



Heathrow

Best Placed for Britain

Britain's global hub. Let's build on strength

Heathrow
Making every journey better

Best for Britain?

Heathrow expansion is better for Britain: It's the best-located, the fastest and the cheapest option

The UK is short of hub-airport capacity. It's costing the country trade and jobs. Heathrow – the UK's only hub airport – is effectively full and operating at 98% capacity.

The government has set up the Airport Commission to look at the problem of airport capacity and recommend a way forward. In July we'll be submitting our ideas.

Building on strength

We think there's only one choice worth making: adding capacity at Heathrow. Heathrow is a successful hub airport; expanding it would be building on strength instead of starting from scratch elsewhere. On every measure, Heathrow is best placed for Britain.

The UK needs a successful hub airport

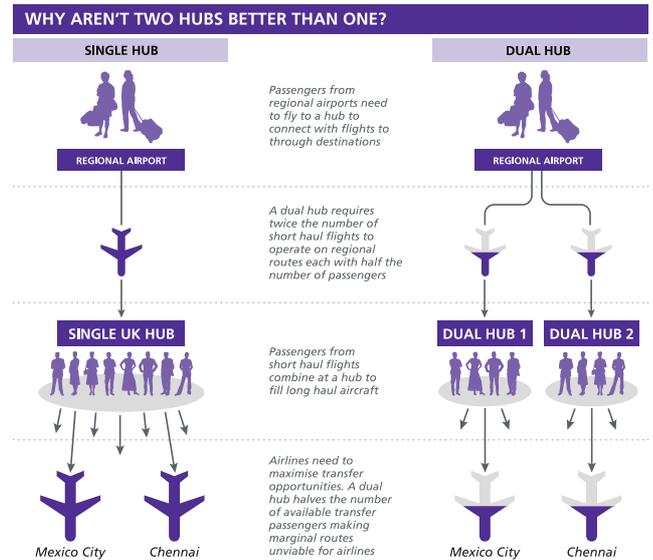
The UK has plenty of point-to-point airports, and most have lots of spare capacity. That's not the problem. The UK has only one hub airport – and it's operating at its limit.



What's so special about a hub airport?

A hub airport caters for transfer passengers AND local passengers. More passengers means airlines can fill flights to more long-haul destinations. The more successful a hub becomes, the more destinations it can serve. Which is exactly what the UK needs if it wants to compete in the global economy.

A dual hub halves the amount of transfer passengers available, making long-haul flights less viable for airlines.



It's all about connections

Convenience is good for business: European cities with the most inter-continental flights attract the most corporate HQs

The UK is in a global race for trade, jobs and economic growth. It is projected that by the year 2050, Growth Markets will represent nearly half (46%) of global GDP.

The prizes go to the economies with the best connections. UK businesses already do 20 times more trade with emerging markets that are connected by daily flights. Each regular scheduled long-haul service generates 3,000 UK jobs.



Losing the global race?

The UK is missing out because it's not built a single new full-length runway in the south-east since the Second World War. Other European hub airports are not so restricted. They have the capacity to grow in response to shifts in the balance of the world economy.

Because we lack spare hub capacity, there are 25 key cities in emerging economies that business people cannot currently reach direct from the UK. Passengers from other European hubs fly there at least three times a week. The UK is cutting itself off and it's costing the country £14 billion a year in lost trade.

Making connections: Britain's European competitors have built new runways and are developing new economic links. The UK isn't, and it's costing £14 billion a year in lost trade

Ankara	Lima	Pittsburg
Belo Horizonte	Manilla	Porto Alegre
Bogota	Memphis	San Antonio
Campinas	Monterey	Santiago
Chengdu	Nagoya	Shenyang
Chongqing	Nanjing	Shenzhen
Hangzhou	Osaka	Wuhan
Jakarta	Perth	

23 emerging cities in growing economies

Regularly served by our European hub competitors, but not by Heathrow

Britain's choices

One hub or none:
The choice is not between two hubs or one, but between one hub or none

If the UK economy is to grow, it has to develop its international connections through more hub capacity. The government has three options:

- add capacity at Heathrow
- replace Heathrow with a new hub airport likely to be either at Stansted or in the Thames Estuary
- do nothing and let the UK fall behind European competitors at the cost of lost growth and jobs.



