![Inverness Airport — Ceangailte · Connected]

Our Destinations

Current Routes

✈ **Scheduled Flights**

✈ **Chartered Holidays**

Our Hub Airports

- Heathrow - BA
- Amsterdam - KLM
- Manchester - Loganair
- Birmingham - Flybe
- Dublin - Loganair

Iceland

Sumburgh

Bergen

Kirkwall

Stornoway

Benbecula

Inverness

Belfast

Dublin

Manchester

Birmingham

Bristol

Amsterdam

London — Heathrow, Luton & Gatwick

Jersey

Zurich

Majorca

Inverness Airport

2018/19 Passenger Numbers: 890k (estimated)

Carrier	Destination	No.	Aircraft - 2018	Carrier	Destination	No.	Aircraft - 2018
KLM	Amsterdam	82K	B737-700	LOGANAIR	Kirkwall	23K	S340
flybe.	Belfast City	37K	D8	easyJet	London Gatwick	259K	A319/320
flybe.	Birmingham	44K	D8	BRITISH AIRWAYS	London Heathrow	95K	A319/320
easyJet	Bristol	95K	A319/320	easyJet	London Luton	146K	A319/320
LOGANAIR	Dublin	13K	E145	LOGANAIR	Manchester	58K	E145
flybe.	Jersey	2K	E175	LOGANAIR	Stornoway	28K	S340
TUI	Palma	2K	B737 - 800	LOGANAIR	Sumburgh	1K	S340
edelweiss	Zurich	2k	A320				
LOGANAIR	Bergen	2k	E145				

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Increased Hub Connections

- British Airways
  - 190 destinations served
  - Night stopping Aircraft

	2017/18	2018/19	2019/20	2020/21
Passengers	79,000	95,000	167,000	172,000

- KLM
  - 260 destinations
  - Night stopping aircraft

	2017/18	2018/19	2019/20	2020/21
Passengers	77,000	82,000	100,000	103,000

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Top 10 Connecting Markets 2018/19

