the train or on the A9. Travel to and from Frankfurt takes around one working day so for a one day meeting in Germany you are three days out of

the office. International air travel demand will grow in upcoming years due to growth of our business and stronger technical networking with other sites. Good guess is ~10% per year. If forced to use land transport in UK [there would be] significant working time losses and loss of reputation/attractiveness for HQ to further support growth of our site.”

Oil and gas supply chain company based in the Highlands:

“The reality is companies all have to get by with it costing us much more than our counterparts in the south. Certainly, we have many people from the Highlands area requiring to travel at best by car, train or hired car to Aberdeen to pick up flights to Heathrow or Paris for onward connections. If I was to put a figure on this it would probably be an extra £1million per annum to cater for our travel needs with extra overnights, food, hired vehicles etc.”

The relative unattractiveness of alternative London airports for international connections

University based in west central Scotland:

“The problem is not entirely the number of internal flights although at peak times advance booking is essential where possible, it is the poor onward connection to international destinations that leaves the traveller with overnight stays at airport hotels, extra travel time and stress.”

Large legal firm with offices in Edinburgh and London:

“On London travel we predominantly use London City/Heathrow/Gatwick plus Stanstead – airports that are then further out of London are not a suitable option.”

Telecommunications company with offices in Aberdeen and London:

“We operate internationally with the oil and gas sector and without connectivity to London Heathrow, we would not be able to operate...[London, Stansted, Southend] are not designed for international interlining and have poor connections to London. Not an option.”

Multinational oil and gas company with a base in Aberdeen:

“In reality these airports will never provide the diversity of international business connections of Heathrow and Gatwick.”

Media company based in the Highlands:

“Would not solve interconnectivity. Outlying airports are not an option for business travel because of transit time in London. If availability and cost change negatively it may result in relocation of some functions from the [the Highlands].”

The benefits of more international flights for Scotland

In the survey of Glasgow businesses, only 52% of respondents believe there is adequate direct links from Glasgow to support their international activity, which is a concern given the significant number of international markets that respondents are currently trading with and the values attached. Priorities for new routes were additional cities in the USA (East Coast, Chicago, West Coast), the ability to travel within one day to most major European capitals, and cities in South East Asia and China. A number of respondents also said an increase in frequency on Glasgow-Dubai to twice daily would support their onward connections to Asia.

A direct service to China is also a key aspiration for businesses in east central Scotland.

Businesses in North East Scotland cited Aberdeen-Houston and further Aberdeen-Norway services in addition to the Stavanger route as priorities.

Textile manufacturer based in west central Scotland:

“The issue of lack of direct flights to most European countries is very serious...it disadvantages Scottish businesses in terms of cost and speed of response. We also believe that it puts Scottish suppliers at a serious disadvantage when under consideration as a supply chain partner.”

Life science company based in west Central Scotland and the US:

“We are already opening a US facility earlier than desired partly because of difficulties with perishable time-critical inward freight coming from the US to Glasgow. Connections via London add 10 hours to such a journey as well as additional costs. In a similar vein, direct flights from Europe are so few in number that we have not been able to open up potential supply routes.”

Annex B – SCDI Research on Air Connectivity Between Inverness and London (July 2013)

Purpose of the Research

SCDI have been working with key stakeholders, Chambers of Commerce, business leaders, HIAL, HIE, Highland Council, HITRANS, and others to look at what steps can be taken regarding air connectivity between Inverness and London. This follows the announced sale by flybe of their arrival and departure slots at Gatwick to easyJet and we felt it important to better understand business needs and what service and connections are important to those both based and working in the north.

Whilst easyJet have been the largest carrier between Inverness and London for some time, and flybe will continue their service until March 2014, we felt that now was the time to look at what connections businesses need and how best we can look to shape future services between Inverness and London.

We hope that this work can help to shape air services going forward and that it can provide evidence that supports the economic case for air connections between Inverness and London.

Survey Methodology

This online survey was conducted between the 10th June and 5th July 2013 and we are grateful to Inverness Chamber of Commerce, the Federation of Small Businesses and other business organisations for helping to promote it to as wide a business audience as possible. The survey was also promoted through Scottish Provincial Press's newspapers as well as the Press & Journal.

Executive Summary

The results of this survey show that respondents represent around 4% of passenger numbers using the current Inverness to London air services and employ over 40,000 people across the region.

Travel to London

From both the responses and comments made it is clear that businesses rely on the early morning flight from Inverness to Gatwick and the evening return in order to enable them to undertake meetings and engagements without incurring the additional cost and the loss of additional working time that an overnight stay would create.

The morning service from Gatwick to Inverness is also seen as key from a business perspective as this enables clients and investors to travel to the Highlands on a day return basis and the loss of this service causes concern for businesses headquartered in the south-east.

Whilst these shoulder services are highlighted as the most critical to businesses the results recognise that for the leisure market the mid-day service is important.

Gatwick and Heathrow are recognised as the two most important airports for onward connections with Heathrow seen to be the most important for businesses wishing to access international services, 75% of respondents rated both these airports a 4 or 5. City airport was rated a 4 or 5 by 50% of respondents due to the access it offers into the centre of London.

