BROADENING OUR HORIZONS

WHY TRAVEL MATTERS
Travel and tourism is the UK’s fifth largest industry. It employs more than 2.5 million people throughout the UK and contributes more than £19 billion to the UK economy.

To keep the travel industry on top, we’re asking government to:

- Reform consumer protection – so that everyone travelling on holiday is protected
- Safeguard jobs in travel and tourism – by avoiding punitive tax and duties
- Replace APD with a per plane duty – to encourage economic and environmental efficiency

For the background to these issues, download the ABTA Manifesto from www.abta.com

Building confidence in travel

www.abta.com
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As part of Europe’s largest consumer co-operative, The Co-operative Travel Group is a diverse and successful business, operating over 400 high street travel agencies, 16 business travel offices, call centres and a specialist cruise call centre based in Cumbria. The Co-operative Travel is the third largest travel distribution business in the UK with £1 billion sales and a 10% share of the UK travel market.

We urge government to:

Support manageable aviation volume and growth through targeted investment. The Co-operative Travel has argued that aviation should only grow in line with improvements in technology that allow emissions to remain stable. We opposed the development of a third runway at Heathrow and oppose the development of all other runways in the UK unless there is a clear sustainability case.

Reform aviation taxation, with a view to taxes being levied proportionately in relation to the environmental impact of air travel. As such The Co-operative Travel gives a cautious welcome to the commitment to replace Air Passenger Duty with a ‘per plane duty’. However the current crude nature of APD banding threatens the future viability of the UK tourism industry and unfairly penalises some developing countries.

Ensure customers receive the best possible protection when booking holidays and other travel arrangements. All holidays sold by our business are ATOL protected, assuring 100% financial protection for our customers. The Co-operative Travel is committed to working with parliamentarians and the travel industry to strengthen EU directives on package travel and consumer rights to avoid the massive confusion that currently exists for customers.

Recognise the role of the travel industry in investing to support sustainable communities. The Co-operative Travel’s nationwide network of travel branches supports local employment and encourages healthy, vibrant high streets. It is opposed to rate and rent increases that threaten the economic viability of high street businesses.

Support initiatives that enhance education, sustainability and co-operation. The Co-operative Travel is the main sponsor of Brownhills Academy, a school in Stoke-on-Trent that adopts a co-operative approach to education to provide young people with the appropriate skills for work and life. We invest heavily in our people and through our ethical strategy we ensure that projects continue to make a difference, such as our support for investment in water and renewable energy in developing nations or the money we raise for the Travel Foundation.

Government support for the travel industry is vital to ensure its long term viability and continuing contribution to the UK economy.

For further information, visit www.co-operativetravel.co.uk/ethical-strategy
FOREWORD

Travel is an intrinsic part of our national character, and as an inquisitive island nation, we have always been travellers and explorers. Recently, globalisation has been made possible through affordable air travel, and the UK has established itself as one of the world’s premier destinations, and as an important hub.

ABTA represents 800 tour operators and cruise companies, and 4,000 travel agencies. As such we are the biggest travel trade association in the UK. Our members not only take ordinary families away on their well-earned holidays and reunite others who originate from far-flung places, but they also ensure businesses can get the job done by facilitating meetings and building relationships with essential overseas contacts. The travel and tourism industry contributes £19bn to the UK economy and employs 2.65 million people. But last year, due to the recession, the number of visits abroad taken by UK citizens – 58.4 million – while still substantial, was 15 per cent down on the previous year. This year bad weather, the catastrophic six-day shutdown of UK airspace due to the volcanic ash cloud, the BA strikes, civil unrest in nations such as Greece and Thailand, and the weak rate of sterling have also hit consumer confidence when it comes to travel.

The government cannot expect the industry to carry the full financial burden of supporting stranded UK citizens in event of force majeure disruption, and we call on the new government to convene a meeting of all relevant parties to devise a fair and effective system for future disruptions. The volcanic ash cloud incident highlighted once again how legislation governing the protection of air passengers departing from the UK has become badly out of step with the way people travel today. ABTA is working hard to make sure that the reviews under way here in the UK and at European level will also provide better and more straightforward protection.

It is essential that ABTA works together with government over the coming months on the level and design of a ‘per plane’ duty. The travel industry is one of the success stories of this country. It is senseless to tax people out of the skies, so in order to maximize the tax take on aviation, the level must be set so that people can still afford to fly whilst contributing to the Exchequer.

We believe that a switch to per plane duty is the right move, as it has the potential to incentivise airlines to fly more efficient planes with full passenger loads, but a tax take on aviation must be proportionate. Over the past five years the rise in Air Passenger Duty has been far from fair – and completely disproportionate to the environmental cost of the industry.