New York
JFK

Zurich
ZRH

Frankfurt
FRA

Brussels
BRU

Boston
BOS

Washington
IAD

Paris
CDG

Geneva
GVA

Toronto
YYZ

Houston
IAH

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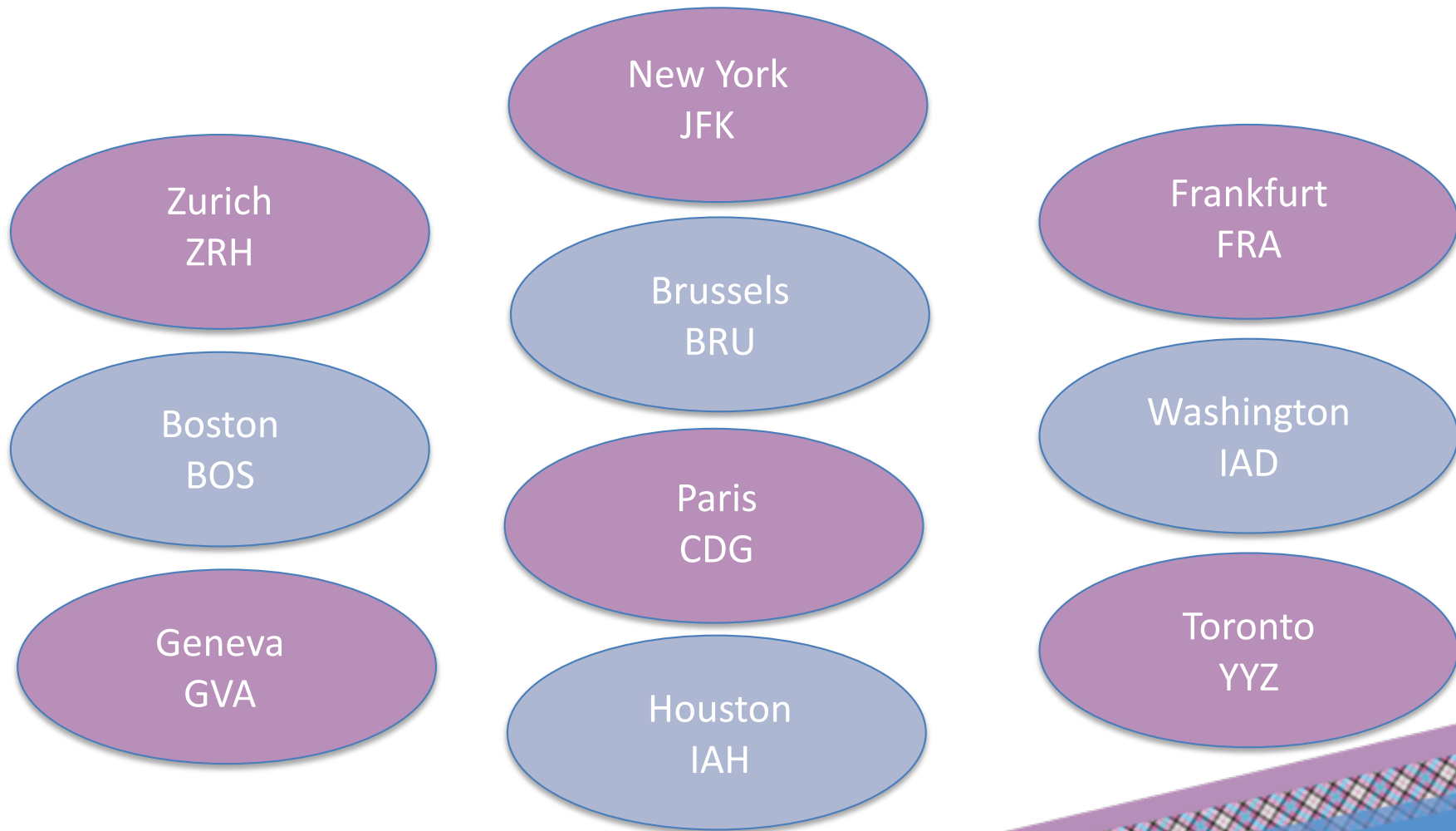
Global business connectivity

- Connectivity Index: direct flights
- Connectivity Index: onward connections
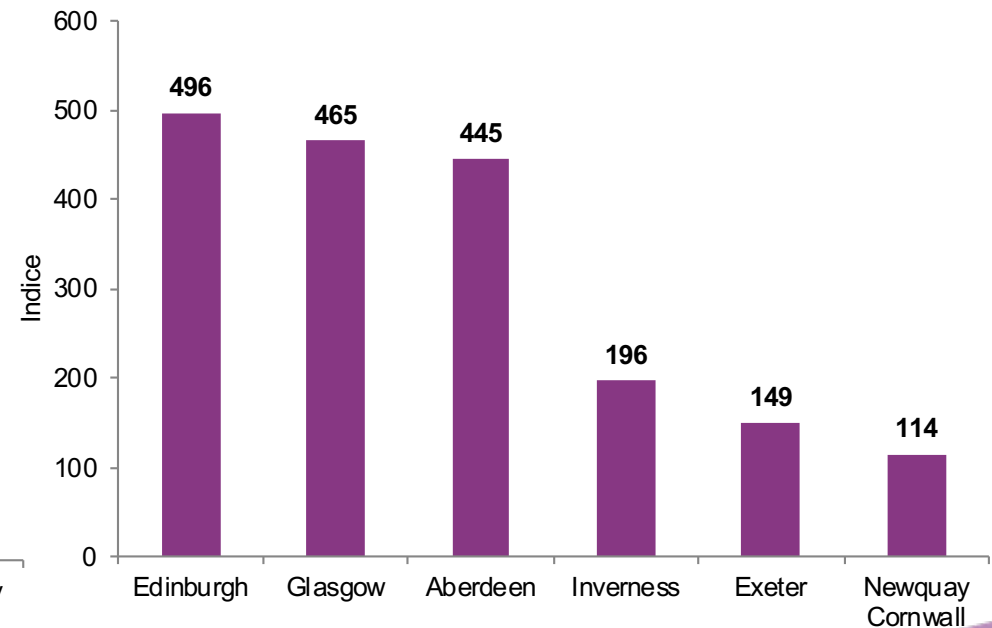
Comparable to Exeter Airport for direct flights
Best connected after three main airports for onward connections

