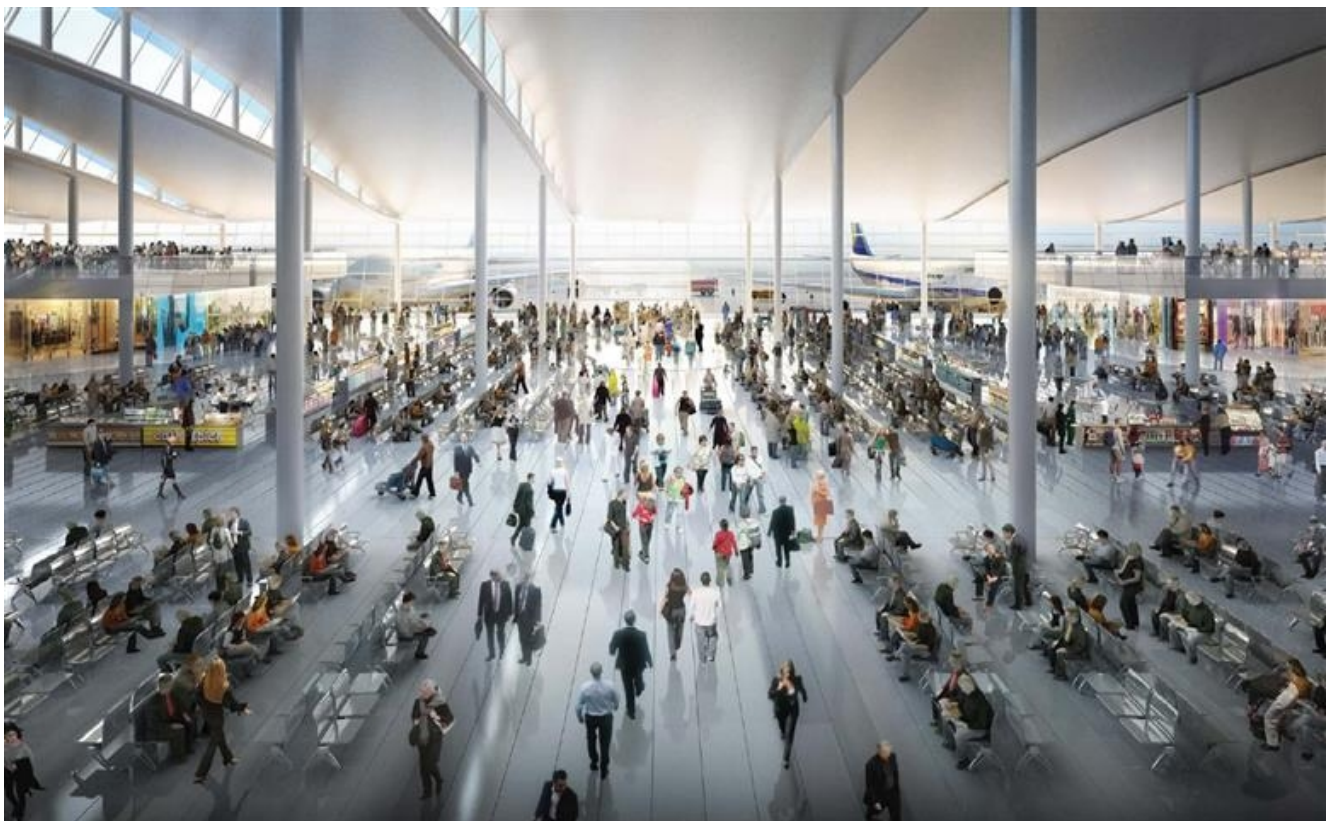


The Economic Benefits of Britain's Global Gateway



Heathrow is one of the UK's most important economic assets. It is the busiest international airport in the world and plays a unique role as the UK's only hub airport. Heathrow's route network stretches around the planet, with 90 airlines serving 180 destinations. Two-thirds of all long-haul flights in the UK depart from Heathrow and seven out of the top ten business routes in the world have Heathrow at one end. It acts as the UK's gateway to the global economy and gives businesses access to markets and customers around the world.

Business passengers know that they can go where they need to in the world, when they need to, directly from Heathrow. They do not have to spend time and money going elsewhere first. In today's globalised economy, the UK has to compete not just on producing high-value, highly-skilled products and people, but also on the ability to get them to where they need to be - particularly to the emerging markets of India and China.



Hub airports are important because only they have a sufficient volume of traffic to offer passengers and freight the wide variety of destinations and frequency of flights needed in today's world. Heathrow's hub status is vital to business and a key component in ensuring that the UK remains internationally competitive in the long-term and at the heart of the international economy, as well as ensuring that the citizens of the UK have direct routes to their family and friends abroad. Heathrow relies on transfer passengers for the viability of its hub status. To those who question

what value the UK derives from a passenger who flies in from Seattle, changes planes at Heathrow, and flies out again to Bangalore, the answer is surprisingly simple: without transfer passengers, the UK would not have flights to Seattle nor Bangalore. These routes would simply not be economically viable without the high proportion of transfer passengers that support these flights. And that is true of many of other flights as well. Two-thirds of flights at Heathrow depend on 25% - 40% transfer traffic.

Transfer passengers underpin two critical factors - network diversity and frequency. One of Heathrow's strengths is its frequency of flights on key business routes compared with other European cities. In addition, Heathrow offers flights at times of day when no other competitor has flights. Unsurprisingly, these are critical concerns for business travellers who make up 40 per cent of Heathrow's originating traffic.

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The evidence around Heathrow's hub status is clear. Heathrow accounts for only one-fifth of UK flights but two-thirds of all our long-haul flights. It operates the UK's only direct air links to world cities such as Mumbai, Shanghai, Beijing and Sao Paulo. Seven out of the top ten business routes in the world have Heathrow at one end.

No other airport in the UK can sustain the long-haul routes that Heathrow can. If airlines could operate profitable, direct long-haul flights from other UK airports then they would. But, if you look at the long list of destinations served by other UK airports, you would be hard pushed to find a flight east of Dubai or south of the Caribbean. If airlines can't fly from Heathrow, they will fly from another international hub instead, taking their business outside of the UK.

Maintaining Heathrow's international hub status is not just important for the airport business. The bigger the network of its direct air routes, the more attractive a city and a country become to domestic business, overseas tourists, and foreign investors seeking locations in which to site their business.

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