

## The seven BAA airports

1. Table 1 summarizes the main characteristics of the seven BAA airports.

TABLE 1 Characteristics of passengers at BAA airports, 2007

	<i>Heathrow*</i>	<i>Gatwick*</i>	<i>Stansted*</i>	<i>Southampton*</i>	<i>Edinburgh†</i>	<i>Glasgow†</i>	<i>Aberdeen†</i>
Number of passengers ('000)	67,852	35,165	23,759	1,965	9,037	8,726	3,411
Air transport movements ('000)	476	259	192	47	115	94	103
Longest runway (metres)	3,901	3,316	3,048	1,723	2,560	2,658	1,829
<i>% of passengers</i>							
International	92	89	89	39	38	47	43
Domestic	8	11	11	61	62	53	57
Scheduled	100	76	96	99	97	79	78
Charter	-	24	4	1	3	21	22
Transfer	34	12	8	2	3	3	21
Terminating	66	88	92	98	97	97	79
<i>% of terminating passengers</i>							
Business	40	18	19	35	36	27	49
Leisure	60	82	81	65	64	73	51
UK	60	77	64	82	80	85	82
Foreign	40	23	36	18	20	15	18

Source: BAA.

\*% share for 2006.

†% shares for 2005.

2. Heathrow is located some 17 miles by road west of the centre of London (Westminster). Its catchment area extends throughout London and the South-East, but, as shown in Appendix D, with the highest shares of its passengers travelling to or from central London to the West of London:

- (a) It is almost entirely used by scheduled aircraft.
- (b) The largest operator—BA—accounts for about 40 per cent of passengers; the next largest, bmi, for about 7 per cent.
- (c) As with all the London airports, the bulk of traffic—just over 90 per cent—is on international services; but about a third of passengers—significantly above the level of the other London airports—change plane at Heathrow.

- (d) It is the only UK airport that the airline industry regards as a true 'hub' airport; the favourable location of Heathrow for these passengers, combined with high density of UK/US business traffic, is thought to account for why airlines find Heathrow so profitable. 40 per cent of terminating passengers are business, and about 40 per cent of terminating passengers are foreign.
- (e) With only two runways—exceptional for such a large airport—capacity is 98.5 per cent utilized with vast excess demand at most times. The recent 'open skies' agreement with the US Government, allowing all airlines to use Heathrow for services to the USA, will increase excess demand further. Slots are allocated according to EU slot allocation rules which grant 'grandfather rights' to the existing users of slots, but there is some trading of slots on the grey market; the value of traded slots has been equivalent to some £7 to £10 per passenger over the last five years, but has increased significantly following Open Skies.
- (f) On 27 March 2008, a fifth terminal opened at Heathrow, the first terminal to be opened there since Terminal 4 in 1986; the Government is currently consulting on the possible construction of a third runway and sixth terminal, to be built when environmental concerns can be satisfied.
3. Gatwick is located some 29 miles by road south of the centre of London. It has a somewhat narrower catchment area but with the highest shares of its passengers from the centre and to the South of London:
- (a) About three quarters of its passengers are on scheduled flights, the rest charter.
- (b) The largest airlines—easyJet and BA—each account for about 20 per cent of passengers.
- (c) 12 per cent of passengers changed plane at Gatwick. 18 per cent of terminating passengers were on business and about 23 per cent of passengers foreign: both much lower than Heathrow.

- (d) It has only one runway and is subject to an agreement with the local authority not to build a second runway before 2019. The North Terminal was the second terminal to be opened, in 1988.
4. Stansted is located some 38 miles North-East by road of the centre of London. It has a somewhat narrower catchment area than either of the other two airports, with the highest shares of its passengers being from centre and to the North-East of London:
- (a) In 2007, 96 per cent of its passengers were on scheduled flights, with the low frills carriers (who could not use Heathrow, among other things, because of their need for fast turn-around times that are not possible at Heathrow due to congestion), accounting for over 80 per cent of passengers and Ryanair alone for almost two-thirds of passengers.
- (b) The proportion of passengers changing plane at Stansted is below that at Gatwick; a similar proportion of terminating passengers were on business, but with a higher proportion of foreign passengers.
- (c) The current terminal was opened in 1991; when the current facilities were first planned, Stansted was seen as serving a mix of traffic more similar to that of the London airports as a whole; the facilities were under-utilized for several years, and subsequently used primarily by the low-frills carriers.
- (d) BAA has recently submitted an application to build a second runway and terminal, but as we note subject to strong criticisms by airlines of the specification and cost of the cost of the development.
5. Southampton Airport is located about 4 miles North of Southampton. Although its catchment area is not very concentrated, it is predominantly in southern England, but generally areas where Heathrow and Gatwick, although more distant, still account for a greater number of passengers.

- (a) There are negligible charter services from Southampton; one operator, Flybe, currently accounts for almost 90 per cent of passengers.
  - (b) About 60 per cent travel on domestic services; a very small proportion of passengers, 2 per cent, transfer between flights.
  - (c) About one-third of passengers were travelling for business purposes.
  - (d) As shown in Table 1 of the main text, its runway is considerably shorter than the other BAA south-east airports, restricting the size of aircraft able to use the airport with a full payload.
  
- 6. Edinburgh Airport is located is situated about 8 miles from the city centre of Edinburgh. The majority, 60 per cent, of terminating passengers using Edinburgh Airport begin their surface journey from the Lothian area, Tayside and Fife, together accounting for a further 21 per cent of scheduled passengers:
  - (a) The largest operator, easyJet, accounts for 25 per cent of passengers, and two others—bmi and BA—each for about 15 per cent.
  - (b) Only a very small proportion of passengers—3 per cent—were on charter services.
  - (c) 62 per cent of passengers were on domestic and 38 per cent on international services.
  - (d) There was very little transfer traffic at either of the lowland airports; the majority of terminating passengers at Edinburgh were flying for business purposes.
  
- 7. Glasgow Airport is located about 10 miles to the West of the City of Glasgow. The proportion of terminating passengers originating from Strathclyde was 82 per cent, with Central Lothian and Tayside areas accounting in total for around 8 per cent:
  - (a) The largest operator, easyJet, accounts for 21 per cent of passengers; and two operators—BA and bmi—each for between 10 and 15 per cent.

- (b) A greater proportion of passengers at Glasgow are leisure passengers than at Edinburgh, also with a significantly greater charter element.
  - (c) There is also a somewhat lower proportion of passengers on domestic services than at Edinburgh, accounting for just over half of all passengers.
  
- 8. Aberdeen Airport is located situated about 7 miles to the North-East of the city centre. 90 per cent of passengers using Aberdeen were terminating in 2005, about 90 per cent of whom were from the Grampian region:
  - (a) The largest operator, BA, accounts for about 20 per cent of passengers, and second largest, bmi, for between 10 and 15 per cent.
  - (b) Over a half of passengers were on domestic services.
  - (c) From the figures in Table 1, about 20 per cent of passengers transfer, mainly to helicopter services to North Sea oil platforms; about one-half of all passengers were flying for business purposes.
  - (d) As shown in Table 1 of the main text, its runway is shorter than the other BAA Scottish airports, but with an extension of the runway about to be carried out.