The UK travel industry can also be a force for good, and not only across the UK. It can and does benefit developing economies by alleviating poverty. ABTA is forging important partnerships and initiatives to make sure that destinations develop and thrive sustainably and that local communities really do benefit from tourism. Everyone enjoys taking a holiday but if travel and tourism is to remain affordable to all and move towards a more sustainable foundation, we will need the engaged support of parliamentarians. Find out more about us at www.abta.com

MARK TANZER Chief executive, ABTA
ONE-MAN TOURISM TASKFORCE

From airport capacity and taxation to financial protection for holidaymakers, new tourism minister John Penrose reassures a sceptical Charles Starmer-Smith that the interests of the travelling public are at the heart of his new brief.

Even tourism’s doom-mongers could not have foreseen the ‘perfect storm’ that would engulf the industry this year: a financial downturn, a weak pound, volcanic eruptions, British Airways’ strikes, the uncertainty of a hung Parliament, more predictions of a barbecue summer, and a World Cup that has seen English families rooted to their sitting room sofas.

But there are reasons to be cheerful, albeit not football ones. England are out of the World Cup but it means thousands of disgruntled supporters will be looking to drown their sorrows on the beaches of Spain, Turkey and Greece; Willie Walsh has put a new offer on the table for the militant Unite leaders to consider; sterling continues to strengthen against the beleaguered euro; Iceland’s Eyjafjallajökull volcano has calmed and the travel industry finally has a voice in Parliament. John Penrose, the former shadow spokesman for business, has been appointed as Britain’s first dedicated tourism minister. But can he make a difference?

“For the first time there will be someone waking up in the morning with the interests of the travelling public at heart and pushing their issues in Whitehall,” said Mr Penrose, during an exclusive interview with the Daily Telegraph in June. But we have heard such grandiose statements before.

Ever since the package holiday boom of the 1970s, tourism has been regarded as something of a Cinderella industry. It has provided consistent growth, profits and much-needed jobs but with little recognition. The World Travel and Tourism Council estimates that the tourism industry contributes £140bn annually to the British economy, more than that of the financial and business services sectors. Yet it has received little direct support.

Instead, responsibility for both inbound and outbound tourism has been split across five different government departments. Over the past 12 years, there have been nine different tourism ministers, for whom the role is just one of several jobs in their portfolio. As a result, the industry has had no voice in the corridors of Whitehall, initiatives have had no cogency, and thinking has been muddled, as a series of career politicians used the role as a stepping stone to front bench jobs.

Mr Penrose has little experience of the industry (his background is in business) and the tourism role is still a junior one (he reports to Jeremy Hunt, the culture secretary) but he claims that ‘travel matters’ will not just be a manifesto pledge of ABTA, but also of this government.

“Tourism has been ignored for too long,” he said.

Phoning home: but with hopes of UK airport expansion extinguished, what will passengers get for increased APD?
“As MP for Weston-Super-Mare I recognise how important it is to this country, and I have seen what it does for a community.”

He denied accusations that outbound travel is not part of his brief, and is aware of key issues to be resolved. The reform of financial protection for holidaymakers, for example, is already on his agenda.

But the issue of taxation will be a thorny one for Mr Penrose if the government continues to view travellers as a soft target – George Osborne’s decision to continue with Labour’s iniquitous increase in Air Passenger Duty in November has done nothing to assuage such fears. The small print of last week’s Budget suggested further increases are on the horizon.

Hopes of increased airport capacity have been extinguished as Mr Penrose reaffirmed the government’s commitment to block the third runway at Heathrow and any expansion at Gatwick and Stansted. He maintains that better use of the space at existing airports, and the expansion of high-speed rail, is the answer.

But he is also pragmatic. He realises that Britain cannot compete head-on with traditional beach destinations and instead sees heritage, culture, nature and scenery as the reasons to holiday at home. He pledged to put the needs of holidaymakers first and asks for time to get to grips with the issues before trying to make a difference.

“The proof will be in the pudding,” he said. But at least by listening to the issues at hand, he has served up a decent starter.

New tourism minister, John Penrose: “Tourism has been ignored for too long”

**CHARLES STARME-RSMTH outlines the Daily Telegraph’s campaign against air passenger taxation**

It is rare that any issue unites the disparate sectors of the travel industry but opposition to Labour’s continued increases in Air Passenger Duty (APD) achieved just that. Tour operators, airlines, passengers, tourist boards and environmental groups looked past the government’s ‘green wash’ to see these rises for what they were – shameless revenue-raising measures introduced in the name of helping the environment.

By the end of this year the tax will have increased by up to 325 per cent in just six years – leaving a family of four flying to Caribbean facing an APD bill of some £340 – yet not a single penny has been directed towards environmental causes.

Motivated by the iniquitousness of this tax, the anger of our readers and the apparent apathy to travellers’ interests at Westminster, we launched our petition against APD in the autumn, garnering more than 45,000 signatures.

