

# **WRITTEN EVIDENCE PAPER TO THE ENTERPRISE AND BUSINESS COMMITTEE – CARDIFF AIRPORT**

## **Introduction**

1. The purpose of this paper is to set out written evidence for the Enterprise and Business Committee's inquiry into Cardiff Airport.
2. Cardiff Airport is a vital gateway to Wales for business, tourists and general travellers alike. It is vital for Wales's economic development that we have strong international connectivity to and from Wales as well as a welcoming open door for tourism.
3. In March 2013 we (the Welsh Government) purchased the airport to secure its future. Our decision to acquire the assets and operations of the airport at a price of approximately £52 million was within the range of values that were acceptable to us and supported by the value-for-money advice that we received.
4. Since 2013, figures from the Civil Aviation Authority show that passenger numbers at the airport have increased by over 5% and are continuing to increase.
5. The Welsh Government is committed to developing the airport as a major piece of economic infrastructure in Wales and developing high-quality services for passengers.
6. The airport is operated at arms length on a commercial basis by Cardiff International Airport Ltd (CIAL). CIAL are responsible for all of the airport activities, including operation, route development and improvement of facilities.
7. The CIAL Board, chaired by Lord Rowe-Beddoe and comprised of 5 non Executive Directors and 4 Executive Directors, has the appropriate skills and experience to support the development of Cardiff Airport.

## **Welsh Government Plans and Priorities for the airport**

8. Key priorities for the airport include:
  - operate to a high standard providing the best experience for passengers and airlines;
  - create an environment to encourage growth of airlines and commercial partners;
  - maximise the opportunity for the benefit of Wales, economy and business;
  - manage environmental impact of the airport operation;
  - achieve financial stability and operation of the airport;
  - improve connectivity to Wales; and
  - support the St Athan – Cardiff Enterprise Zone.
9. CIAL produced a business plan for 2013/14, which included plans for capital and technical improvements at the airport. All improvements are aimed at providing the airport users with a better experience, for example, passengers now have access to free wi-fi and trolleys within the airport.
10. Work on delivering other improvements is progressing well and will be completed ahead of the busy holiday season and major events, such as the

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UEFA Super Cup, Heineken Cup and the NATO Summit. Following completion of the work, Cardiff Airport will have:

- an improved traffic approach and free drop off and pick up area;
- a new enlarged Departures/Security Zone employing state of the art technology;
- new toilet facilities;
- a new taxi booking facility and waiting area inside the Arrivals hall.

11. The Welsh Government approved a £10m commercial loan to enable CIAL to deliver the business plan and improvements.

12. The Welsh Government are also working with CIAL to explore operational synergies between CIAL and St Athan Aerospace Business park.

### **Marketing and Promotion**

13. The Welsh Government is currently working with CIAL to market and promote Wales in key destinations and 'in flight' magazines. The Welsh Government is also working with CIAL to promote Wales to key airline customers and to deliver Visit Wales Marketing activity within appropriate originating destinations.

14. In addition, Visit Wales and CIAL attended and exhibited at the 2013 World Routes conference to raise the profile and awareness of Wales as a destination and to highlight that CIAL, was looking to develop a quality airport facility and destinations with the aim of establishing long term growth.

### **Access to the Airport**

15. On 1 August 2013, the Welsh Government introduced a new express bus service between Cardiff City Centre and Cardiff International Airport. This service operates every 20 minutes throughout the day. A review of the service was undertaken by Professor Stuart Cole of the University of South Wales to identify any early requirements for operational change.

16. The review identified that the objectives for a fast and frequent service between the city centre and the airport have been met. The report also confirmed that reliability and punctuality has been and remains good, and that the service has very quickly established a high profile and strong identity. Details of the service and review can be accessed through the following link:

<http://wales.gov.uk/topics/transport/aviation-home/cdfair/cae/?lang=en>

17. The Welsh Government also continues to support the Cardiff Airport Shuttle bus service that runs between Rhoose train station and the airport, offering passengers and employees a sustainable travel choice for travel to the airport

18. Road access to the St Athan and Cardiff Airport Enterprise Zone is currently being reviewed by Transport in conjunction with the Vale of Glamorgan County Council. Work has started on a road straightening project, Gilestone Bends

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costing almost £3m, to improve access to the St Athan and Cardiff Airport Enterprise Zone.

### **The Welsh Government's policy approach to Aviation**

19. Our approach to aviation is holistic and addresses aviation across its entire value chain. However, it is important to understand that the Welsh Government views aviation as only one strand within its overall transport strategy and continuous drive to improve connectivity. We view aerospace as being the industrial activity that supports the aviation industry, both in terms of the production of aircraft and their subsequent maintenance, repair and overhaul, key issues are:

- The strength of the aerospace sector in Wales as a centre of excellence for aerospace manufacturing and Maintenance, Repair, and Overhaul (MRO) related activities and skills; Over 20% of UK MRO business is already carried out in Wales.
- Airports and air services development as a critical part of our national infrastructure and as an economic driver and gateway into Wales. The value of the aerospace industry to Wales is over £5Bn in GVA and 20,000 in employment.

20. We recently published an interim paper on aviation that outlines and summarises our current policy and approach. The paper is available at:

<http://wales.gov.uk/topics/transport/aviation-home/?lang=en>

21. We will be revisiting this in the light of the UK Airports Commission interim report, which was published shortly before the end of last year.