Five reasons to choose Heathrow

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Best placed for the taxpayer _____ page 20

1

Airports should be near their passengers: A Stansted or estuary hub would add 30 minutes to the average travel time, increase travel times for 90% of passengers and cost the UK economy £26 billion

Best placed for passengers

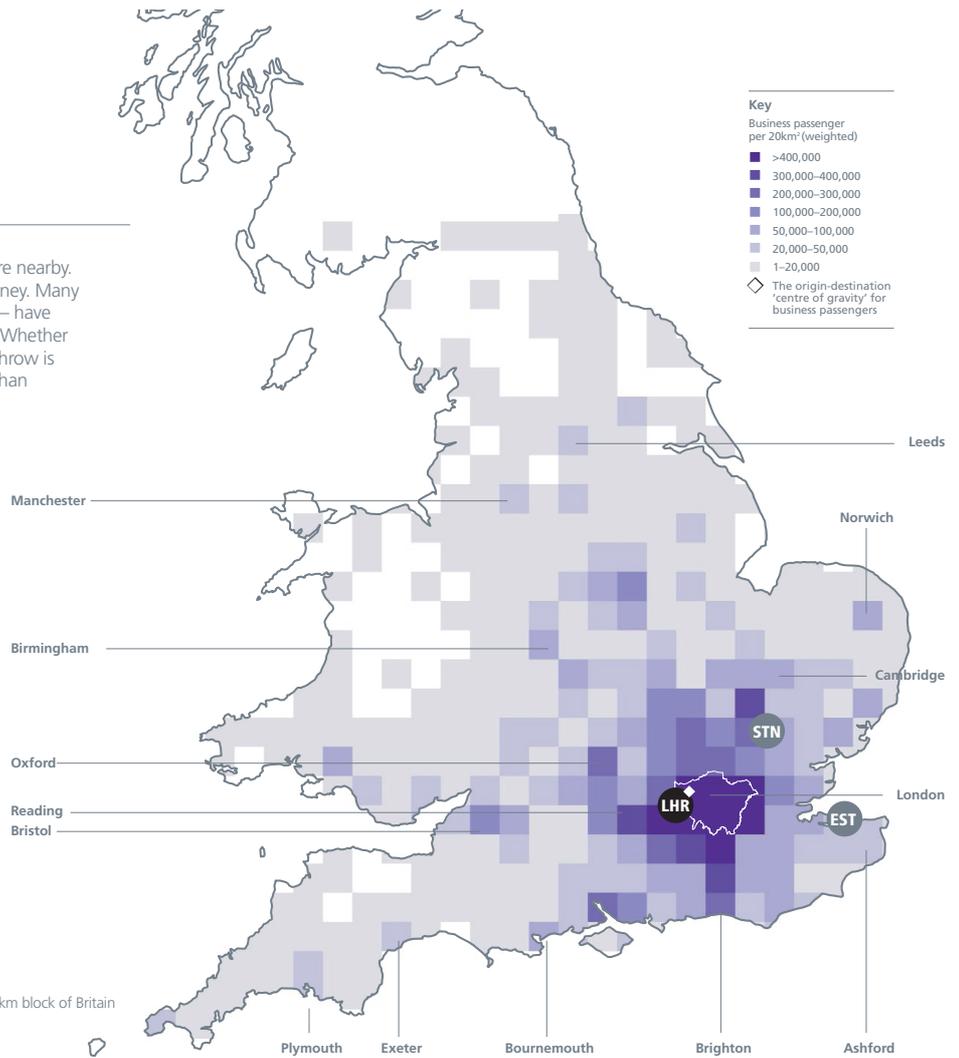
Passengers like to fly from airports that are nearby. It shortens the time and cost of their journey. Many of them – business passengers especially – have already chosen to locate near Heathrow. Whether measured by time, cost or distance, Heathrow is closer to more passengers and business than Stansted or an estuary airport.

Heathrow is convenient and well-connected

Heathrow is extremely well-placed for London AND the UK. It's next to the M25 and M4, within 10 miles of the M3 and M40, and is nearer to more people in London than Stansted or an estuary airport. For people who live in cities such as Birmingham, Bristol, Cardiff, Oxford, Plymouth, Exeter, Portsmouth and Southampton, Heathrow is by far the best option.