June’s Budget announcement has left the travel industry in limbo. The coalition is to press ahead with APD’s rise at a time when the industry has never been under greater pressure. But it has confirmed that it would ‘explore’ changes from a ‘per passenger’ to a ‘per plane’ duty. Any reforms would be preceded by public consultation.

While any move to a ‘per plane’ duty should be welcomed – it rewards airlines that operate with high load factors – it should be done with caution. Buried in the small print of this Budget, the Treasury states its intention to raise £3.8bn from air travel in 2014-15, up from £1.9bn in 2009/10.

For evidence of the potential impact of this tax increase, look to Holland. Last year the Dutch government abandoned its equivalent of APD. It had brought in more than €300m in revenue in a year, but the wider cost to the economy was estimated at more than €1.2bn.

Likewise, no mention has been made of reforming the controversial banding system used to calculate APD contributions (the distance from London to the capital city of the destination) that sees passengers travelling to Hawaii paying less duty than those flying to Barbados.

Premium cabins, too, are also disproportionately punished, with passengers paying £170 on a flight to the Caribbean – the same as those in first-class. Meanwhile, passengers on private jets remain exempt from paying any APD.

The prospect of further rises has horrified the aviation industry. “Our fear is that any restructuring will be seen as an opportunity to take even more tax from people who fly,” said Michelle di Leo, spokesman for the aviation lobby group, Flying Matters. “The rises in November are already eye-watering; the small print in the document suggests there is even worse to come.”

* From November, APD will rise from £11 to £12 on flights of up to 2,000 miles; from £45 to £60 on flights between 2,001-4,000 miles; from £50 to £75 for 4,001-6,000 miles, and from £55 to £85 for anything further.
VOYAGE OF EXPERIENCE

Tourism changes lives, creating employment and opportunities both in the UK and abroad, writes Harold Goodwin

The choices we make when we travel, and about our holidays, make a difference. When we travel away from home on holiday, or for work, we have new experiences and the opportunity to learn about someone else’s place. Travel can open our eyes or reinforce our prejudices; it can provide recreation and re-energise us; and we can take from our destination, or put something back by engaging with it.

Increasing numbers of us are volunteering and contributing to good causes in destinations at home and abroad through travel-related philanthropy; we see a need, and we respond to it.

Travel does create greater understanding of our world, its diversity and the challenges we face globally. It can be a force for good. The choices we make determine the impacts of our travel and holidaymaking. Travel and tourism is what we make of it. In turn, our experiences of other peoples’ places shape us – think about those family holidays you had as a child.

The way our citizens, and our companies, behave abroad shape international perceptions of us. Legislators have been sufficiently concerned about the behaviour by UK citizens abroad to legislate on paedophilia and football hooliganism. Decisions made in the House affect the choices our citizens make about their holidays, and contribute to managing the social, economic and environmental impacts of travel and tourism.

The Foreign Office ‘Know Before You Go’ travel advice has been developed, with the support of the industry, to help UK travellers prepare for their trip and to travel well. ABTA’s work with ECPAT UK, developing the ‘Every Child Everywhere’ eLearning for industry, shows great responsibility on the issue of child protection, as does ‘Accessible Travel Made Easy’, developed by ABTA and supported by the Equality and Human Rights Commission.

Travel can open our eyes: UK tourism is very important to the Gambian economy, but the ‘distorting’ effect of airline duties favours travel to other destinations, says Goodwin
The travel and tourism sector is notoriously difficult to get a grip of; it is perhaps best understood as the market for holidays and travel, at home and abroad. Increasing affluence, paid holiday entitlements and advances in transport have created opportunities for British citizens and shaped their expectations. People expect a great deal of their holiday; it is valuable time, and most years it is their most significant single expense.

The decisions of the House, and of government, shape the context in which people make their holiday decisions. Broader economic changes affect them too. The decline in the value of the pound makes foreign travel more expensive and encourages domestic tourism and the ‘staycation’.

A period of austerity will shape the holiday choices people are able to make. But sun is important to northern Europeans and the annual short migration to the sun will persist. This year there has been real growth in all-inclusives as UK holidaymakers protect themselves against currency fluctuations. Holidaying and travel take place in highly competitive markets, one in which margins are generally tight. In a market sensitive to small changes in market signals, and legislation, it is important to beware of unintended consequences; the devil is often in the detail.

Air Passenger Duty (APD) was introduced as a green tax with little or no consultation. Existing APD is not designed to encourage green behaviour; it created no incentive for the industry to improve its environmental performance. Individual passengers pay the tax regardless of how polluting their flight is. Full aircraft pay more tax, yet a plane is a plane is a plane. Charter air passengers flying point-to-point in full, relatively new and fuel-efficient planes, pay the same tax as those flying in planes with more empty seats or travellers.

A green tax would encourage travellers to fly with less polluting carriers. A new APD would be ‘greener’ if the per-plane duty reflected the environmental performance of the aircraft and the distance flown. The detail matters.