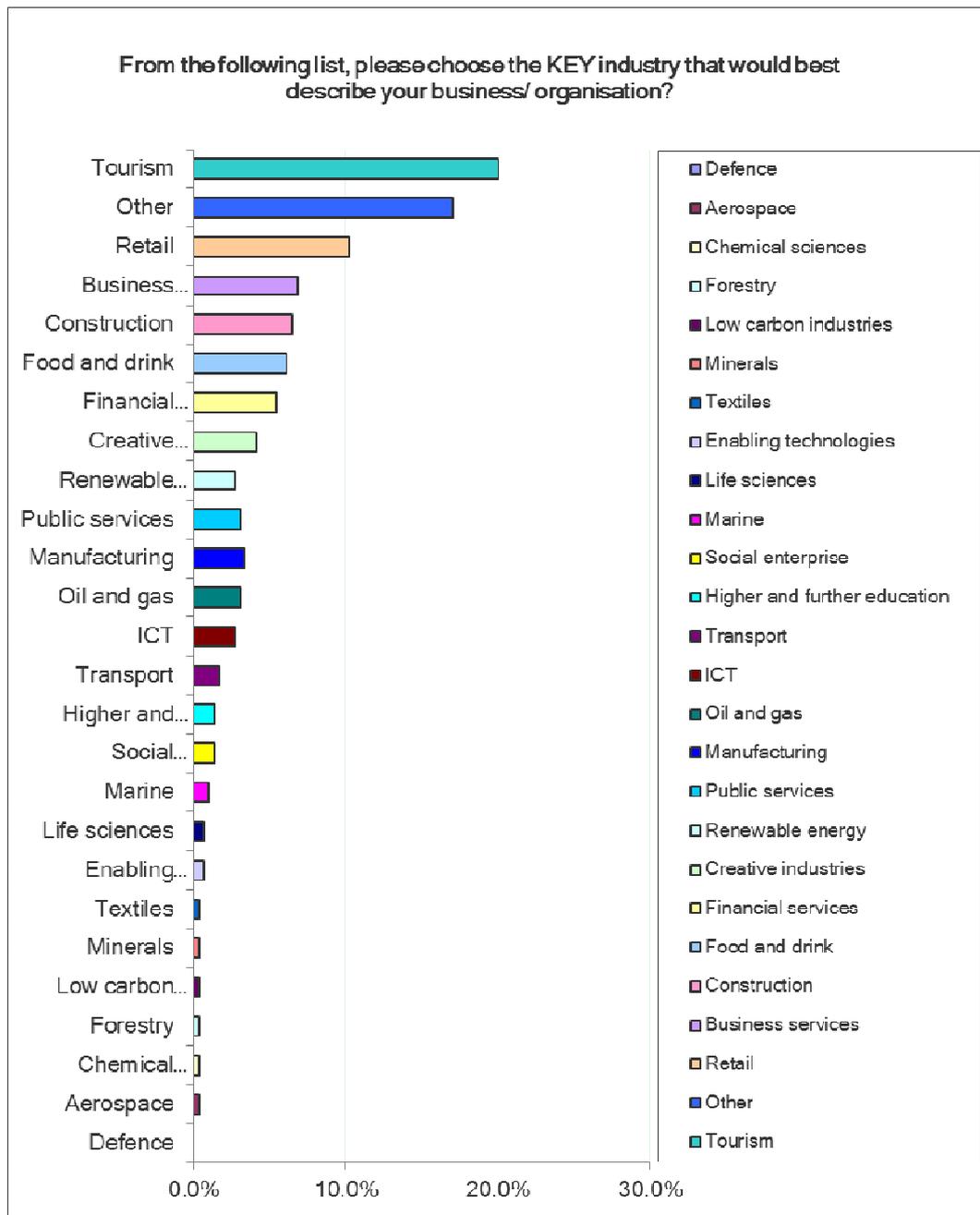
International Connections through London

In relation to international links the results show that 21% of journeys between Inverness and London are for international connections through Gatwick. 10% of travellers from the region are going for onward connection through Heathrow, however the results show that many wishing to do so choose to fly from Aberdeen, Glasgow or Edinburgh rather than crossing London from Gatwick to Heathrow. The results of this survey suggest that over 50,000 passengers a year are lost from Inverness airport to other airports through the lack of a Heathrow link.

Business/ organisations taking part in the survey

Some 323 responses were received from 294 businesses and organisations representing the key sectors across the region and employing over 40,000 people around the Highlands and Islands.

1. Sectors respondents represent:



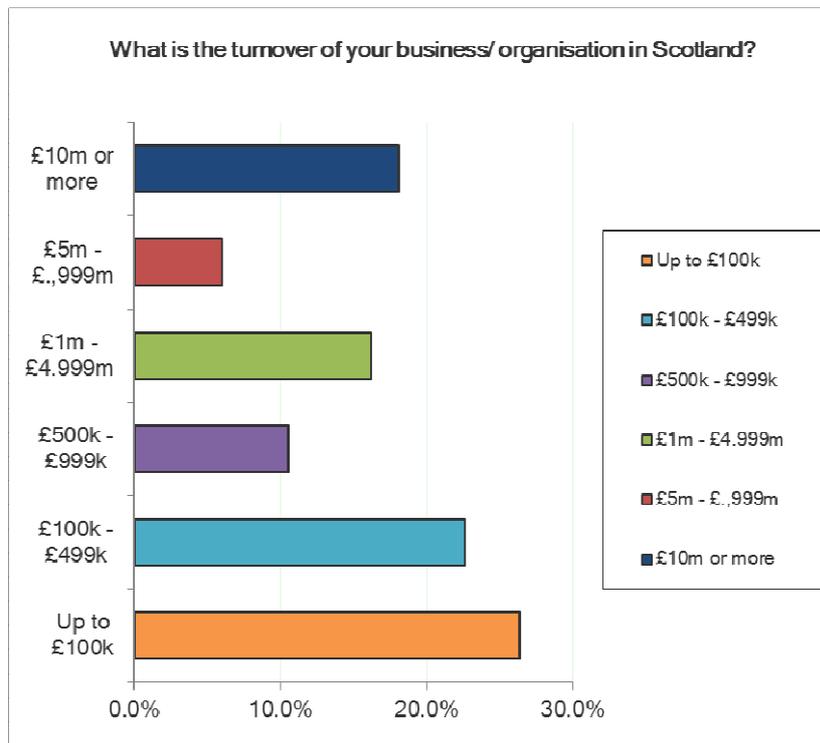
2. The spread of locations across the region as below:



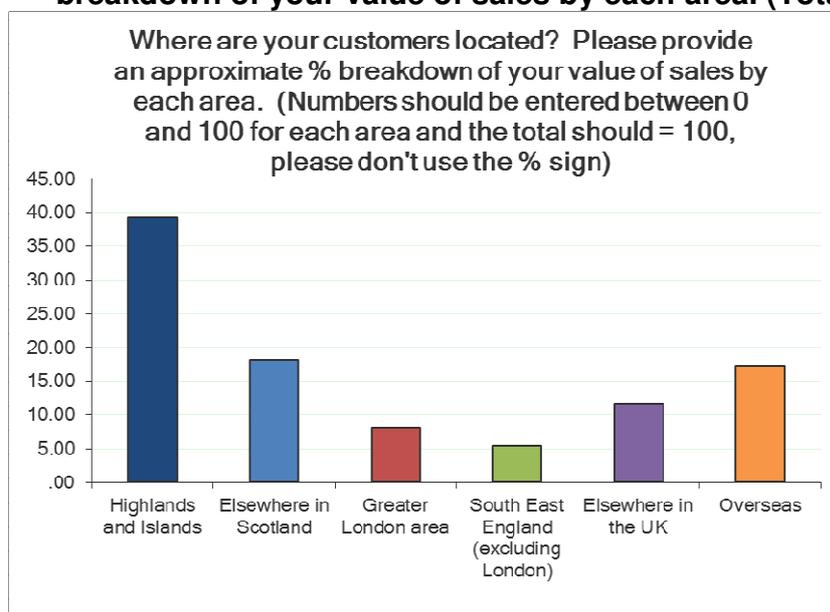
3. How many people are currently employed by your business/ organisation in the following locations

Answer Options	Response Average	Response Total
Inverness and East Highlands	91.77	21,842
North and West Highlands	99.58	10,356
Moray	49.99	3,799
Northern and Western Isles	84.75	5,339

What is the turnover of your business/ organisation in Scotland?



4. Where are your customers located? Please provide an approximate % breakdown of your value of sales by each area. (Total should = 100%)



Your business/ organisation and connections to London

5. On average, approximately how many trips between Inverness and London does your business/ organisation make each month for the following purposes?

Answer Options	Response Percent	Response Total
Traveling to/from London	52%	688.23
Traveling to/from South-east England (excluding London)	18%	239.70
Connecting for international travel through Gatwick	21%	275.08
Connecting for international travel through Heathrow	10%	128.75

Between the respondents they use over 1,022 flights a month between Inverness and London once responses to Question 9 are taken into account. These results represent around 4% of current passenger demand.

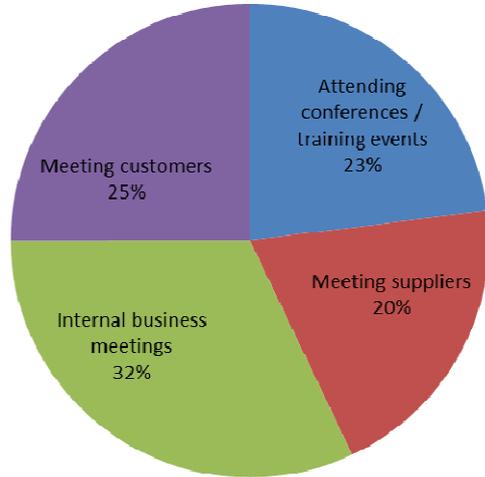
6. And on average, how many additional trips between Inverness and London are made by your suppliers/customers/clients each month to visit your business location(s) in the Highlands?

Answer Options	Response Percent	Response Total
Traveling from London	29%	1897.3
Traveling from South-east England (excluding London)	14%	932.0
Connecting from international travel through Gatwick	17%	1128.0
Connecting from international travel through Heathrow	16%	1007.0

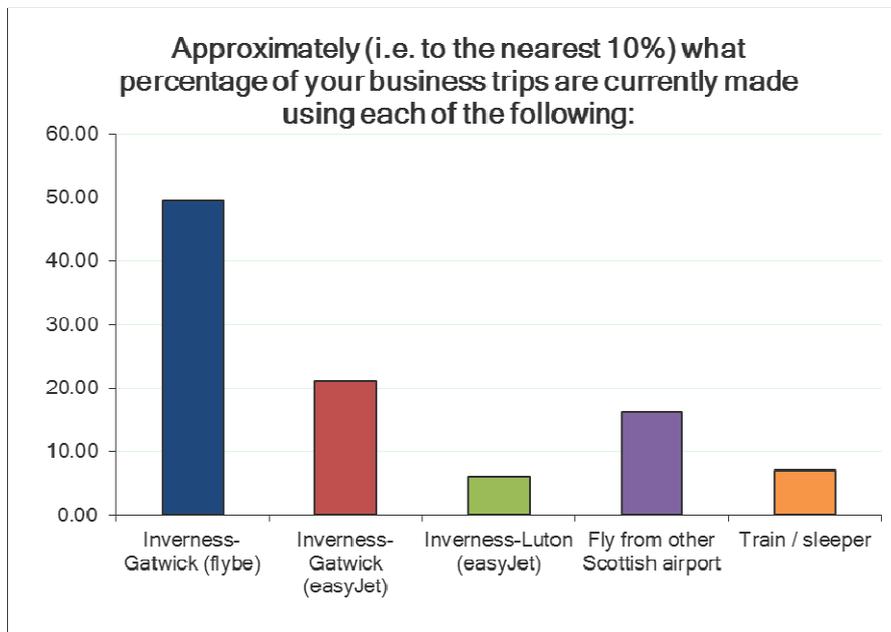
This response reflects the number of respondents within the tourism industry and where their customers are travelling from. Tourism businesses account for 30%, 11%, 25% and 36% of the trips in question 7 above respectively.