Business passengers live nearer Heathrow
Density of business passengers living in each 20 sq km block of Britain



Best placed for passengers continued

Heathrow is east London's nearest airport: **Crossrail will give Stratford and the city a direct airport connection at least 15 years before an estuary airport**



Infrastructure already in place or planned

Since the 1970s, roughly £20 to £25 billion has been invested in, or committed to, rail connections to Heathrow. Heathrow has itself invested £2 billion of private money on road and rail access.

Within a decade, Crossrail and Western Rail Access will have reduced journey times and brought even more people closer to Heathrow. By 2019, Canary Wharf and Stratford will be 40 and 41 minutes from Heathrow. Why would anyone go east or north to a hub airport when it's already quicker to go west?

When other proposed rail links such as HS2 come on stream, Heathrow will be the one option that's in the right place to capitalise on reduced rail-journey times.

50% bigger catchment population

Even if the proposed infrastructure were in place for hubs at Stansted or the estuary, Heathrow will still be the most convenient airport. Four million more people would be living within an hour of Heathrow than either of the other options.



60-minute catchments

Areas and populations within 60 minutes of Heathrow, Stansted or the Thames Estuary by car (purple) or public transport (pink) – based on current and proposed infrastructure

Key
— 60 minute travel time by car — 60 minute travel time by public transport



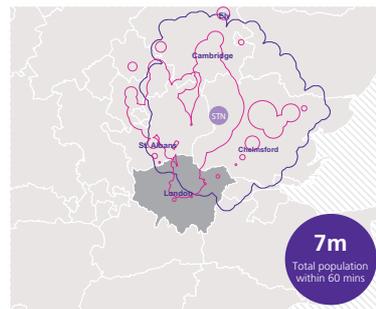
Heathrow

Population within 60mins by car

10.2 M

9.2 M

Population within 60mins by public transport



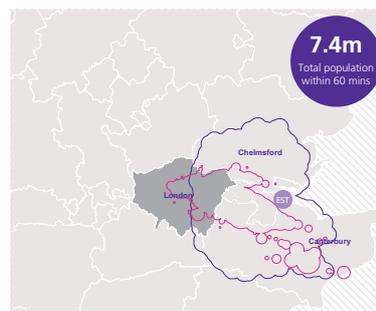
Stansted

Population within 60mins by car

5.8 M

4.7 M

Population within 60mins by public transport



Thames Estuary

Population within 60mins by car

4.9 M

6.2 M