Take The Gambia: UK tourism is very important to the economy; research by the ICRT revealed that UK tourists in destination spend £24 a day locally outside of their hotel. That amounts to £14.4m, one third of which goes directly to the informal sector, the relatively poor.

We need to be careful of the distorting effects of APD which discriminates against The Gambia and advantages the Canaries, and favours Hawaii over the Caribbean. Internationally tourists are significantly better than development agencies at spending money in poor countries. Research the ICRT undertook for the UN World Tourism Organisation demonstrated that for many of the poorest countries, tourism is one of their few opportunities to engage in the world economy, and vital to their prosperity and sustainability.

Tourism changes lives, it creates employment and opportunities in the UK and in the places we visit. The industry creates livelihoods – it is time for the range of jobs it creates to be recognised, from kitchen porters to general managers; an industry of opportunity where many of those in senior positions worked their way to the top.

“People expect a great deal of their holiday – it is valuable time and, most years, it is their most significant single expense”

The ABTA logo is on every high street and is one of the best-known consumer guarantees in Britain; the brand has 74 per cent consumer recognition. Sixty years old this year, ABTA is more than Britain’s leading trade association for the UK travel and tourism industry. ABTA was formed to represent the interests of its members; its responsibilities have widened to include financial and consumer guarantees, health and safety, and over the last seven years it has been leading the movement in UK outbound to take responsibility for sustainability.

ABTA is also playing a major role in the development of a UK sustainable tourism strategy, retailing UK holidays, with UK champions in high street shops and members like Superbreak and the Holiday Cottages Group which are UK specialists. With international leaders like Thomas Cook and TUI based in the UK, creating employment and generating tax revenues here, ABTA is a leader in the Responsible Tourism movement internationally.

The TUI Group, Virgin, Kuoni and Thomas Cook also bring tourists into the UK – it is an international business.
The inaugural Travel Matters industry briefing took place on Thursday 3 June 2010 in Westminster. It brought together an invited audience of senior travel practitioners as well as national, consumer and travel trade media and political influencers.

“The word ‘turning-point’ is overused, but sometimes it does describe where we are and I do believe that the travel industry is at just such a point as we meet today,” said ABTA’s chief executive, Mark Tanzer. ABTA’s vision is for a prosperous and sustainable travel industry. “Our vision is ambitious, demanding and necessary,” he said.

Tanzer’s points focused on three policy issue priorities: reimbursement for the costs of supporting British citizens stranded overseas due to the volcano; the intended

Above: Bianca Williams of ABTA (left) chats to Katherine Wilsey of the Telegraph (centre)
Left: Mike Greenacre of the Cooperative Travel Group (left) poses with David Moeühl from the CAA (centre) and Sandra Webber (right) from the Department of Transport.
Right (l to r): Lyn Houghton, freelance journalist, Bill Gibbons of Passenger Shipping Association, Ian Reynolds from Citybond Insurance and Simon Bunce from ABTA
Mark Tanzer, chief executive of ABTA: the travel industry is at a “turning point”.

Above: Christine Farnish of Barclays Bank and ePolitix parliamentary editor Tony Grew

Below (l to r): Luke Pollard, ABTA; Sky Presenter Mark Longhurst moderated the day; Benedict Brogan from the Telegraph gave the paper’s view on the new political landscape

Above: Dermot Blastland, chief executive of TUI UK

Above: Mike Bowers of TUI (right) listens as Nigel Turner of Carlson Wagonlit (left) outlines key industry issues

The event concluded with an informal lunch, providing a rare opportunity for the industry and the media to network and mark ABTA’s 60th anniversary.

reform of Air Passenger Duty into a “per plane” tax, which could mask additional tax rises for aviation, and the outdated system of financial protection that governs the industry, which is “unclear, unfair and doesn’t work”.

Mike Bowers of TUI (right) listens as Nigel Turner of Carlson Wagonlit (left) outlines key industry issues

Doug McWilliams, from the Centre for Economic and Business Research, predicts that Mediterranean countries will leave the euro
FROM THE JOBS CREATED TO THE COMMUNITIES CONNECTED, THE LIFE-CHANGING OPPORTUNITIES AIR TRAVEL PROVIDES PLAY AN IMPORTANT AND POSITIVE ROLE IN OUR 21ST CENTURY LIVES. THE AVIATION AND AIRPORTS INDUSTRY IS DYNAMIC, VIBRANT AND SUCCESSFUL. BUT IT IS ALSO OPERATING IN AN ERA OF CHALLENGE AND CHANGE.

First, there was the worldwide recession which dented consumer confidence, cut passenger numbers and hit jobs and profits. Then, just as the economy began emerging from the economic downturn, the Eyjafjallajökull volcano in Iceland blasted millions of tons of ash into the atmosphere. The eruption resulted in an unprecedented restriction of access to European airspace, leaving planes grounded and passengers stranded.