7. Approximately (i.e. to nearest 10%) what percentage of your businesses trips are for:

Approximately (i.e. to the nearest 10%) what percentage of your business trips are for the following:

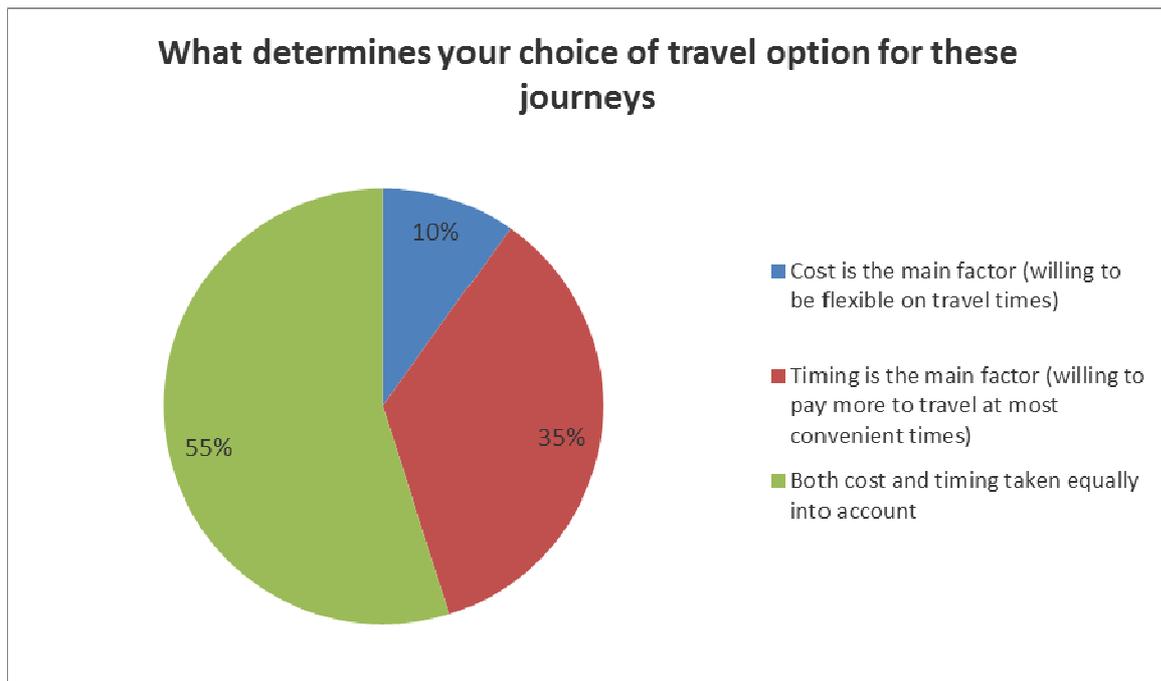


8. Approximately (i.e. to nearest 10%) what percentage of your business trips are currently made using each of the following:

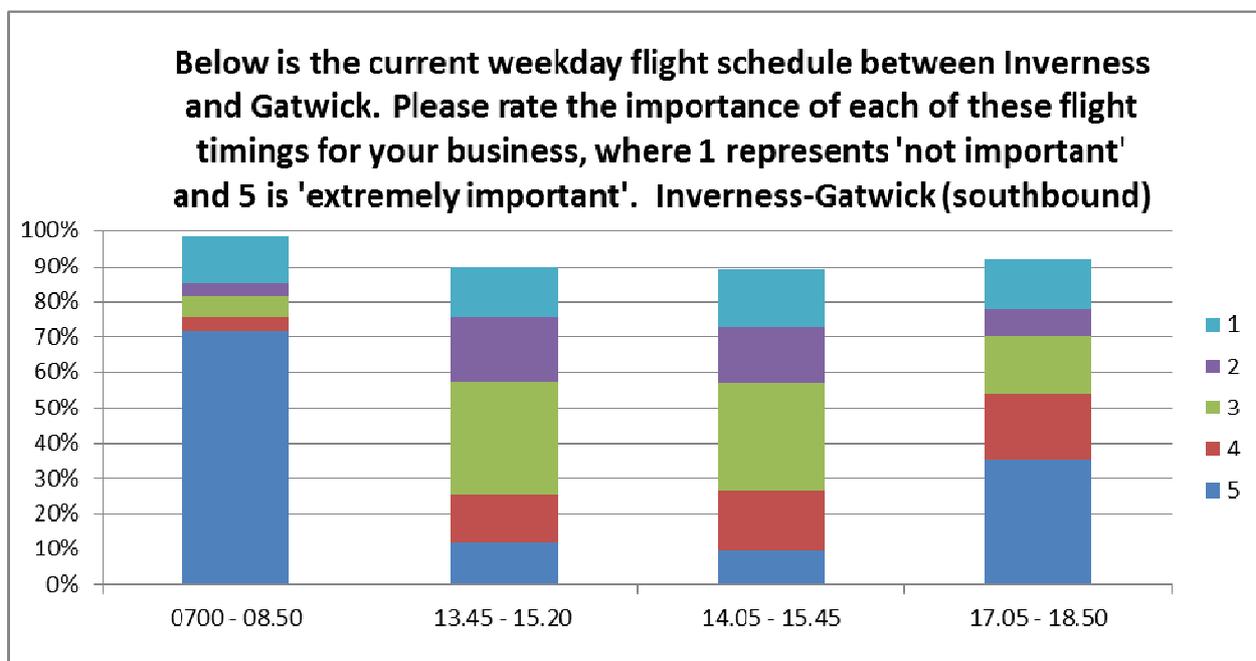


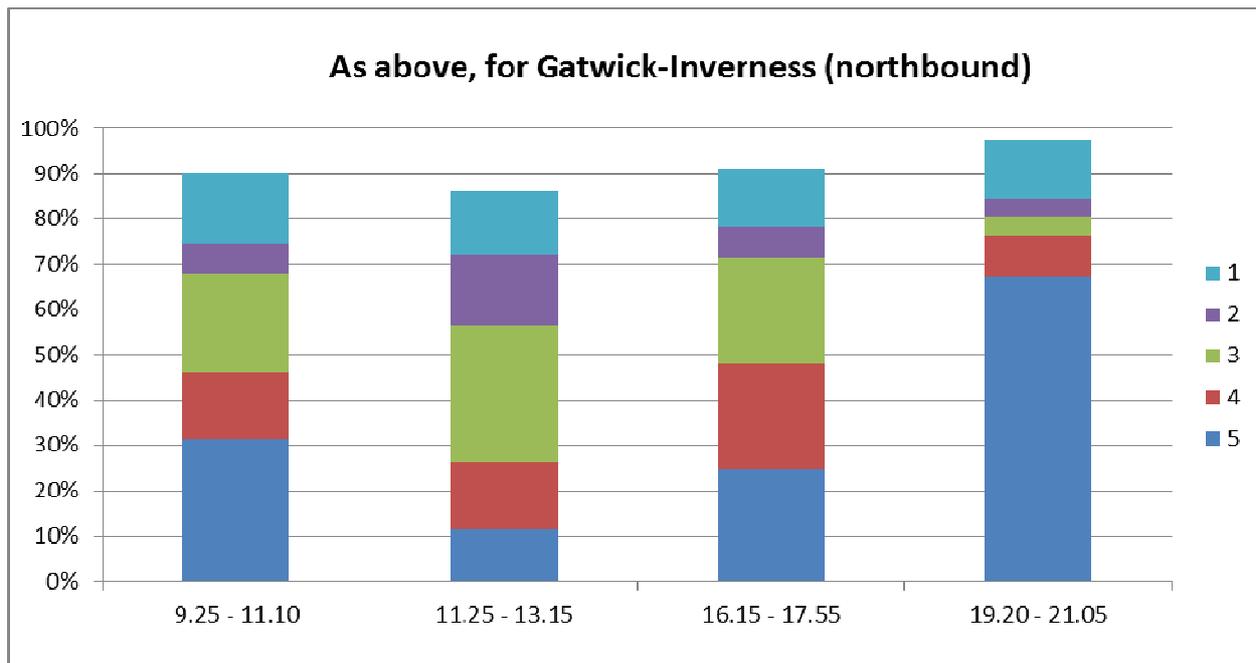
Over 16% of business trips between the Highlands and London are made through airports other than Inverness. This suggests that over 50,000 passengers a year are lost from Inverness airport to other airports through the lack of the Heathrow link.

9. What determines your choice of travel option for these journeys



10. Below is the current weekday flight schedule between Inverness and Gatwick. Please rate the importance of each of these flight timings for your business, where 1 represents 'not at all important' and 5 is 'extremely important'?





These results show that 72% of respondents believe that the early morning Inverness to Gatwick service is 'extremely important' and 67% believe the evening return from Gatwick to Inverness is. 32% believe the morning Gatwick to Inverness service is 'extremely important' with 35% believing the evening Inverness to Gatwick service is. These four flights are seen as the key connections.

Please provide any comments on the current Inverness-London air services and your business travel needs.

Now that BA overseas flights emanate mostly from LHR (e.g Houston) we have the option of a third world bus around the M25 at additional cost and time or travel to Aberdeen to access LHR or Schipol direct. Timings from Inv - Schipol do not connect with early flights out resulting in more time taken out of the business and extra hotel costs. Business needs early morning and later evening flight times to LGW, LHR, Luton & Schipol.

Oil & Gas Company, Inner Moray Firth

Our Business is very isolated and already very difficult to get to - losing any more flights will severely limit ability to conduct business as well as attract/convince people to work with us.

Energy Business, Thurso

Early and late flights are great because it allows you to fly down to London for a meeting and only loose one office day. Midday flights are useless for business meetings because you can't get south in time for a productive afternoon meeting and you can't fly north after a morning meeting as not enough time to check-in - so midday flights = 3 days out of office for one meeting. Conversely, we like holiday makers travelling on the mid-day flights because they arrive during our office hours.