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Leakage to Scottish Airport from the Inverness Airport catchment area

	2013	2018
Glasgow Airport	185,000	135,000
Edinburgh Airport	173,000	142,000
Aberdeen Airport	134,000	51,000

- Three quarters of passengers were making a leisure trip

- Glasgow and Edinburgh leakage was almost exclusively leisure, Aberdeen mainly business

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Valuation of passenger time savings

- Time savings as a result of flying to/from Inverness rather than another Scottish airport represent:

  - Economic benefit for business passengers (productivity)
  - Welfare benefit for leisure passengers

Type of passenger	Total hours saved (000s)	Value of time savings (£m)
Business	576	22.5
Leisure	1,547	20.7

- Majority of the business time savings are for Scottish residents, most of leisure savings is for residents in the rest of the UK

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On-site impacts

- A total of 554 FTE (Full Time Equivalent) jobs at the airport site and in adjacent aviation businesses.

- Total (direct, indirect, induced) impacts:

	Catchment area	H&I	Scotland
Employment (FTE)	748	766	916
Income (£m)	23.3	23.7	27.1
GVA (£m)	33.3	34.5	42.0

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Off-site (inbound visitor) impacts

- Total direct visitor spend in the catchment area estimated to be **£89m** in 2017

- Mainly by holiday visitors (57%), then VFR (33%) and business (10%)

- Direct visitor spend generated the following off-site impacts (direct, indirect and induced):

Employment (FTE)	1,774
Income (£m)	29.0
GVA (£m)	60.0

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Visitor Spend by Route

Route	FTE jobs	Income (£ million)	GVA (£ million)
Gatwick	420	6.9	14.3
Heathrow	302	4.9	10.2
Luton	290	4.7	9.8
Bristol	234	3.8	7.9
Amsterdam	212	3.4	7.2

- The London routes account for the majority of impacts
- Majority (62%) of impact in the Inner Moray Firth area

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Gross Value Added (GVA)[1] in 2018

Total **regional** GVA is:

£11,028m

8%
of total **Scottish** output

Forecast[2] annual growth (2018-2028)[3]:

Highlands and Islands: 1.2%
Scotland: 1.6%
United Kingdom: 1.9%

Productivity (GVA per job) in 2018

Regional productivity is:

£41,200

Compared to **national** productivity of:

£47,300

Forecast annual growth (2018-2028)

Highlands and Islands: 1.3%
Scotland: 1.3%
United Kingdom: 1.4%

Source: Skills
Development Scotland
– Highlands and
Islands RSA 2018

A significant contribution

- Home to the UK's largest food and drink exports

- The base of Scotland's largest life science business

- A strong and growing energy sector across oil and gas, and renewables

- A major tourism draw – over 600k international visitors a year, grown 30% since 2012

- Low unemployment – 2.3% (ranging from 1.1% in Shetland to 3.3% in Caithness and Sutherland)

Policy considerations for H&I Aviation

Basil O'Fee
Northpoint Aviation

Highlands and Islands Airfields

Green Paper
"The UK aviation market operates predominately in the private sector"

However in the Highlands only some unlicensed airfields and Scatsta are in private hands. Many internal routes are PSOs.

The Highlands present special challenges requiring bespoke solutions.