The intense debate on the environmental impact of aviation – both locally, in terms of noise and air quality, and globally, in terms climate change – is likely to have far-reaching consequences for the industry. Add to this difficult mix, the transformational impact of internet booking, and that age-old saying, “may you live in interesting times”, could have been tailor-made for this sector.

Yet, faced with testing conditions and difficult choices, the people and the companies of the air travel business are responding with fresh thinking and innovative ways of working. In my view, the steps we have taken since being elected demonstrate the determination of this new government to be equally innovative. I’d like to highlight just four of them.

Firstly, we have kept our manifesto promise to oppose a new runway at Heathrow. Rather than press ahead with a third runway, with serious negative consequences both for local communities and our shared environment, we want to integrate Heathrow into our proposed high-speed rail network. Not only would this offer a greener travel alternative, it would also provide passengers with a better Heathrow rather than a bigger Heathrow.

Secondly, work is under way on assessing how to implement our policy on reforming Air Passenger Duty to encourage airlines to switch to flying fuller and cleaner planes. Major changes will be subject to public consultation.

Thirdly, working with the industry and the Civil Aviation Authority, we have drawn on the experience of the “ash crisis”. Our goal is to further improve the robustness of the regulatory framework and strengthen the UK’s resilience and response in the face of major incidents.

And, fourthly, the new government is committed to improving the passenger experience. That’s why, in the Queen’s Speech, we announced a bill to modernise the framework for airport economic regulation. It’s also the reason I will be chairing a newly established South East Airports Taskforce made up of key players from across the industry. This group will explore options for making the best use of existing airport infrastructure and improving conditions for all users. The Taskforce’s initial focus will be on action at our three biggest airports: Heathrow, Gatwick and Stansted.

Whether it’s for business or leisure, tourism or trade, air travel is woven into our modern way of life in our increasingly inter-connected and inter-dependent world. So yes, I recognise that there is no shortage of challenges facing the aviation sector. However, I am also convinced that, working together, this government and this industry has every chance of making real progress on these challenges with confidence and success.
The tourism industry has recently suffered a number of ‘hits’, resulting in a series of high-profile and damaging headlines. The Icelandic ash cloud incident was probably the worst – estimated to have cost the UK sector millions of pounds – yet the outbound travel industry sector continues to have a lack of influence in Parliament and UK travellers continue to suffer the consequences.

As tourism is a business-related industry, it is a huge provider of tax and employment, and in economic terms by far the biggest and most important component of the Department of Culture, Media and Sport – often providing the wealth that subsidises other components of that department, such as the arts. Successive governments have failed to create a specific department for tourism in the past, which has resulted in a lack of co-operation and commitment between other government departments.

In a recent article, in the British Hospitality Association’s annual report, the chief executive states that there has been an “inability of governments in the last 13 years to take tourism seriously”.

However, in actual fact, it has been far longer than that. The tourism industry is one of the largest in generating economic activity and employment in this country. According to figures from Deloitte, the direct contribution of the visitor economy is £52bn in terms of GDP, which equates to four per cent of UK GDP. And in 2009 this directly supported approximately 1.36 million jobs, a total of 4.4 per cent of the UK workforce. (Deloitte, United Kingdom dashboard, 2009, p1).

It is clear that opportunities within the industry have been missed, and some argue that tourism may never reach its heights without a dedicated tourism minister of cabinet rank.

I think those who advocate such a minister are unlikely to succeed without tourism being allied to another important industry with equal claims for cabinet status. I have always advocated that tourism and sport are natural bedfellows, as I believe that there are areas of sport, leisure and tourism which have many inter-locking synergies and should be equally recognised by the government for the economic powerhouses that they are and the further growth potential that they offer. Now, with the 2012 Olympics, the UK tourism industry has even greater potential to grow.

According to the Tourism Alliance, there has already been a three per cent cut in funding for VisitBritain and VisitEngland, equating to around £1m and £300,000 for the respective organisations, and this is in addition to the 10 per cent decrease in the budget already incurred by these organisations as a result of the 2007 Comprehensive Spending Review.

At a time where there are great gains to be made for the UK economy with the investment and the raised profile of the 2012 Olympic Games, it seems to me that tourism funding should be protected and the industry nurtured, not limited by financial constraints which will be detrimental to the UK economy.

It is too early to take account of all of measures in the emergency Budget which will affect tourism, although the DCMS’ budget has been reduced by 25 per cent over the next four years – which can only be bad news to the tourism and hospitality industries.
A squeeze on domestic connections into Heathrow could damage Scotland’s export growth and its potential to attract inward investment, writes Wendy Alexander

Cancelling Heathrow’s third runway has repercussions far beyond west London. Heathrow is full. On any normal day, its two runways operate at 99 per cent capacity. The result – arriving aircraft are routinely held in holding patterns, departing aircraft get stuck in lengthy taxiway queues, passengers are frustrated and flights are delayed or cancelled in bad weather. Without additional runway capacity, passengers will continue to endure the delays and cancellations that, unfortunately, have become the hallmark of the Heathrow experience.