Population within 60mins by public transport

2

Best placed for the economy



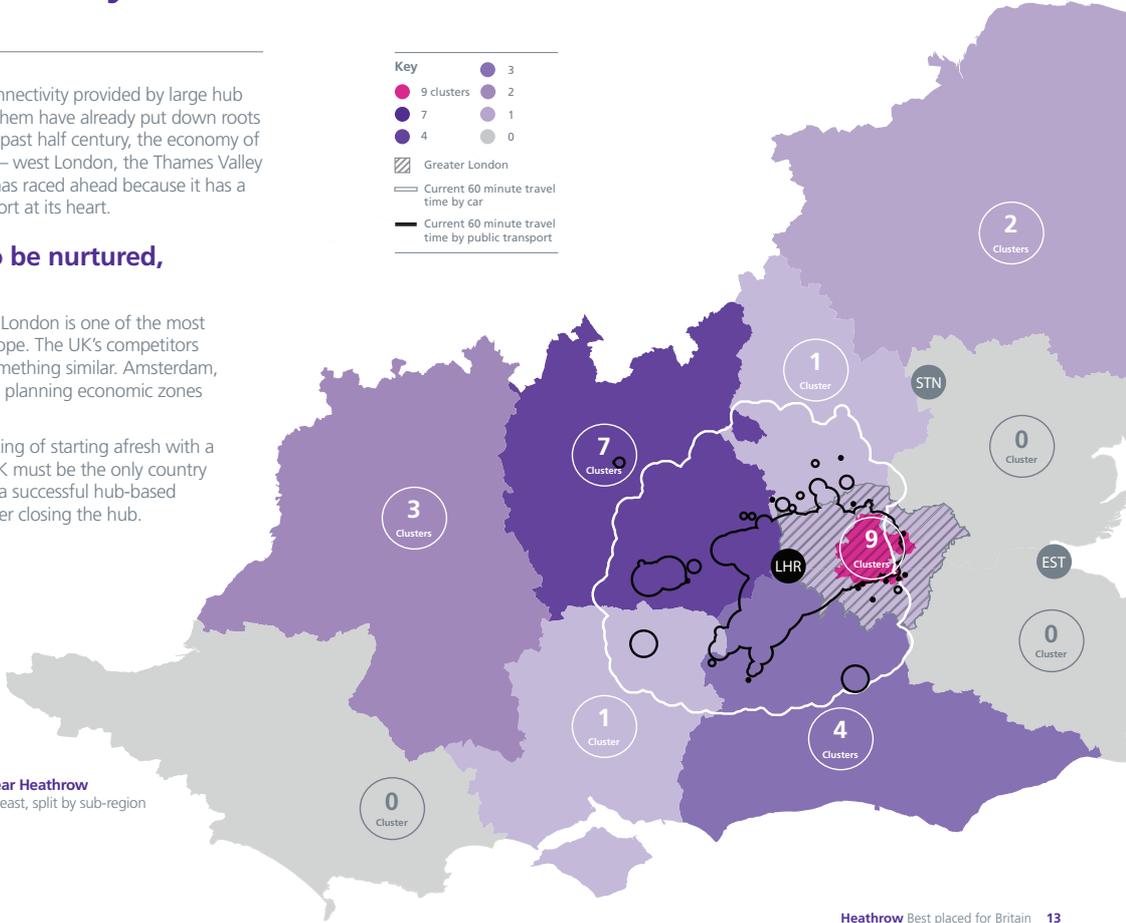
Businesses value the connectivity provided by large hub airports. Thousands of them have already put down roots near Heathrow. For the past half century, the economy of the surrounding region – west London, the Thames Valley and the M4 corridor – has raced ahead because it has a major international airport at its heart.

An economy to be nurtured, not destroyed

The area to the west of London is one of the most productive zones in Europe. The UK's competitors would love to create something similar. Amsterdam, Frankfurt and Dubai are planning economic zones around their airports.

But now the UK is thinking of starting afresh with a new hub airport. The UK must be the only country that, having developed a successful hub-based economy, would consider closing the hub.

Businesses choose to be near Heathrow
Business clusters in the south-east, split by sub-region



Best placed for the economy continued

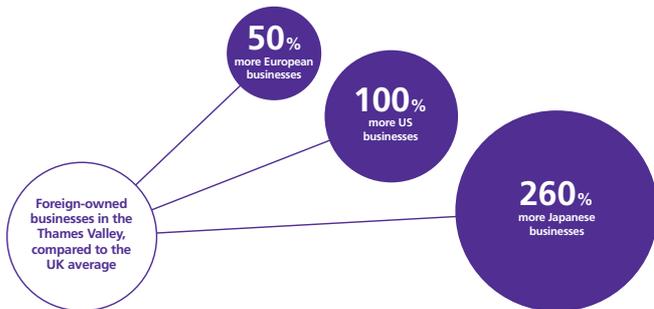
Heathrow is a jobs and wealth hub: After 60 years' worth of inward investment, over 200 of the UK's top 300 companies have their HQs near Heathrow

A world-class location for world-class businesses

Global companies choose west London and the Thames Valley because they see it as a world-class location. More than 200 of the UK's top 300 companies have their HQs here. This concentration of wealth-generating businesses is the result of 60 years' worth of investment decisions taken by companies that want to be near a major international airport.

Heathrow generates wealth and jobs on a national scale

Foreign-owned firms that have their HQs in the Thames Valley employ between 45,000 and 75,000 workers elsewhere in the UK. But that's just a fraction of the jobs generated by good global connections. In total, foreign-owned companies employ 3.7 million people in the UK.



