

7th December 06 – Airport expansion to boost UK plc by £13 billion a year

Heathrow's importance to the UK economy and the need for expansion has been highlighted by Chancellor Gordon Brown in his Pre-Budget Report and in a report by Oxford Economic Forecasting.

Detailing the Government's response to dealing with emissions from aviation the Chancellor reconfirmed the commitments made in the 2003 Aviation White Paper saying that "aviation continues to benefit the UK economy" and should "expand in an environmentally sustainable way...pay(ing) the external costs it imposes on society at large, in line with the 'polluter pays' principle."

He went on to say that:

"To avoid the economic consequences of constraining aviation growth, further expansion of UK airport capacity is needed. Heathrow plays a unique role in the UK as a hub airport, and demand for capacity already significantly exceeds supply, leading to less competition, greater congestion, reduced choice and higher prices for passengers. Where there are net benefits from doing so, the Government supports the expansion of UK airports, including at Heathrow."

This support for the future expansion of Heathrow followed on from a report by Oxford Economic Forecasting. Their recent study calculated that UK airport congestion cost the UK economy £1.7 billion in 2005. By 2030 the White Paper expansion plans would boost the UK economy by £13 billion per year with Heathrow's proposed third runway contributing £7 billion alone.