Tourism Business, Inverness

Having a connection to Gatwick rather than one of the 'low-cost' hubs such as Stansted and Luton is absolutely vital to being able to maintain our London presence in our business. I would prefer also to be able to travel north earlier in the day - the current mid-morning slot loses the best part of a working day.

Creative Industries, Inverness

Having a connection to Gatwick rather than one of the 'low-cost' hubs such as Stansted and Luton is absolutely vital to being able to maintain our London presence in our business. I would prefer also to be able to travel north earlier in the day - the current mid-morning slot loses the best part of a working day.

Healthcare, Inverness

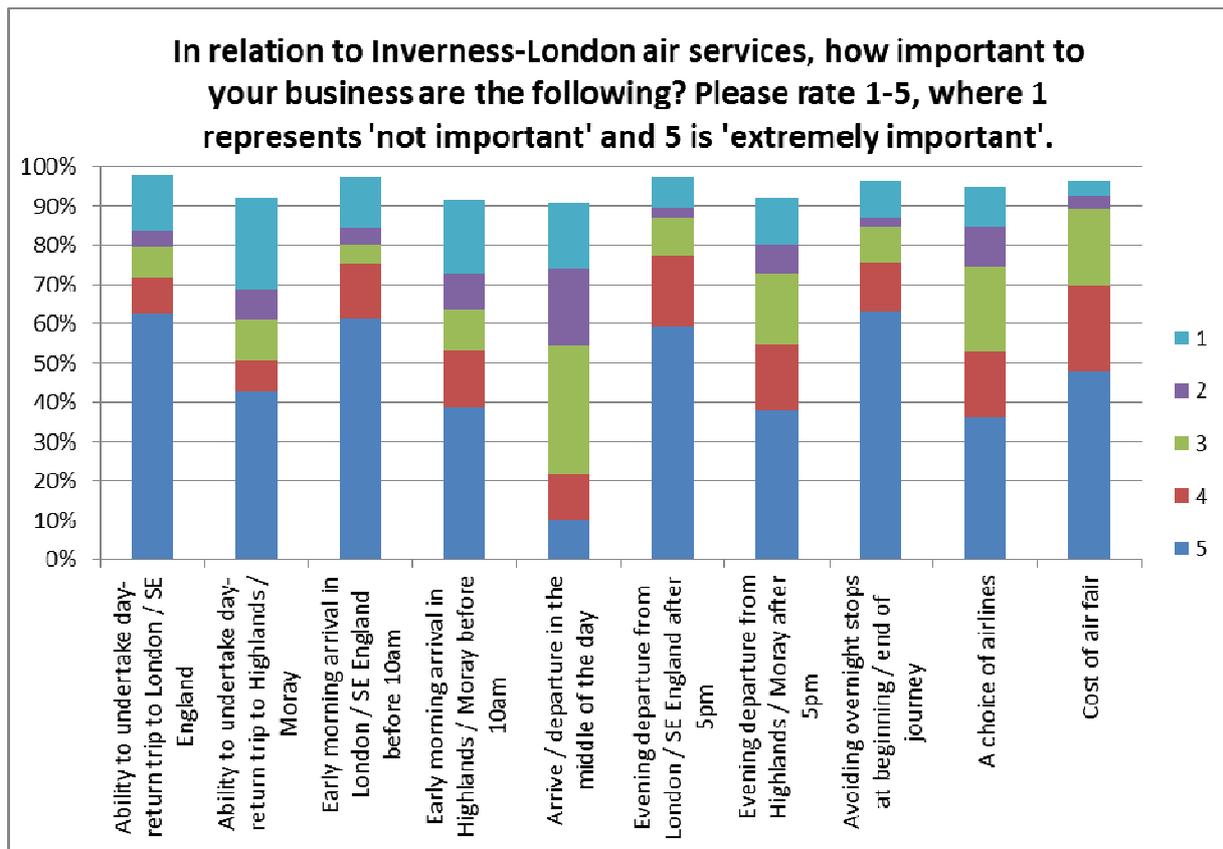
The current Inverness-London air services and schedules adequately meet our requirements in order for personnel in the North of Scotland to be able to make onward connections when travelling to or from their work locations throughout the world.

Oil & Gas, Caithness

The morning and evening flights are absolutely essential as they allow a single day trip to London without the need for an overnight. This means that you can have a full day of meetings and still get back to the business in Inverness the following day. The mid-day flights simply don't work. IF anything we need additional flights so that visitors can do the same coming to Inverness.

Energy Firm, Inverness

11. In relation to Inverness-London air services, how important to your business are the following



Please comment on why these features are important / benefits to business.

Avoiding overnight stays is essential to avoid taking a lump out of another working day. A choice of airlines is obviously preferable to keep prices and service keen. For business the availability of flights is more important than price but only up to a point. Inverness must not become more expensive than other destinations. Quite often drive and then use other Scottish airports because of poor schedule from Inverness.

Property Company, Inverness

Mid-day flight important due to distance from airport at either end.

Retailer, Ullapool

We need to ensure that we are seen as an accessible business city and not just a leisure option.

Hospitality, Inverness

Loss of regular contacts with the Banks and Head office clients is vital to us maintaining our business links within the area. Local business would suffer greatly if they could not represent themselves in London to clients and almost certainly would result in closure in the long term of Highland based businesses in favour of London based competing companies

Surveyors, Inverness

Cost is important - we might do less flights if expensive but the timings are the most critical.