3

Best placed for the UK to compete globally

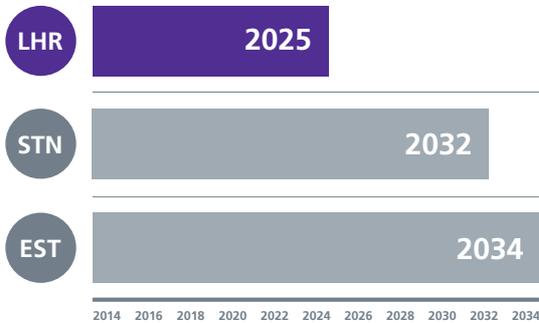
The time to act is now: Growth won't wait for the UK to put off the decision or to start building a new hub airport. The least risk, uncertainty or delay comes from expanding the hub at Heathrow

The balance of the global economy is changing. By 2030, the East Asian share of world GDP will almost have doubled, while Europe's share will almost have halved. If the UK wants to do business with the world's fastest-growing markets, it has to make the connections, and it has to do it soon. By 2030, it will be too late and the chance will have been missed forever. The UK will have lost out.

Heathrow is ready

The fastest route to additional hub-airport runway capacity comes from expanding Heathrow because much of the infrastructure is already in place. Heathrow could get there seven years earlier than a Stansted hub and a full decade earlier than a Thames Estuary hub.

Estimated quickest speed to achieve additional hub capacity



Heathrow comes on stream soonest

Estimated earliest date to achieve additional hub capacity

Uncertainty costs jobs and growth

Replacing the UK's existing hub airport with another will create years of uncertainty and halt investment in the south-east. Companies would hold back on investment at existing sites to the west of London, and be reluctant to take investment risks on sites near an airport that wasn't yet built.

Our European competitors will take advantage of the uncertainty. They have spare airport capacity that potential investors can take advantage of straight away.

20 years of uncertainty looks like this

Imagine a Chinese company that wants to set up offices in Europe, ideally in the UK. What's the best option?

- Should it invest in a site to the west of London, knowing that it may have to move in 20 years' time?
- Should it invest in a site to the east of London, knowing that it will have to wait 20 years for the infrastructure to catch up?
- Should it invest in a site near Paris, Frankfurt or Amsterdam, knowing that the infrastructure is in place now and for the long term?

Don't shake business confidence, build it: Relocating the UK's hub airport will turn the business world upside-down. Should companies based in the south-east stay put or move? And how will they know what their suppliers and customers will do? How many companies have to move to make a new hub airport a success or a white elephant?



4

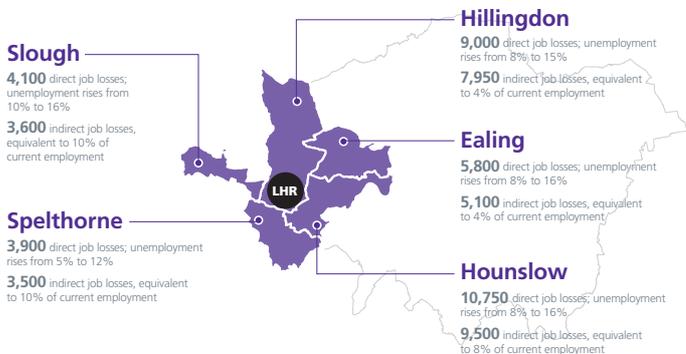
Best placed for local jobs

The UK's all-time biggest job loss: Closure of Heathrow will create more direct job losses than those created by the closure of the Shotton steel plant in 1985 (6,500 jobs), the Rover factory at Longbridge in 2005 (6,500 jobs) or the worst year of pit closures: 1984 (30,000 jobs)

Heathrow is the largest single-site employer in the UK. More than 76,000 people work at the airport – and many more nearby. In total, Heathrow supports 114,000 local jobs. It accounts for 22% of local employment.

A new hub means tens of thousands of local jobs lost

If a new hub opens – and airlines are forced to use it – Heathrow has to close. Tens of thousands of jobs would go with the closure of Heathrow. In some neighbouring areas, unemployment would double.



Closure of Heathrow could potentially lead to the loss of up to 33,500 direct and 29,700 indirect jobs in the surrounding area. It could put Hounslow, Hillingdon, Slough and Ealing among the ten boroughs with the highest unemployment rates in the country.

An untested event: the world's biggest airport move

Moving a hub airport more than 50 miles is unprecedented. To date, no airport has successfully moved more than 25 miles. The moves that succeeded were close enough for local businesses and employees to stay put. Attempts at bigger moves ended in failure.

Complex logistics of moving jobs

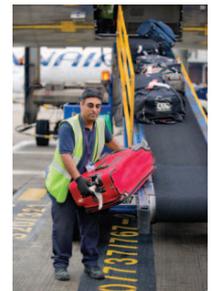
Moving jobs and workers from Heathrow to the Thames Estuary will put a strain on resources, especially during the transition period when Heathrow winds down and the new airport comes on stream.