Name	Length	Unlicensed	Scheduled services	Service Status	Ownership
Barra	1500			PSO	HIAL
Benbecula	1685			PSO/Open Market	HIAL
Campbeltown	3049			PSO	HIAL
Colonsay	500			PSO	Argyll & Bute
Coll	500			PSO	Argyll & Bute
Dornach	775				Highland Council
Dundee	1400			PSO	HIAL
Eday	518			PSO	Orkney I C
Fair Isle	486			PSO	RSPB / Shetland
Fetlar	481				Shetland I C
Foula	548			PSO	Shetland I C
Gigha Island	720				Private
Glenforsa (Mull)	792				Argyll & Bute
Insch	547				Private
Islay	1545			Open Market	HIAL
Inverness	1887			Open Market	HIAL
Broadford	771			Upgrade ?	Highland Council
Kirkwall	1183			PSO/Open Market	HIAL
Lerwick	764			PSO/Open Market	Shetland I C
N. Ronaldsay	560			PSO	Orkney I C
Oban (N. Connel)	1264			PSO	Argyll & Bute
Out Skerries	365			PSO	Argyll & Bute
Papa Stour	440			PSO	Shetland I C
Papa Westray	500			PSO	Orkney I C
Plockton	597				Highland Council
Sanday	543			PSO	Orkney I C
Scatsta	960			Oil Operated	Oil Consortium
Stornoway	2315				HIAL
Stronsay	540			PSO	Orkney I C
Sumburgh	1180			PSO/Open Market	HIAL
Tiree	1472			PSO	HIAL
Unst	640				Shetland I C
Westray	535			PSO	Orkney I C
Whalsay	457				Shetland I C
Wick John O'Groats	1825			Open Market	HIAL
RAF Lossiemouth	2847			Fast Jets	RAF
Ex RAF Kinloss	2375	Mothballed		Reserve airfield	RAF / Army
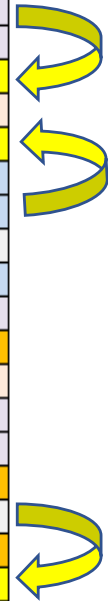
H. and I. relying solely on market mechanisms would endure significant aviation gaps

In Highlands challenges are compounded by:

1. Lifeline service needs – Health (c. 40% usage on some routes); Education and Public Administration

2. Lack of economies of scale on suitable aircraft types and airports

3. Difficulties facing smaller regional airline operators

4. Age-ing aircraft types and renewal/modernisation and reliability challenges

5. Adequate frequencies for effective onward travel

6. User Affordability

The Strategy needs to be clear on Market Failure – is that an airline or regional focus?

Limitations of Alternative Modes

TABLE 3.5: SHORTEST PUBLIC TRANSPORT JOURNEY TIMES (HOURS AND MINUTES) TO MAJOR SCOTTISH AIRPORTS

Settlement/Airport	Inverness	Aberdeen	Edinburgh	Glasgow
Elgin	1-00	1-51	4-26	4-55
Keith	1-41	1-30	4-05	4-39
Inverness	0-25	2-38	3-17	3-55
Invergordon	1-15	3-52	4-47	4-55
Aviemore	1-15	3-40	2-42	3-11
Dalwhinnie	1-36	4-04	2-36	2-57
Golspie	2-17	5-00	5-53	6-04
Fort William	2-42	5-54	4-42	2-51
Mallaig	4-07	7-38	5-56	4-39
Kyle of Lochalsh	2-48	5-19	6-24	5-16
Portree	3-53	6-24	7-29	6-21
Thurso	3-58	6-49	7-34	8-00
Ullapool	2-03	4-44	5-29	5-40
Kinlochbervie	4-25	6-29	7-34	8-05
Tongue	7-45	9-43	11-13	11-09
Key	2-00 to 2-59	3-00 to 3-59	4-00 to 4-59	5-00 and above

Source: Traveline Scotland website-data extracted on August 29

TABLE 3.8: SHORTEST PUBLIC TRANSPORT JOURNEY TIMES (HOURS AND MINUTES) FROM NEWQUAY AIRPORT CATCHMENT AREA TO NEWQUAY AIRPORT AND NEIGHBOURING AIRPORTS

Settlement/Airport	Newquay	Exeter	Bristol
Newquay	0-22	3-39	4-33
Penzance	2-46	3-59	4-48
Truro	1-32	3-22	4-13
Plymouth	2-34	1-42	2-48
Key	2-00 to 2-59	3-00 to 3-59	4-00 to 4-59