Life science business, Inner Moray Firth

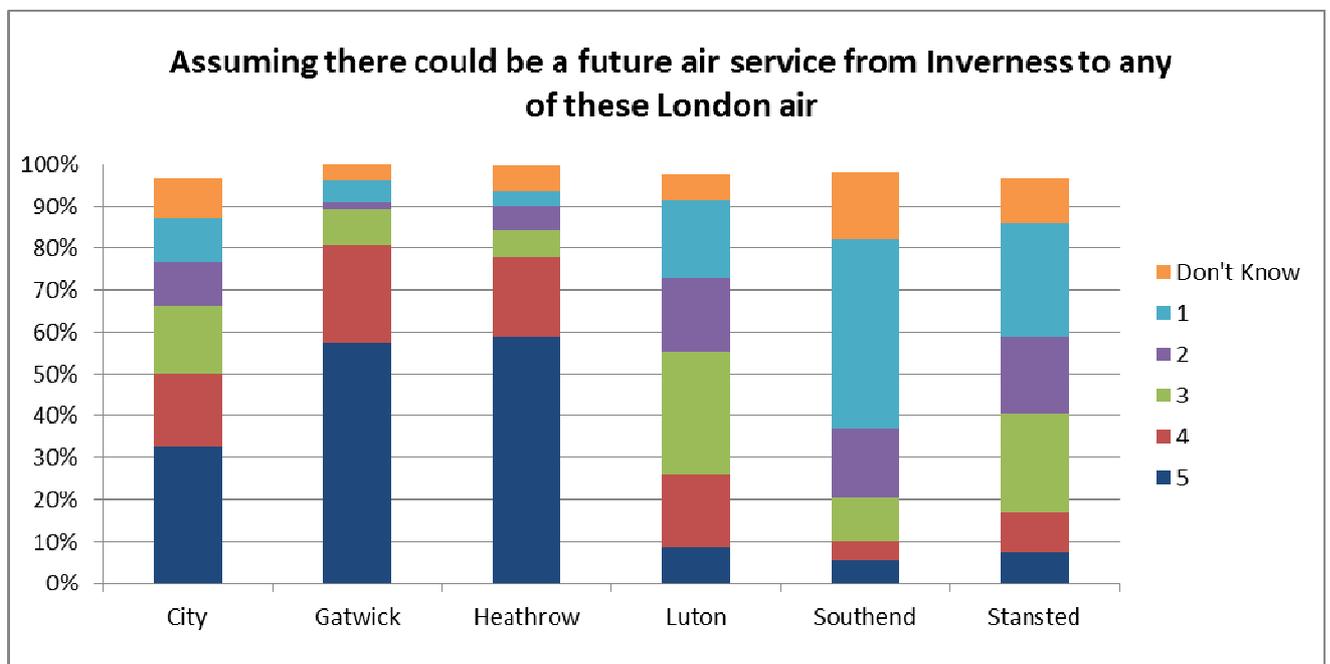
I have lost business because potential clients have been unable to find seats on either planes or trains.

Tourism, Poolewe

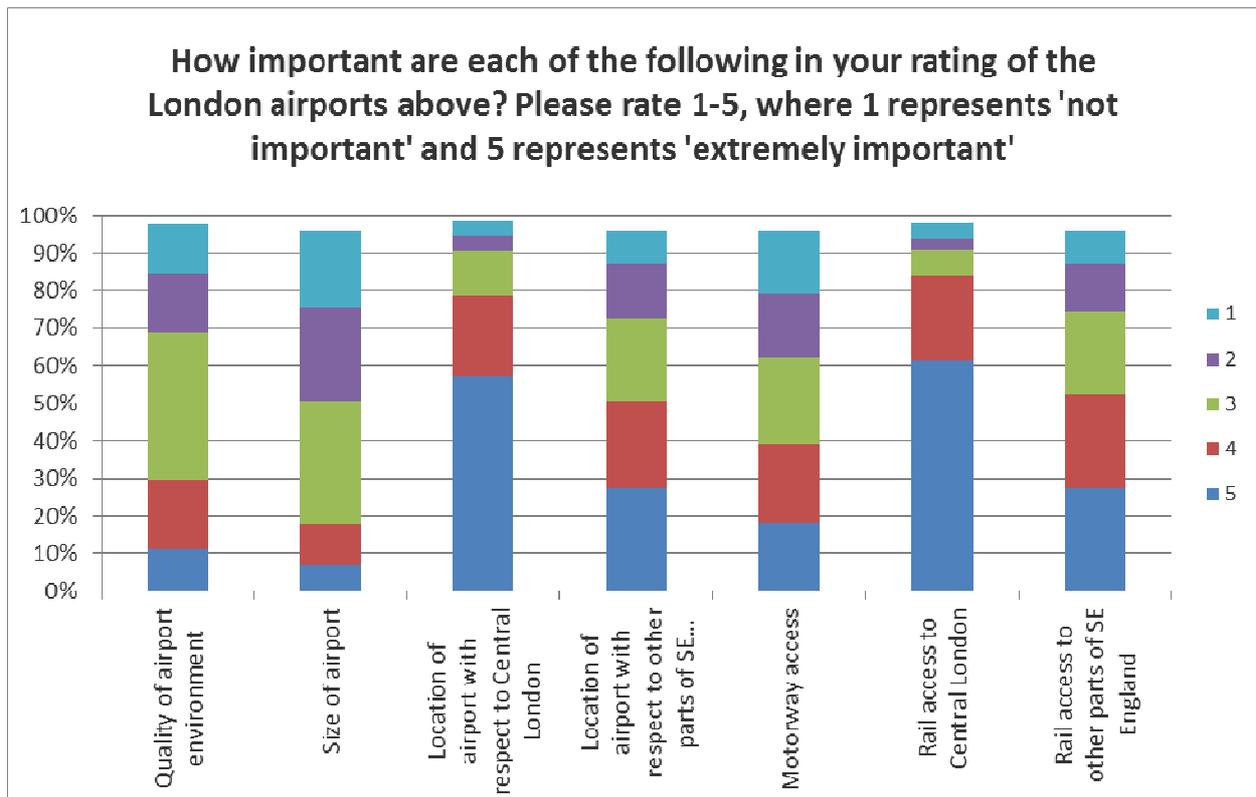
My customers will stay elsewhere if they unable to access flights.