It’s bad for business, bad for tourism and bad for the environment. And it’s a terrible advertisement for Britain in the 21st century, particularly as many of Heathrow’s rivals are pushing ahead with ambitious development plans. The British Chambers study, published in 2009, found that a third runway at Heathrow would add £30bn to the UK economy.

Heathrow is the UK’s only hub airport, serving around 180 worldwide destinations. So opting to build more airport capacity elsewhere in the South East, simply means domestic passengers from the rest of the UK will invariably have to collect their luggage and cross London to reach Heathrow for their onward international connection.

Access to Heathrow is of particular importance to the regions of the UK. More than 500 flights operate each week between Scotland and Heathrow, and over three million people use the shuttle service every year. Scotland needs direct access to the UK’s only hub airport if it is to compete effectively. Because Heathrow is full, airlines such as British Airways and bmi – which have traditionally operated feeder services from the north – are under immense pressure to switch their domestic slots to more lucrative long-haul services.

We have already seen the effects of this, with a reduction in the number of early-morning flights from Edinburgh and Glasgow to Heathrow, and the withdrawal of Heathrow services from Inverness and Teeside. Already only eight regional airports outside London have direct access to Heathrow – this is down from 18 domestic routes into Heathrow two decades ago. The squeeze on regional access slots to Heathrow is real and sustained.

Some suggest high-speed rail is an alternative. I support high-speed rail. But the dedicated link to Scotland will be 20 years in construction. Until then it is not a substitute for Heathrow. Others argue Britain’s regional airports should offer more direct international routes. The past decade has seen a huge expansion of air services to and from Scotland. But no other part of the UK has the population base – or the inbound potential – to support the wide range of international destinations that only a world hub like Heathrow can offer.

The message from Scottish business is that Heathrow is vital as the hub for transfer connections that back-up Scotland’s pitch for inward investment and export growth. Yet we are already losing flight connections from Glasgow to Heathrow, and the competitive pressure on airlines to concentrate on the most profitable international flights is a growing threat to domestic connections with Heathrow.

“The squeeze on regional access slots to Heathrow is real and sustained”

High-speed rail is not the answer to our immediate concerns if realistically it’s not even going to start its first phase until after 2017. Pitching for direct flights is not the answer either, as regional airports can never realistically expect to have anything like the offer available at Heathrow. Scots may have to rely on Schiphol rather than Heathrow in future.

In Europe, new runway capacity is clearly valued – Amsterdam, Barcelona, Frankfurt and Madrid have all added at least one new runway. Meanwhile, China and India continue to develop new airport infrastructure at a blistering pace. What will the Westminster government now do to protect and expand domestic connections to Heathrow to ensure Scotland is not gradually cut off from Heathrow? Will it do more to reduce train journey times to London on the existing West Coast Main line whilst we await developments in high-speed rail? These are the issues the government must now address.
As a local GLC councillor I convened my first meeting in the Heathrow villages against the third runway in the early 1980s. For the next three decades both Conservative and Labour governments succumbed to the powerful aviation lobby and allowed the airport to expand, reneging on commitment after commitment given in opposition that a limit would be placed on the growth of Heathrow.

The main objections to expansion at that time were the impact of noise on West London and the creeping threat of demolition of the villages surrounding the airport, resulting in a mass forced eviction of up to 10,000 people from their homes.

At that stage it was still a David-versus-Goliath struggle with a local community squaring up to take on the all-powerful BAA and airline companies, which had effectively dictated the transport policies of governments for over 50 years. What changed the battle plan was the emergence of both a true picture of the impact of air pollution stemming from the airport and, above all else, the issue of climate change, with a recognition of the growing contribution of aviation to the threat to our planet from climate change.

Increasingly the claims about the economic benefits of the airport also came under scrutiny. Whilst the airport undoubtedly brought with it large numbers of jobs, it also forced up local land prices, with the result that local manufacturing has moved out of the area and many skilled jobs have been replaced with lower-skilled and less well-paid employment. The local economy became unbalanced and almost totally dependent on one service sector. Any disruption or decline in that sector jeopardises the whole local economy.

Confident now that the battle against expansion of Heathrow has been won, we can plan for the long-term future of the airport and its role in the integrated and sustainable transport network that we now need to create. The future of Heathrow should be based upon placing it at the heart of the most modern green transport network in the world, all aimed at promoting at every opportunity the use of the least polluting forms of transport options.

Heathrow can now play its role in minimising the need to fly. By ensuring the development of high-speed rail links between Heathrow and the rest of the country and Europe, most internal flights should become things of the past, and rail should continue to become the preferred option for travelling to Europe.

