Bullish UK sees past fog of Brexit

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Capacity constraints and Brexit uncertainty fail to dent the mood of optimism. *Kevin Rozario* and *Diana Yordanova* report

While parliamentary squabbling to find a Brexit solution continues to dominate the UK national news, the aviation sector quietly expanded in 2018 and leading airports saw record traffic.

Heathrow broke the 80 million barrier for the first time while its rival Gatwick also had its busiest year on record, processing 46.1 million passengers. Northern gateway Manchester broke through the 28 million mark, finishing the year just ahead of Stansted. These four airports account for more than 62% of the UK market.

Provisional top 10 UK passenger airports, 2018

Rank	Airport	Passengers (million) 2018	Passengers (million) 2017	Change (%)
1	Heathrow	80.10	77.99	2.71
2	Gatwick	46.08	45.55	1.16
3	Manchester	28.20	27.77	1.55
4	Stansted	28.00	25.90	8.11
5	Luton	16.58	15.99	3.69
6	Edinburgh	14.31	13.41	6.71
7	Birmingham	12.42*	12.98	N/A
8	Glasgow	9.70*	9.89	N/A
9	Bristol	8.63	8.23	4.86
10	Belfast International	6.21*	5.84	N/A
Source: Airport data and CAA data analysed by Jane's * Latest available provisional statistics (12 months rolling to November 2018)				

In the rolling 12-month period to November 2018 – the latest data available from the Civil Aviation Authority (CAA) at the time of writing – UK airports processed 285.4 million passengers. This exceeded the full-year 2017 total of 284.6 million.

The cargo sector experienced mixed fortunes. Growing global connectivity contributed to a surge at Gatwick, with a 16.1% tonnage increase in 2018, while Luton grew even faster (up by 22.8% to 27,096 tonnes). However, growth was flat at capacity-constrained freight hub Heathrow (1.68 million tonnes), and tonnage at Manchester fell by 7% in the 12 months to September 2018.

Despite this – as well as Brexit uncertainty and continuing runway capacity constraints in the southeast – the mood among the top UK airports is buoyant. Heathrow is looking forward to completing a public consultation programme for its third runway, and CEO John Holland-Kaye described 2018 as "an exceptional year … with record passenger numbers and service levels, and with MPs voting overwhelmingly in support of expansion. We are on track to deliver an expanded Heathrow in the early years of Brexit, which will keep Britain as one of the world's great trading nations".

Growing global connectivity helped Gatwick handle more passengers and cargo than ever before in 2018. (Gatwick Airport)

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New routes

Edinburgh Airport CEO Gordon Dewar painted a similarly healthy picture. "It seems like we say this every time, but 2018 was another record year with 14.3 million passengers coming through our doors," he told *Jane's* . "That's up 6.5%, and is due to route development."

As the busiest airport in Scotland, Edinburgh launched 23 new connections in 2018 (all but two of them international), with links to Dubai; Beijing; Washington, DC; Seville; and Florence. "That will continue in 2019," said Dewar. "We've already announced new routes to Philadelphia, Boston, Stavanger, and Luxembourg, among others."

Luton had its busiest-ever year in 2018 with 5.5% growth to 16.6 million passengers, adding 36 new services. "Our continued growth goes hand in hand with the redevelopment of the airport," said Alberto Martin, CEO since mid-December 2018. "This has included improved road access while train travel from London will also become easier this year, as the Oyster [a payment system widely used on the London transport network] and contactless payments are extended to include Luton Airport."

Competing London low-cost carrier base Stansted (part of Manchester Airports Group: MAG) reached the 28 million passenger mark, helped by the addition of six new airlines including a daily service to Dubai from Emirates. Existing airlines – particularly Ryanair and Jet2.com – also increased capacity. This year is significant for Stansted, as construction of its new arrivals building is scheduled to begin in the second quarter.

"Stansted was the fastest-growing major airport in the UK in 2018, and one of the fastest growing across Europe," said CEO Ken O'Toole. "We are confident we will continue to grow passenger numbers and secure more long-haul services to destinations across China, India, and the USA."

However, not every UK airport found the going easy in 2018. Belfast City, Birmingham, and Glasgow reported downturns in passenger traffic (borne out by comparisons with CAA 12-month rolling statistics to November 2018), and even Manchester had a difficult time after the demise of Monarch Airlines in October 2017.

"We knew we had to backfill the capacity we lost through Monarch's collapse," Manchester Airport CEO Andrew Cowan told *Jane's* . "We managed with the likes of Ryanair, Jet2.com, and easyJet all adding capacity. Now we're starting to see growth again, which we expect will continue through 2019."

Manchester also maintained momentum by securing new long-haul routes in 2018: Thomas Cook Airlines to Seattle in May, Jet Airways to Mumbai in November, and Ethiopian Airlines to Addis Ababa in December.

[Continued in full version…]

(770 of 2388 words)

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