West-to-east commuting workers will put pressure on London's infrastructure, and relocating workers will put pressure on Kent's resources. If just a third of Heathrow staff move to the Thames Estuary, they'd need at least 30,000 new homes, nearly ten times as many as were built in the whole of Kent during 2012.

Potential white elephant?

Left to their own devices, the airlines would stick with Heathrow because it's the preferred destination of high-value business passengers. If a new hub were to be built, but the airlines weren't forced to move, passenger choice could turn it into a £75 billion white elephant.

The world's two most distant hub-airport moves have not been successful: The new hub at Montreal Mirabel (29 miles) closed, while Milan Malpensa (35 miles) failed to bring domestic or short-haul international flights with it



5

Best placed for the UK taxpayer

Taxpayers will foot one third of the bill for a new Thames Estuary airport:

“The overall bill would be in the region of £70 billion or £80 billion ...

We think that in the region of £25 billion would have to come, one way or another, from public finance”

Boris Johnson, Mayor of London

According to Boris Johnson, a new hub airport in the Thames Estuary would cost the UK taxpayer “in the region of £25 billion”. That’s just the start. The surrounding area will need new towns, schools and hospitals to serve the hundreds of thousands of people who will eventually be working at or near the airport.

Heathrow infrastructure is already in place

Heathrow is better for the taxpayer because most of the infrastructure is in place. Heathrow has modern, world-class terminals and road, rail and underground links capable of transporting 70 million passengers a year. In the past decade, Heathrow has invested £11 billion in projects such as Terminal 5 and the new Terminal 2 – at no cost to the taxpayer.

More connections are on the way. By 2019 Crossrail will be running, with HS2 on the horizon.

Heathrow can grow to meet demand

Extra capacity can be added gradually at Heathrow as passenger numbers increase, getting the best return on investment over time. A new hub airport would need upfront investment for uncertain future demand.

No time to waste money

These are tough economic times. When the UK is having to make savings in every sphere of activity, it can’t afford to waste valuable world-class infrastructure. If a new hub airport opens in the Thames Estuary, the billions invested in Heathrow – and in the businesses that rely on it – will be money down the drain.

Build from scratch or build on strength?

Britain already has one of the world’s most successful hub airports. Now the country faces a choice:

Build on Heathrow’s strength or start again from scratch?

Building from strength will connect the UK to growth faster, for less cost.

Starting from scratch will take longer, cost the taxpayer more and it won’t achieve the desired result. An airport at Stansted or in the Thames Estuary will not be best placed to help the UK win the global race.

Growth won’t wait. With every passing year, Britain is cutting itself off from trade and jobs.

Britain should build on the capacity it already has, and connect sooner to the growth it needs.

Britain should build on strength.

16:25	New York	V5609	A
16:30	Istanbul	TK1992	C
16:35	Chicago	AA091	B
16:35	Tokyo	JL404	D
16:40	Barcelona	BA485	G
16:40	Bilbao	VY2435	F
16:45	New York	AA131	B
16:50	Copenhagen	AC9447	E
17:00	Dubai	EK030	C
17:00	Tehran	R770	F
17:05	Amman	RJ112	D
17:15	Hong Kong	VX338	A
17:15	La Coruña	VY981	F
17:20	Düsseldorf	BB796	E
17:30	Madrid	LA101	F
17:35	Vienna	VJ3304	F
18:00	Stockholm	SK1516	E
18:00	Stockholm	SK3446	E
18:00	Washington	VJ505	A

Summary

1

Best for passengers

Four million more people live within an hour of Heathrow than Stansted or an estuary airport

2

Best for the economy

More than two thirds of the UK's top 300 companies have their HQs near Heathrow – compared to seven near Stansted and two near the Thames Estuary

3

Best for the UK to compete globally

Britain's extra hub capacity will come at least seven years sooner at Heathrow

4

Best for local jobs

Closing Heathrow could cost 114,000 jobs and double unemployment in some neighbouring areas

5

Best for the taxpayer

Expanding Heathrow will cost less than other options because the infrastructure a hub airport needs is already in place.

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Making every journey better