

The Telegraph

Airline cost blow for 'Boris island'

The enormous cost of building a new airport in the Thames estuary will mean airlines paying seven times as much for landing fees compared with the present costs at Heathrow, an industry analysis has revealed.



An artist impression of a four-runway Thames Estuary airport capable of handling 150 million passengers a year. Photo: PA



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7:00AM GMT 22 Jan 2012

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Senior figures in the UK airports sector have told *The Sunday Telegraph* that the present cost of landing at Heathrow for airlines is about £15 per passenger.

That figure could rise to £100 per passenger for any new airport, following estimates that a Thames estuary site could cost £50bn, more than four times the regulated asset value of Heathrow at £12bn. Some analysts put the cost of a Thames estuary site as high as £70bn.

Last week, Downing Street signalled that it was keen to look at plans for a new hub east of London. Airport sources said that there was growing frustration with the Government, which was due to announce the results of its latest analysis of aviation policy in March, an event which now looks as if it will be little more than another rehearsal of the options.

If another round of consultation is announced on an airport in the Thames estuary, it is likely to be next year before any proposals are scrutinised. The Mayor of London, Boris Johnson, backs an airport off the Kent coast and plans have also been put forward by Lord Foster for one on the Isle of Grain.

The high cost of landing fees at the Thames estuary would deter airlines from moving there rather than to European competitors, such as Charles de Gaulle, Schiphol and Madrid-Barajas.

[New London airport 'could be built in six years'](http://www.telegraph.co.uk/finance/newsbysector/epic/bba/9022146/New-Thames-Estuary-airport-could-be-built-in-six-years.html) (<http://www.telegraph.co.uk/finance/newsbysector/epic/bba/9022146/New-Thames-Estuary-airport-could-be-built-in-six-years.html>)

[Virgin tycoon Sir Richard Branson is criticised for charging musicians to carry instruments](http://www.telegraph.co.uk/news/celebritynews/9028879/Virgin-tycoon-Sir-Richard-Branson-is-criticised-for-charging-musicians-to-carry-instruments.html) (<http://www.telegraph.co.uk/news/celebritynews/9028879/Virgin-tycoon-Sir-Richard-Branson-is-criticised-for-charging-musicians-to-carry-instruments.html>)

[Lord Norman Foster: We need Victorian spirit to build Thames airport](http://www.telegraph.co.uk/finance/newsbysector/transport/9028857/Lord-Norman-Foster-We-need-Victorian-spirit-to-build-Thames-airport.html) (<http://www.telegraph.co.uk/finance/newsbysector/transport/9028857/Lord-Norman-Foster-We-need-Victorian-spirit-to-build-Thames-airport.html>)

If Heathrow is not closed down by the Government, airlines are likely to want to stay there.

In an interview with *The Daily Telegraph* this week, Willie Walsh, the chief executive of International Airlines Group which owns British Airways, said there was little chance of Britain's flag-carrier moving to a new airport unless there was an enforced closure of Heathrow. If BA does not move, it is unlikely that other operators would.

This weekend, Virgin Atlantic's chief executive, Steve Ridgway, said he remained willing to look at new airport plans. "We have an open mind about all the options to solve the South-East capacity problem," he said. "The

UK is becoming hamstrung by the lack of opportunity for growth, and risks losing valuable business and tourism to European competitors, so we're glad to see the Government taking the issue seriously and we look forward to being a full participant in the consultation.

"However, we remain to be convinced by the Thames estuary scenario. The UK needs one strong and viable hub, and the impact on jobs and business of moving this away from West London must be considered."

Airport industry executives said that the Government would need to be "hyper-careful" if it moved to close Heathrow as it is a private business. BAA could launch a legal challenge if Heathrow is excluded from any consideration of expansion of aviation in the South East of England.

"It's like the Government saying it will look at options for supermarket expansion with the exception of Tesco," a BAA source said.

There are also fears that many global companies with a significant presence west of London could consider moving headquarters if Heathrow were to close. GlaxoSmithKline's HQ is in Brentford, a few miles from Heathrow, Mars is in Slough, also close by, and Microsoft is located in Reading, along the M4 corridor from Heathrow.

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