Where flying is the only option it means using our existing range of airports, in and surrounding London, more efficiently to avoid the polluting ‘stacking’ of airplanes above our heads. Linking the South East and London airports of Heathrow, Stanstead, Gatwick, Luton, and City by rail would create a networked hub to maximise existing runway capacity to overcome stacking.

“In an age when people are increasingly concerned about climate change and the environmental impact of their activities, the opportunity is opening up for us of marketing a visit to our country as potentially the most environmentally and ecologically sustainable transport experience in Europe.”

In addition, with the development of electric vehicles, we now have the opportunity to develop the least polluting public transport system to cater for passengers travelling to and from the airport into the capital and other destinations.

Instead of funding additional runways, the focus of investment at Heathrow can now be upon improving the quality of the passenger experience whilst in the airport. More pressure is also needed on the aviation industry to support the research and development of airplane engines that minimise and eventually overcome their polluting impact.

“Healthrow can now focus on improving the quality of the passenger experience whilst in the airport”
ASH FLOW CRISIS

Andy Cooper asks why the travel industry was left to pick up the tab for recent, unforeseen events

British airspace was forcibly closed down in April for the first time since the end of World War II as a result of the eruption of the Eyjafjallajokull volcano in Iceland.

This closure had a massive impact on airlines, airports, business travellers and holidaymakers across Europe. Unfortunately, during the five days the airspace was closed there were many pictures of customers stranded at airports around the world, leaving an impression that more could have been done to look after those people.

Unfortunately, pictures can sometimes be misleading. Tour operators, like the Thomas Cook Group and other ABTA members, immediately recognised the importance of ensuring their customers were kept informed and well looked after during the crisis. Although this resulted in significant costs for the company, these were not passed on to customers.

The decision to close airspace was clearly a prudent one made by government and, whilst we may question the length of time for which the airspace was closed, we do agree with the need for caution. However, is it right that tour operators should be expected to bear the full financial burden of the government’s decisions? This event was wholly unforeseeable and the cost of ensuring that customers were looked after was massive – in the case of the Thomas Cook Group alone, it is £70m.

We believe it is right and proper that government should help the industry with this cost, and the industry is looking to ministers for a clear declaration of financial support, and to develop a long-term solution to ensure it does not get saddled with unreasonable financial burdens for events entirely outside its control.

A PLACE IN THE SUN FOR SOME

Consumer protection rules have not caught up with changing holiday habits, says Dermot Blastland

Existing regulations for consumer protection are in an unholy mess. Conceived in the 70s, before the internet and low-cost carriers existed, they are outdated and ill-fitting. The market has since evolved and grown to four times the size.

The question ‘Am I protected?’ produces complex answers depending on how you book. Book a traditional package holiday and you will be covered – but less than 50 per cent do. If you book a flight only, charters can put their flights under ATOL, scheduled carriers don’t. You will have to rely on scheduled airline failure insurance, or credit or debit card cover, but you need to check.

The biggest confusion arises with the large growth in DIY packages. You may have booked a flight and accommodation with the same company, which may or may not be covered.

Customers booking differently and yet experiencing what is essentially the same holiday will have different levels of protection. This is what happened with the thousands of customers of XL, which failed in 2008. Some were entitled to refunds or repatriation, others were not.

Clarifying current legislation has resulted in repeated court actions and has seen the CAA fighting expensive legal cases. Urgent action is needed.

The proposals to cover all ‘flights plus’ business set out in the recent DfT consultation represented a real step forward. However, it is not the long-term solution. The UK government needs to decide whether it wants its citizens travelling overseas by air to be financially protected and the cost of repatriation to the UK be covered, should their airline go bust.

If yes, then a simple and comprehensible solution treating flight-only and package travel customers in the same way needs to be found. This has been recommended before by the CAA but was lobbied against by airlines not currently covered.

We urge this new government to look once again at this simple, elegant solution, trusting that with fresh eyes and an open mind they will recognise the importance of protecting UK citizens abroad.
lord Palmerston was good at despatching the gunboats, which he famously did for a Portugese Jew living in Athens, Don Pacifico, who (by virtue of having been born in Gibraltar) was a British subject.

HMS Albion was hardly a gunboat. As a matter of fact, it is currently the second-largest vessel in the Royal Navy, second only to the aircraft carrier Ark Royal in size. Its vast bulk loomed over the quay at Santander. And my wife and I, standing behind the wire-fence on the quayside at Santander with about 60 other travellers looking urgently for a passage home, were hardly distressed British subjects in a Palmerstonian sense. We had been travelling in South America when the Icelandic volcano erupted. We had got as far as Madrid airport on our return journey, only to find about 5,000 depressed passengers waiting around – some for days already, it turned out – for information about how to proceed.