Source: Traveline England website-data extracted on January 7
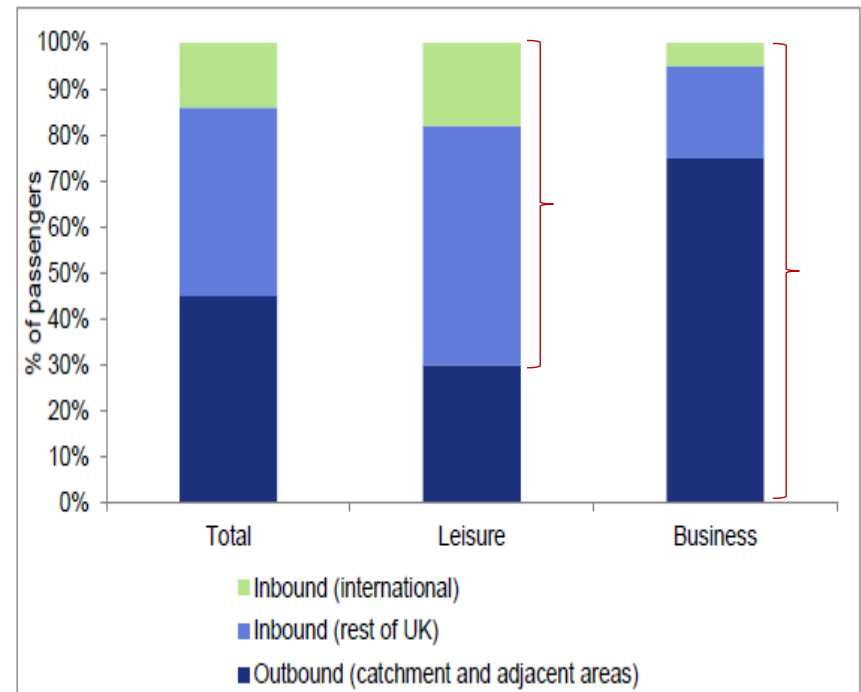
Indeed one can get to Exeter more quickly by train from Edinburgh than to get by train to Wick!

The Oxygen of Connectivity

The importance of both outbound and inbound business and inbound leisure (which in the Highlands is also a business) is self evident.

Figure 2.6: Inverness Airport passengers by trip purpose and place of residence, 2017

Source: CAA Data

The Oxygen of Connectivity

Most significant potential trading markets for HIE 'Account Managed' business ranked in order of importance.

| |
|---|
| USA |
| China & Hong Kong |
| Germany |
| France |
| Japan & SE Asia inc. Korea & Taiwan |
| Canada |
| Australia & New Zealand |

Highland economy is surprisingly internationalised

Heathrow Expansion and Importance for wider region

Likely Requisite Elements of Seamless Onward Travel to/from Expanded Heathrow

- *Timetable co-ordination*
- *Important role for transit airport air services to LHR*
- *Fast Scottish hub airport transfers vital*
- *Interlining preferable*
- *GDS Visibility of 'remote destinations'*
- *Live/fresh seafood could be added to the revenue mix Code sharing preferable*

