

SCDI COMMENT ON COMPETITION COMMISSION REPORT

20 August 2008

Responding to the provisional findings of the Competition Commission's market inquiry into BAA's airports, the Scottish Council for Development and Industry (SCDI) has highlighted concerns that a forced sale of Edinburgh or Glasgow airport and further regulation at Aberdeen may threaten investment and will not work in the long-term interests of passengers.

SCDI Chief Executive Dr Lesley Sawers said:

"Following the publication of the provisional findings, there remains little evidence of the potential for greater competition between Edinburgh and Glasgow airports because they fundamentally serve different markets. There is also a new concern over more regulation at Aberdeen because it has not worked in passengers' interests elsewhere. The main issues for business are access, flight options and service, rather than who owns individual airports.

"BAA has been a significant investor and contributor and to the growth of the Scottish economy, has attracted many new direct air routes and has a financed, ten year £500m capital programme for Aberdeen, Edinburgh and Glasgow. There is a clear business case for investment in our airports which must not be put at risk. Any new owner must be required to make a similar commitment to Scotland.

"We need to ensure the connectivity of the Scottish economy by growing the numbers of direct flights, securing access to Heathrow by building a third runway, and by investment in our road, rail and port infrastructure."

SCDI North East Manager Ian Armstrong said:

"The Competition Commission has rightly concluded that Aberdeen Airport serves a different market to other Scottish airports. However, what is worrying is that it has recommended more regulation at Aberdeen, when, as it has found, regulation has not been good for passengers in the south east of England and when current improvements at Aberdeen are being internationally recognised.

"The North East economy needs further investment in our international connectivity to continue to grow, diversify and compete, and this is happening, for example with the recently commenced £10 million redevelopment of the international arrivals area of Aberdeen Airport. The Airport has just this year been freed from the constraint of regulations around its opening hours and this has resulted in more services and greater convenience for passengers.

"There does not seem to be a good case for further regulation and the proposals will be a concern to business."

ENDS