Admittedly, Jenny and I had shown a bit of gumption. We had made a dash for the central bus station in Madrid and had bagged the last two seats on the bus for Santander, the Spanish port which lies on the coast around six hours (by bus) due north of Madrid. Yes, we had enjoyed a singular stroke of good fortune in the sense that the HMS Albion had been dispatched to Santander at precisely that moment to pick up 500 British servicemen and women who had been stranded in Cyprus on their way home from Afghanistan.

I was, however, fairly sceptical about whether we would, or even should be, permitted on board the HMS Albion. I didn’t see that the British government was under any obligation to spend public funds to ‘rescue’ people like us who were quite simply holidaying abroad and found themselves stranded. So when the British embassy man came out and explained that, alas, there was no room for our group because all the spaces had already been allocated by the British Embassy in Madrid to several hundred ‘priority’ passengers and women who had been stranded in Cyprus on their way home from Afghanistan.

I wasn’t wholly convinced by my own answer. Of course, there was a PR benefit to the Navy and they, rightly, made the most of it. It wasn’t a ‘mini-Dunkirk’ by any stretch of the imagination. But it was a neatly executed operation that certainly showed the Navy in a good light. That said, when George Osborne or Liam Fox’s minions start totting up the cost to the taxpayer of the money spent ‘rescuing’ stranded British travellers, I am sure they will find that the HMS Albion’s contribution adds up to a not inconsiderable sum.

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Am I going to send a cheque to cover any incremental costs my wife and I may have been responsible for? My answer to that is absolutely clear. If someone sends me a bill, I shall give it my fullest attention.
Planning, booking and buying a holiday has become a very different experience over the past decade.

It may now be second nature to book flights and hotels at the click of a button but 10 years ago package holidays were the most popular form of travel, and entire holidays were booked through high-street travel agencies.

This change has been driven by an increase in competition and the rise of internet-enabled technology, both of which have had many positive effects for travellers and the travel industry – driving down prices, reducing costs and increasing choice. Unfortunately, not all the changes to the travel market have been as positive for those holidaying abroad. Airline bankruptcies, adverse weather, industrial disputes and ash clouds, have led to an increasing number of passengers being stranded and grounded, sometimes even without proper protection or compensation.

Much of the legislation covering consumer protection, airline passenger rights and package travel has been regulated at an EU level, given the cross-border nature of the activity. There have already been some notable successes by the European Parliament, including the adoption of the Passenger Rights Directive, which has established effective compensation mechanisms for those affected by airline delays, cancellations and overbooking. However, the continual changes in the travel market have rendered other important pieces of legislation out of date and often left consumers out of pocket. This has not been lost on European parliamentarians, who have consistently urged the European Commission to bring forward proposals to ensure that consumers are better protected when holidaying abroad. Issues such as the safety of leisure activities, and fire protection in hotels could be subject to more transparent descriptions and consistent standards. More work could be done to ensure that consumers have the necessary information to make informed choices when purchasing their holidays.

“As well as contributing to consumer protection, a new directive would help improve the functioning of the single market, a point recognised by the European Parliament, which has been a consistent advocate of the internal market project. It will help drive competition into the sector and create a level playing field for businesses selling travel packages.”

As well as restoring consumer confidence in the travel market and setting a high level of protection would be priorities in the directive’s review.

The European Parliament’s Internal Market and Consumer Protection Committee have also urged the European Commission to ensure that consumers are not left unprotected as the travel market changes to meet future needs. In the same public debate with the commissioner, committee members asked the Commission to think more ambitiously about what protection consumers need when holidaying abroad. Issues such as the safety of leisure activities, and fire protection in hotels could be subject to more transparent descriptions and consistent standards. More work could be done to ensure that consumers have the necessary information to make informed choices when purchasing their holidays.

“A reformed Package Travel Directive should come before the European Parliament and European Council by 2012, after impact assessments and consultations. The new directive would extend some of the rights available to package tour customers to those also buying elements of their holiday package separately. This will be a difficult balance to achieve, without making the booking process more complex and also adding to holiday costs. The extra liabilities on carriers and hotels will have to be offset by insurance cover. At the European Parliament plenary session in Strasbourg earlier this year, the European Commissioner responsible for consumer protection, John Dalli, promised parliamentarians that restoring consumer confidence in the travel market and setting a high level of protection would be priorities in the directive’s review.”

“Just the ticket” Malcolm Harbour outlines how the European Parliament is working to improve consumer protection rights abroad

Malcolm Harbour is Conservative MEP for the West Midlands and chair of the Internal Market and Consumer Protection Committee

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Malcolm Harbour is Conservative MEP for the West Midlands and chair of the Internal Market and Consumer Protection Committee.
Our industry is a power for good. It drives wealth and job creation in the UK and is an efficient and effective form of economic aid and wealth development for the destinations it serves. It recognises its responsibility in our finite world and understands the importance of thriving destinations.

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