Canada and US have taken this interlining-focused approach with their Essential Air Services programmes
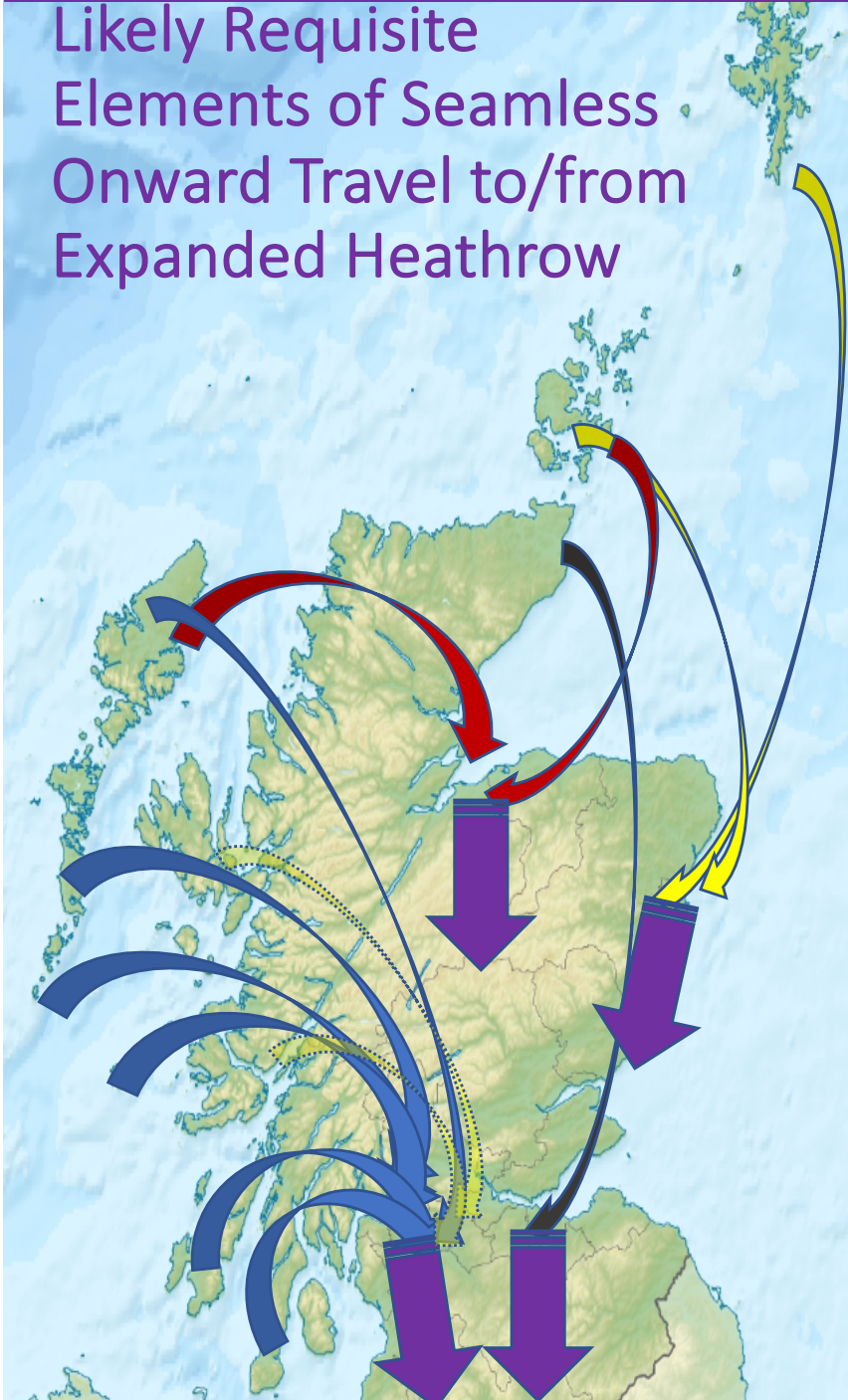
In essence UK Aviation Strategy previously has weakly recognised

From a Highland Perspective

1. Any role for the state other than as light touch policy maker and enforcement agent (Regulation is outsourced to the CAA)
2. The need for differentiated policy outside the South East
3. The existence of numerous significant market failures in the aviation sector
4. The consequent need for more pro-active intervention in certain markets – particularly in more peripheral and remote parts of the UK

Consequently places in-adequate value on

1. The need for equity of access to aviation services for all
2. The role of smaller regional airports in delivering this
3. The use of permissible state aid (via airport; air route, tax exemption or even passenger subsidy)

The preferences of business travellers is often expressed as the ability to achieve an effective day's travel at either end of the route. They in particular seek efficient travel and their cost of time is recognised by the DfT as much higher than leisure travellers.

In Sweden this insight is actually framed in policy with the objective that all Swedish citizens can achieve an effective day's work in the capital (by whichever travel mode) and still be home at a reasonable time.

"If you can't measure it, you can't improve it".

