



**Friends of  
the Earth  
Scotland**

**TRANSform Scotland**  
the campaign for sustainable transport



## **Parliamentary Briefing on the Air Route Development Fund**

17th January 2006

Joint briefing from Friends of the Earth Scotland, TRANSform Scotland and WWF Scotland

### **Introduction**

The Scottish Executive claims that the air Route Development Fund (RDF), which has subsidised around 35 direct air routes from Scotland since its inception in November 2002, a number of which have subsequently failed, is good for the Scottish economy and reduces the environmental impact of air travel. In this briefing we argue that the economic benefits are questionable, and the environmental costs considerable.

### **The reality: questionable economic benefit**

According to Scottish Enterprise, the RDF will benefit Scotland to the tune of £300m over ten years and lead to the creation of 700 tourism jobs. They claim that, "The benefits are unquestionable."<sup>1</sup>

We disagree with these claims: we believe that the benefits of the RDF are entirely questionable. Indeed, we are unaware of any sound - or independent - research to back up these assertions.

While the development of new air routes will undoubtedly bring travellers - and therefore tourist income - to Scotland, it also provides increased opportunity for Scots to travel overseas, thus acting as an overall drain on the Scottish economy.

Research by Friends of the Earth, published in August 2005 and based on data from the Office of National Statistics, found that **the net economic impact of aviation was a cost to the Scottish economy of around £1.4bn in 2004.**<sup>2</sup> While over 1.5 million incoming visitors used Scottish airports in 2004, bringing around £866m into the Scottish

economy, nearly 4 million trips were made by Scots travelling out of the country, spending over £2.1bn overseas. For every £1.00 spent by visitors in Scotland, nearly £2.50 was spent overseas - and hence lost to the Scottish economy. These figures suggest that aviation actually damages the Scottish balance of trade.

### **Aviation industry already subsidised by the taxpayer**

The aviation industry throughout the UK receives an effective public subsidy, over and above the current £12.4m of the RDF, of around £9bn annually.<sup>3</sup> This effective subsidy is delivered through tax-free aviation fuel, VAT-free airline tickets and international duty-free.

Even road transport pays for around a third to a half of the external costs it imposes on society and the environment,<sup>4</sup> yet aviation pays virtually none of its externalities. Is it right that an industry which imposes such substantial costs on the environment should not pay its way?

### **Temperatures soar**

The aviation sector is currently the fastest-growing source of climate change emissions.

The Scottish Executive has claimed that promoting new air routes reduces the environmental impact of air travel.<sup>5</sup> We disagree.

Firstly, while it is true that an individual taking a direct flight will produce fewer emissions

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than someone flying via a hub,<sup>6</sup> this efficiency gain will be cancelled out as new trips are generated. Secondly, we have seen no evidence to suggest that the RDF has displaced any existing flights: with an increase in the number of flights, pollution will increase accordingly. The overall effect of promoting more routes, therefore, will be to increase emissions.

Aviation emissions have an increased effect on climate change – the UN Intergovernmental Panel on Climate Change has found this to be around 2.5 times the effect of the CO<sub>2</sub> emissions alone.<sup>7</sup> This is due to the fact that aircraft emit not only CO<sub>2</sub>, but also water vapour and nitrogen oxides into the stratosphere, where the greenhouse effect is magnified.

Taking into account this multiplier effect, the aviation sector accounted for approximately 14% of UK CO<sub>2</sub> emissions in 2000; if current trends continue, it will constitute at least 26% of emissions by 2020 and at least 36% by 2030.<sup>8</sup>

Recent research by the Tyndall Centre for Climate Change Research has found that, if the current expansion in aviation is allowed to continue, the UK government will find it “virtually impossible” to hit its targets for reducing climate change emissions.<sup>9</sup> **Since the RDF is contributing to the aviation expansion in Scotland, it would appear to be incompatible with delivering the ‘Scottish Share’ of reductions in climate change emissions.**

## Conclusion

The evidence of the economic benefits of the Route Development Fund is at best questionable. What is clear, however, is that pursuing the RDF is incompatible with meeting our climate change targets. If, as the recently launched Scottish Sustainable Development Strategy claims, “Economic growth is our top priority – but not any cost”,<sup>10</sup> then MSPs should seriously question the wisdom of continuing to support the RDF.

## References:

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- <sup>2</sup> Friends of the Earth (2005) *Why airport expansion is bad for regional economies* - [http://www.foe.co.uk/resource/briefings/regional\\_tourism\\_deficit.pdf](http://www.foe.co.uk/resource/briefings/regional_tourism_deficit.pdf)
- <sup>3</sup> Aviation Environment Federation (2003) *The Hidden Cost of Flying*
- <sup>4</sup> University of Leeds Institute of Transport Studies (2001) *Surface Transport Costs and Charges: Great Britain 1998* - [http://www.its.leeds.ac.uk/projects/STCC/surface\\_transport.html](http://www.its.leeds.ac.uk/projects/STCC/surface_transport.html)
- <sup>5</sup> Scottish Executive (2004) ‘New air routes to Italy and Germany’, Scottish Executive press release, 2 September 2004 - <http://www.scotland.gov.uk/News/Releases/2004/09/02113252>
- <sup>6</sup> For example, 0.36 tonnes of carbon are produced for a one-person return flight from Edinburgh to Warsaw, as against 0.42 tonnes for flying via Stansted. Figures from <http://www.climatecare.org>
- <sup>7</sup> UN Intergovernmental Panel on Climate Change (1999) *Aviation and the Global Atmosphere* - <http://www.grida.no/climate/ipcc/aviation/index.htm>
- <sup>8</sup> House of Commons Environment Audit Committee (2003) *Ninth Report* - <http://www.parliament.the-stationery-office.co.uk/pa/cm200203/cmselect/cmenvaud/672/67202.htm>
- <sup>9</sup> Tyndall Centre (2005) *Growth scenarios for EU and UK aviation* - [http://www.foe.co.uk/resource/reports/aviation\\_tyndall\\_summary.pdf](http://www.foe.co.uk/resource/reports/aviation_tyndall_summary.pdf)
- <sup>10</sup> Scottish Executive (2005) *Choosing our future* - <http://www.scotland.gov.uk/Publications/2005/12/1493902/39091>

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