Tourism, Caithness

12. Assuming there could be a future air service from Inverness to any of these London area airports, please rate them in terms of their ability to meet your business needs for travel to/from London / SE England.



13. How important are each of the following in your rating of the London airports above.



Comments

The smaller and quicker one can get through an airport and into town the better. City is good, Gatwick not bad and Heathrow too big - but good for connections.

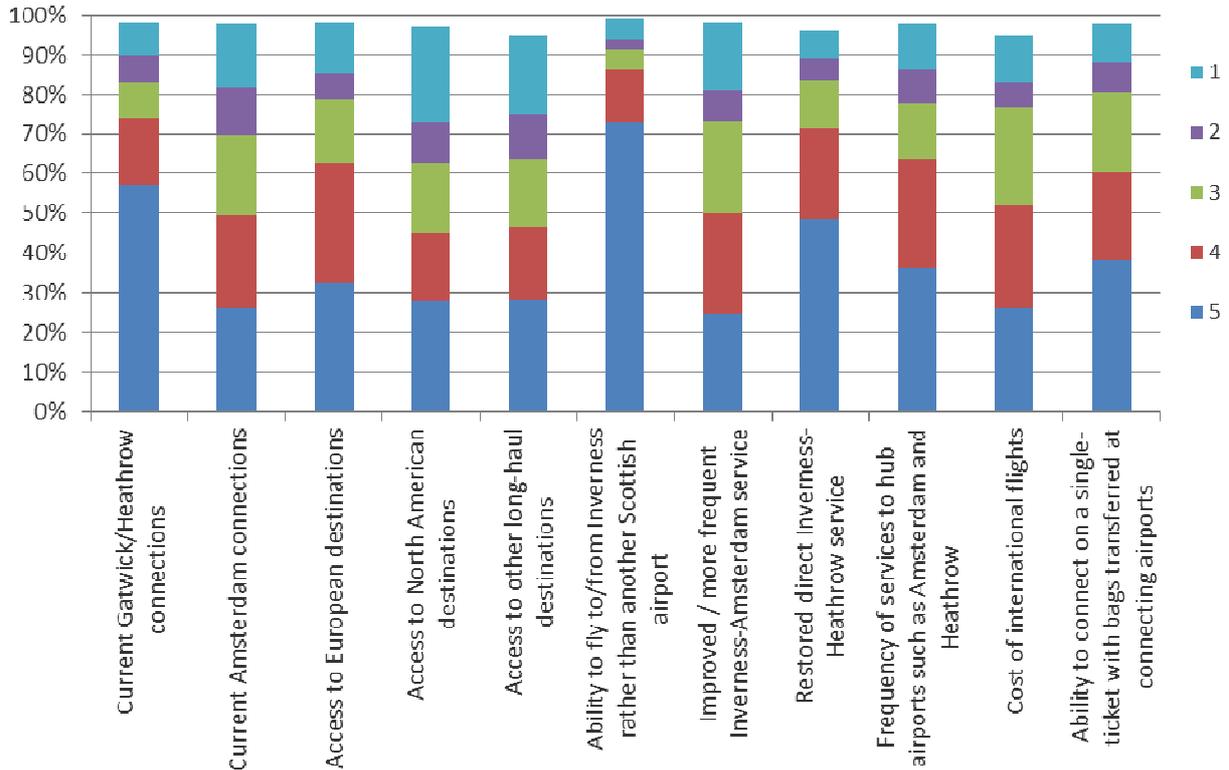
Property Company, Inverness

International connections are the most important factor.

Whisky Distillers, Moray

14. In relation to international air connectivity at Inverness, how important to your business are the following

In relation to international air connectivity at Inverness, how important to your business are the following? Please rate 1-5, where 1 represents 'not important' and 5 represents 'extremely important'



Please comment on why these features are important / benefits to business

Despite living 45minutes from Inverness for the majority of my trips (1 week per month) I travel to Edinburgh.

Whisky Distillers, Moray

Gatwick or Heathrow are extremely important hubs for our business and our clients and without these links it would make business extremely difficult in relation to accessibility to our markets

Engineering, Caithness

Direct link to London airport where int'l flights are available. Luggage allowance reduced when no through booking. Return to Inverness reduces further travelling time after a trip away. Need to reduce extra days in airport hotels out and back (time & cost).

Oil & Gas, Inner Moray Firth

Make it possible for my customers to do business in Inverness and encourages future investors to the area.

Developer, Inverness

The international connections bring tourists direct to Inverness from all over the world. without these connections our tourist numbers will drop.

Retailer, Inverness

More Information

For more information on this survey, or to discuss this research in more detail, please contact Fraser Grieve, SCDI Highlands & Islands Manager on fraser.grieve@scdi.org.uk or 01463 231878.

Scottish Council for Development and Industry

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