

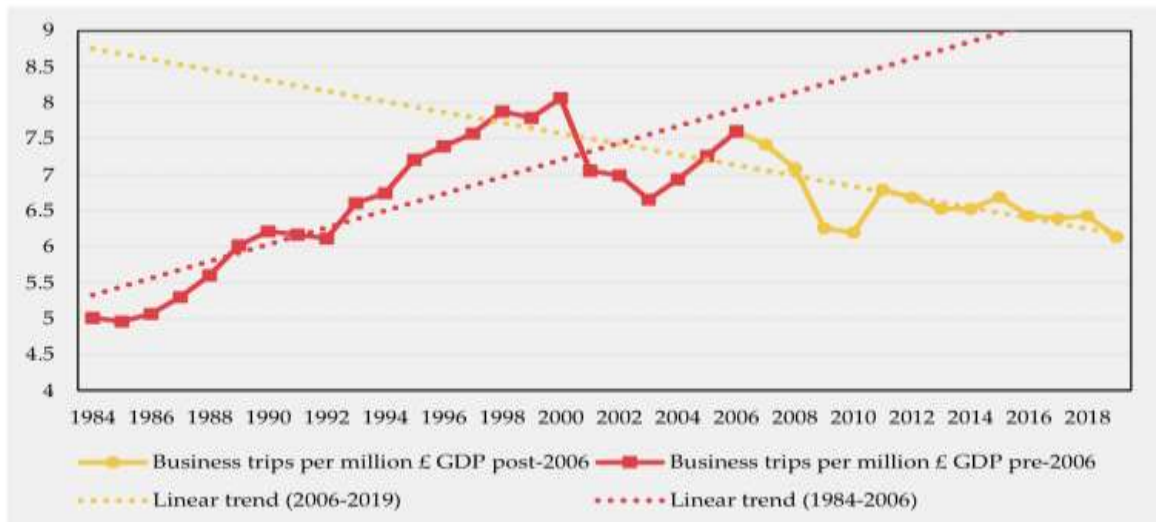
Dear PINS/HM Government

Please find attached/below a new report outlining concerns regarding the proposed Gatwick Northern Runway expansion.

New analysis indicates that following the announcement of Heathrow's expansion, there will be a significantly reduced passenger demand at Gatwick. The updated economic benefits of Gatwick Northern Runway will be reduced and lead to a net annual financial outflow from the UK of approximately £3 billion. (ie £180Bn over a standard 60 year assessment period that the Government uses, or £45bn by 2040 as is also often used by the Government). This value needs to be put in context. The recent deal with the EU (May 2025) is being hailed by the Government as a £9bn growth injection to the UK economy to 2040. Yet if Gatwick is allowed to go ahead, this gain will be wiped out 4 times over by the drain of money being flown to holiday destinations by Gatwick.

This large loss, driven by outbound spending exceeding inbound tourism revenue, environmental costs, and substantial dividend payments leaving the UK to foreign owners, represents a direct drain on the UK economy. This outflow reduces the funds available for domestic investment, badly needed job creation in other sectors and regional areas, and overall economic growth within the UK.

I would also draw your attention to the fact that Gatwick's own justifications of additional economic growth generated by the project are predicated on increasing the number of business travellers. A new CAA report from Feb 2025, says that 90% of the GAL estimated economic benefits will be accrued by business trip passengers. This seems a highly fragile basis to accept the validity of the overall case for the Northern runway Project. (see 3.8 of [CAA GAL Support](#)). If business passenger trends were to change in the future due for example to a decrease in their willingness to pay, or the growth of zoom type meetings, it would severely damage the current GAL estimates of benefit. Indeed the following diagram of business passenger trends, highlights that point exactly; the trend is down.



Source: GDP monthly estimates and Travepac, Office for National Statistics

We urge you to re-consider carefully these significant potential economic disadvantages in your final assessment of the project.

Sincerely,

Stuart Spencer

Economic Outflow Report Follows below.

Economic and Financial Implications of the Gatwick Northern Runway Expansion following the Announcement of Heathrow Expansion

Executive Summary:

This report outlines the projected annual financial inflows and outflows associated with the proposed Gatwick Northern Runway expansion. This analysis takes into account the approved expansion of Heathrow Airport, which is expected to reduce the additional passenger demand at Gatwick from its originally projected 13 million to a more conservative 10 million. This analysis considers various segments of passenger travel and their associated financial impacts, including spending habits, economic benefits, environmental costs, dividend repatriation, and corporation tax.

The analysis concludes that the Gatwick Northern Runway expansion is likely to result in a net annual financial outflow from the UK economy, the magnitude of which should cause the Government to re-think its support of the project.

2. Analysis of Key Components

The table below presents a breakdown of the estimated annual financial inflows and outflows associated with the Gatwick Northern Runway expansion across various categories, reflecting revised assumptions about passenger types.

2.1. Projected Annual Financial Inflows and Outflows:

Category	Estimated Annual Inflow (£ billions)	Estimated Annual Outflow (£ billions)
UK Holidaymakers Abroad (see note 1)		-5.625
UK Holidaymakers in the UK (see note 2)	+0.75	
UK Business Travellers Abroad (see note 3)		-0.535
Int'l Business Travellers to UK (see note 4)	+0.4275	
Int'l Holidaymakers to UK (see note 9)	+1.71	
Estimated Wider Economic Benefits (see note 5)	+0.58	
Estimated Annual Environmental and Health Costs (see note 6)		-0.25
Annual Dividend Outflow (Updated) (see note 7)		-0.170

Annual UK Corporation Tax (Based on 2024) (see note 8)	+0.0456	
Projected Total Net Financial Effect	+3.5131	-6.580

3. Projected Net Financial Effect

The total estimated annual inflow is £3.5131 billion, and the total estimated annual outflow is £6.580 billion. This results in a Projected Grand Total Net Financial Outflow of approximately £3.07 billion per year.

