

KEY POINTS

- The aviation industry directly contributed £11.4 billion to UK GDP in 2004 and employed 186,000 people.
- Over 520,000 jobs in the UK in total depend on the aviation industry.
- Visitors arriving by air contribute over £12 billion a year to the UK tourism industry, generating a further 170,000 jobs.
- 55% by value of the UK's manufactured exports to countries outside the EU are transported by air.
- Air services are particularly important for UK trade with fast-growing emerging economies, such as China, and for trade in high value goods and services.
- Air services are also very important for the growth sectors on which the UK's future economic success will depend, such as high-tech companies and financial & business services.
- Air services help to improve the competitiveness of almost all aspects of companies' operations, including sales, logistics and inventory management, production and customer support.
- By expanding the market in which firms operate, air services also act as a spur to innovation, increased sales and profits, and improved efficiency.
- A quarter of companies report that access to air services is important in determining where they locate their operations in the UK.
- Implementing the proposals in the government's airports White Paper would generate substantial wider economic benefits from improvements in productivity throughout the economy that would result from increased business use of air services.
- We estimate that the wider economic benefits of full implementation of the White Paper runway proposals would generate additional GDP of over £13 billion a year in today's prices by 2030, with a Net Present Value of £81 billion – equivalent to over £1,300 per head of the population.
- Congestion costs have been rising over the past decade as passenger numbers have grown more rapidly than the capacity of the air transport system to handle them. Costs to airlines and passengers from congestion are estimated to have been £1.7 billion in 2005, and could exceed £5 billion a year in today's prices by 2015 if current trends continue.
- The economic benefits of the White Paper runway proposals remain substantial even after allowance is made for the climate change costs of additional emissions.