Reachability and Accessibility – Europe. Average Visit Duration 2009.
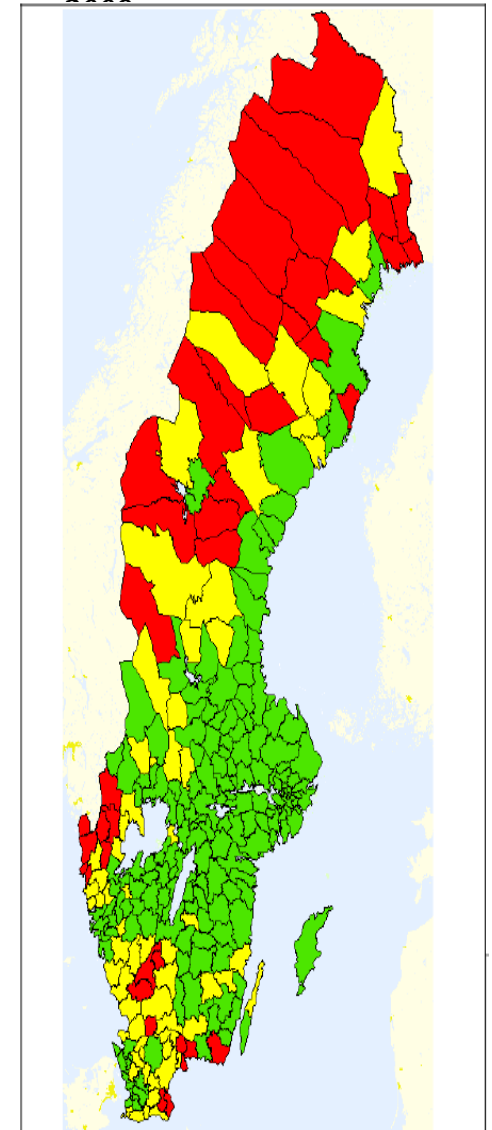
Norway manages a similar methodology. Eurocontrol is now developing measures for regional connectivity.

Some themes we are likely to expand in submission

- *Region's connectivity should be protected and increasingly enhanced*

- *White Paper could be clearer on departmental delivery mechanisms and resourcing*

- *Clarity sought on how best our voice can be represented in those mechanisms*

- *Appeal for policies that recognise region's special challenges and responses*

- *The region's resources and opportunities should be acknowledged and built upon (eg skills+training; aerospace; emerging technology pilot projects; centres*

AEROSPACE IN HIGHLANDS & ISLANDS: Overview

Steven Hutcheon
Head of Technology and Advanced Engineering,
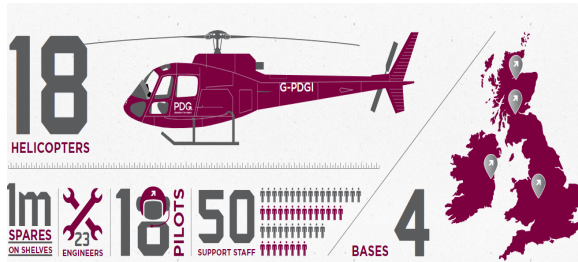Highlands and Islands Enterprise

HIE
Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

Aerospace in H&I: Facts & Figures

- **2,000 businesses** with suitable Aerospace-related skills

- **12,000 employees** in Aerospace and related sectors

- **3,400 Engineering Graduates** across Highland, Moray and Aberdeen, and over **2,000 Students studying Aerospace-related subjects**

- **Clusters of Precision Engineering and Technology** expertise, including:
  - ➢ MOD in Moray
  - ➢ Dounreay in Caithness
  - ➢ Energy industry services in Shetland and Inner Moray Firth

Aerospace and Innovation in Highlands & Islands

18 HELICOPTERS

1m SPARES ON SHELVES

23 ENGINEERS

18 PILOTS

50 SUPPORT STAFF

4 BASES

Locally headquartered Rotary operator

Strong Rotary Presence

BOEING

ELECTRIC AIRCRAFT TRIAL FOR ORKNEY

AIRCRAFT ENGINEERING HNC
UCAS code 014H

UK MOD HEBRIDES

Orbex – base in Forres, UK Vertical Launch, Sutherland

COPERNICUS technology Ltd

FLEXIBLE TECHNOLOGY LTD

New Poseidon P-8A Strategic Facility - L

PDG Aviation Services

AERIAL SURVEY & INSPECTION

MAKAR TECHNOLOGIES LTD

Hebrides Missile Test Range