4. Conclusion

Based on this analysis, the Gatwick Northern Runway expansion is projected to lead to a significant net annual financial outflow from the UK economy of £3 billion. This outflow is primarily driven by the higher proportion of UK residents travelling abroad for holidays, as well as environmental and health costs and dividend payments to foreign owners, partially offset by spending from inbound tourists and business travellers, and potential economic benefits and corporation tax contributions.

Therefore, the Gatwick Northern Runway expansion undermines the Government's objective of fostering domestic economic growth and suggests a need for a thorough reconsideration of the project's viability and strategic alignment with national economic priorities.

6. Appendix: Notes:

- UK Holidaymakers Abroad:** Based on the assumption that 75% of the additional 10 million passengers are UK residents traveling abroad for holidays, totalling 7.5 million passengers with an average spending of £750 per trip (loosely informed by Aviva plc, 2024 and Staysure, 2025). This assumption conservatively adjusts from the 85% international passenger figure from the 2017 CAA Passenger Survey for Gatwick [REDACTED], to specifically focus on outbound leisure travel.
- UK Holidaymakers in the UK:** Based on the 2017 CAA Passenger Survey data for Gatwick Airport, which indicated that approximately 7% of passengers were domestic. Applying a slightly rounded figure of 10% to the projected 10 million additional passengers gives an estimated 1.0 million additional domestic passengers. We assume these are UK holidaymakers travelling within the UK, with an average spending of £750 per trip (loosely informed by Aviva plc, 2024 and Staysure, 2025).
- UK Business Travelers Abroad:** Based on the assumption that 5% of the additional 10 million passengers are UK residents travelling abroad for business, totalling 0.5 million passengers with an average spending of £1070 per trip (Finder.com, 2024).
- Int'l Business Travelers to UK:** Based on the assumption that 5% of the additional 10 million passengers are international business travellers

visiting the UK, totalling 0.5 million passengers with an average spending of £855 per trip (Finder.com, 2024).

5. **Estimated Wider Economic Benefits (£0.58 billion):** The £0.58 billion for wider economic benefits (trade, connectivity, tourism, etc.) is a cautious estimate, proportionally reduced from Gatwick's base estimate of £0.75 billion (National Infrastructure Planning, 2024), to reflect the lower passenger numbers and the competitive landscape.
6. **Estimated Annual Environmental and Health Costs (£0.25 billion):** The estimated £0.25 billion per year for environmental and health costs is a conservative estimate. It is not based on a detailed environmental impact assessment specific to the Gatwick Northern Runway project (National Infrastructure Planning, 2024). Instead, it is a cautious, order-of-magnitude estimate intended to acknowledge the likely negative externalities associated with increased airport operations. This figure is loosely informed by general estimates of the economic costs of air and noise pollution in the UK but is significantly scaled down and should be considered a placeholder highlighting the need for a comprehensive Environmental Impact Assessment to provide a more robust and evidence-based valuation of these impacts.
7. **Annual Dividend Outflow (Uplifted from 2019):** Based on the 2019 dividend pay out of £100 million (Gatwick Airport Limited, Financial Statements 31 December a proposed figure of £170 million (£0.170 billion) has been used for annual dividend outflow accounting for extra profits from the additional capacity.
8. **Annual UK Corporation Tax (Based on 2024):** The actual corporation tax paid by Gatwick Airport Limited in 2024 was £0.0456 billion (Gatwick Airport Limited, 2024, Financial Statements 31 December 2024).
9. **Int'l Holidaymakers to UK:** Based on the assumption that 20% of the additional 10 million passengers are international tourists visiting the UK for holidays, totalling 2.0 million passengers with an average spending of £855 per trip (aligning with the assumed spending of inbound business travellers for this initial estimate).

7. References:

- Civil Aviation Authority. (2025). *Economic regulation of Gatwick Airport Limited: Final Proposals on extending the current commitments*. Retrieved from [REDACTED]
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- Aviva plc. (2024). *Up and away? Holiday costs hit £2,000 per person for UK adults*. Retrieved from [REDACTED]
- Finder. (2024). *Business travel statistics: Trips to the UK and abroad*. Retrieved from [REDACTED]
- Gatwick Airport Limited. (2024). *Local economic impact of London Gatwick: 2023*. Retrieved from [REDACTED]

- [REDACTED]
- [REDACTED]
- National Infrastructure Planning. (2024). *Gatwick Airport Northern Runway Project, Environmental Statement, Appendix 17.9.2 Local Economic Impact Assessment*. Retrieved from <https://infrastructure.planninginspectorate.gov.uk/wp-content/ipc/uploads/projects/TR020005/TR020005-000883-5.3%20ES%20Appendix%2017.9.2%20Local%20Economic%20Impact%20Assessment.pdf>
 - Oxera. (2021). *Economic impact of Gatwick Airport*. Retrieved from [REDACTED]
 - Staysure. (2025). *How do you budget for holidays? Our findings....*. Retrieved from [REDACTED]

Gatwick Airport Limited. (2024). *Financial Statements 31 December 2024*.

[REDACTED]

[REDACTED]