

## **Written evidence submitted by Bristol Airport (AAS0009)**

Bristol Airport is supporting the submission made to the Committee by our trade body, the Airports Operating Association (AOA). The below is a short piece of additional information that we believe will be of use to the Committee's inquiry.

### **About Bristol Airport**

Bristol Airport is central to the economy of the South West of England and is one of the region's largest private sector employers. In 2019, the Airport supported almost 4,000 on-site direct jobs, and c.25,000 indirect jobs, bringing around £1.7 billion Gross Value Added (GVA) to the South West.

Bristol Airport is pioneering sustainability and aims to achieve net zero operations by 2030. We are working with our region's unique cluster of aerospace companies and universities to decarbonise flight.

### **Recovery of the UK aviation sector:**

As set out in the AOA's response, the financial impact of the pandemic on airports has been severe. Numerous support mechanisms are proposed for the short-term but beyond this, one of the most significant steps the UK Government could take would come at no cost to the Exchequer.

Allowing the introduction of duty free shopping at arrivals would have a significant positive impact on airports and other ports of entry. Independent economic research<sup>1</sup> found that this change would increase passenger spend by 20-30%, providing a stable and long-term income that enables airports to recover without relying on taxpayer funds.

The reform would be cost neutral for the UK Government as sales are a repatriation of duty free sales that would happen outside of the UK, with no negative impact on tax revenue. Duty free arrivals was previously under the remit of the European Union, who currently prevent it in Member States, so its introduction would be a demonstrable Brexit benefit and align with the UK Government's 'Global Britain' ambitions. The practice of duty free arrivals has been introduced in virtually all major airports in Asia, the Middle East, Australasia, and non-EU European nations.

Finally, duty free at arrivals would support the Levelling Up agenda as regional airports are expected to benefit most from its introduction. Retail sales can

account for as much as 40% of total revenue in some regional airports – highlighting the critical role retail plays in supporting regional connectivity in the UK.

### **Regional connectivity:**

As recognised in the Union Connectivity Review's Interim Report, transport connectivity is vital to economic growth, job creation, and social cohesion. Great Britain's higher rate of Air Passenger Duty (APD) than neighbouring countries and 'double domestic APD' for return flights has led to a decline in domestic connectivity and provided a competitive advantage to foreign airports.

A reduced and reformed APD would lead to an improvement in connectivity between the regions and nations of the UK. Bristol Airport is the gateway to the South West of England and South Wales, linking it with Teesside, Newcastle, Northern Ireland, and Scotland, destinations that either cannot be reached by rail or take five or more hours. There is the opportunity to increase the number of destinations, the frequency of flights, and increase competition on existing routes, reducing costs for customers.

As demonstrated by York Aviation's research<sup>2</sup>, regional airports are expected to take longer to recover their levels of connectivity following the pandemic compared to London airports.

### **Sustainability:**

Bristol Airport will achieve carbon neutral operations this year and aim to achieve net zero operations by 2030, which was positively referenced in the UK Government's recent Jet Zero consultation. By 2050, Bristol Airport as a whole will be carbon net zero, meaning all of the companies that operate from or provide services to the airport, including the airlines, will be contributing to the UK's carbon net zero economy.

Bristol Airport is currently targeting its scope 3 emissions, including aviation and surface access.

- We were the first airport in Europe to offset all passenger car journeys to and from our airport.
- We are funding innovation directly – our Aviation Carbon Transition (ACT) Programme has made £250k available this year for enabling sustainable aviation fuel (SAF) and other sustainable flight solutions to enable decarbonisation at Bristol Airport.

- A new joint sustainability partnership with easyJet is studying a wide range of cutting-edge developments and operational efficiencies, using Bristol Airport as a testbed to trial and implement the latest technological and innovative solutions for decarbonising easyJet's operations and reducing waste. Any successful results from the trials will have the potential to be rolled out across easyJet's network, which spans 150 airports across 35 countries.
- We are working in partnership with our region's unique aerospace and aviation cluster to decarbonise air travel – more on this below.

The UK's leading aerospace and aviation sectors mean that being a 'first mover' to decarbonise flight would have the benefit of creating high-skilled green jobs. This should be a key consideration when writing recommendations in this area:

- The South West's Aerospace and Aviation Cluster is uniquely positioned to fulfil the UK Government's vision of net zero aviation by 2050 and a country transformed by a 'Green Industrial Revolution'. Our region boasts 14 of the 15 most significant aerospace companies in the world, supported by world-class universities and specialist science centres, a complex supply chain of over 800 companies, aerospace R&D centres, and an unparalleled high-skill talent pool. Its combined strengths have created an ecosystem that exists nowhere else in the UK and can only be rivalled internationally by a handful of other regions.
- UK Government funding for clean aviation has previously been fragmented, supporting individual projects and concepts, but has not had the opportunity available to be coordinated to meet the challenges faced by the relationship between new technology, infrastructure, supply chains, and ground operations.
- The South West is the only region in the UK that has all the elements required to create a living lab for aerospace, where new decarbonisation technology can be created, tested, deployed, and commercialised, and where cross-sector green jobs and skills can be created through building on the existing connections between business, universities, further education, airlines and airports.
- Existing programmes and spending should be channelled to the region in a whole system approach. This coordination of support and investment will be based against creating a multiplier effect, creating a living laboratory in the South West.
- This channelling requires national programmes to be continued and guaranteed for the longer term. The Aerospace Technology Institute

(ATI) would be a vital component, so it should receive long-term funding to enable it to continue to promote transformative technology.

- To fulfil its potential, the South West Aerospace and Aviation Cluster's unique ecosystem should be recognised by the UK Government; existing funding mechanisms channelled and combined with the already coordinated investment from companies, bolstered by new support for research from regional universities and specialist science sectors to enable a step-change in decarbonising aviation. In the short term, and with additional coordinated investment, this partnership would create a new South West Centre for Clean Aviation and, in the medium term, a hydrogen transport end-to-end system in the region.
- There is a significant opportunity for the UK - drawing on our existing strengths to lead the world in decarbonised aerospace technology, being the first to bring it to a global market, creating, sustaining, and evolving tens of thousands of green jobs.

**October 2021**

## **Endnotes**

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<sup>1</sup> The Impact of Duty Free Arrivals Shops on Domestic Markets and Government Revenue, York Aviation - published August 2021

<sup>2</sup> [The Demand and Connectivity Impact of a 12 Month Air Passenger Duty Waiver, York Aviation - July 2020](#)