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Gatwick Airport Development Consent Order

Written Representation - Sussex Chamber of Commerce - Ana Christie, Chief Executive Officer

Gatwick Airport Open Floor Hearing 28 Feb

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Chambers were established more than 200 years ago to represent businesses in their communities. We have been representing business in Sussex for nearly 80 years.

We represent over 2000 business members, with a further reach of over 35,000 businesses on social media, who work and live in the area - the majority of which are supportive of the growth and expansion plan which is a low impact plan maximising the use of existing infrastructure.

The airport is a major employer and secures local business procurement for work within the airport and surrounding businesses – supplying goods, materials, and services.

The recent airport train station upgrade allowed construction companies to procure and secure work locally.

This was key to growth after the pandemic to support economic recovery and provide the speed, accessibility and train links needed.

Future development will continue to support local growth and jobs.

This station development focused on carbon management and the protection of fauna and flora. Recently awarded the prestigious Large Airport of the Year award by Centre of Aviation demonstrates leadership in environmental sustainability.

We act as critical friend to ensure environmental concerns are reviewed and spending is local.

There is a huge reliance on aviation. During the Icelandic volcano, local businesses, such as Varian and Elekta (specialists in oncology and radiation therapy), could not fly spares. As a result cancer treatment seized in global markets. An example of large manufacturers providing essential goods worldwide.

During the pandemic, the airport facilitated the supply of essential PPE for healthcare. Evidence of maintaining and enhancing global connectivity for goods and supplies.

The impact from Covid, Brexit and conflicts overseas has been significant. Future investment would have a very positive result on UK plc, removing some of the perceived barriers of exporting and easing business links.

As an Accredited Chamber, (one of 53 in the UK) and also part of 80 Global British Chambers we understand strengths in different markets, to facilitate global transactions.

We are licenced to provide businesses with the documents needed to export or import goods. UK Chambers helped businesses export over £690bn of goods and services in 2023.

Last year Sussex businesses exported goods worth over £175m through us alone, and a further £90m of goods through Surrey Chamber.

We worked closely with the airport to provide key market information which was crucial in discussions with potential airlines – this led to the introduction of routes with Saudia. A key market for local businesses which has eased negotiations, attracted inward investment and allowed cargo movements (reducing reliance on transport of goods to other ports, reducing costs and carbon footprint).

Gatwick, Crawley and Brighton are key net importers of workers, many of which commute between these towns and cities. Direct links provide quick and essential connectivity.

An increase in routes, will increase tourism.

Local businesses can send engineers, or technicians to set up and maintain equipment.

They can attend global exhibitions to attract foreign investment in British products.

Sussex are also leaders in the wine industry exporting around the world and attracting wine tourism.

Chambers are leading on the Local Skills Improvement Plan collaborating with business to improve and promote the importance of lifelong skills. The airport is an industry partner of the Sussex & Surrey Institute of Technology to ensure students are provided with the best possible education to prepare them for the jobs of tomorrow whilst gaining valuable skills experience. The airport works closely with us on skills, i.e. careers fairs, and the launch of their STEM (science, technology, engineering and maths) centre which allows those looking for opportunities to work with or within the airport.

The increased operational development would create 14,000 job opportunities in construction and infrastructure projects, increase hospitality, tourism, and retail, in manufacturing and aviation requirements – injecting £1bn into the region's economy every year. Workers in and around the airport live all across the south east.

The Airport's Employment Skills and Business Strategy goes beyond the usual DCO employment/skills strategies and would be very positive for businesses, with themes around local procurement, innovation and regional promotion.

As the UK's second largest airport, it is a vital piece of the UK's national infrastructure and a major driver for regional and national economies.

The plan helps boost productivity leading to growth. It offers greater global connections, supports the supply chain, increases business resilience and job prosperity. It strengthens diversity of the area and success of the region.

ISH1 – The Case for the Proposed Development

4. Recent Growth

4.1

Long haul traffic and market

Long haul flights allow businesses to transport goods as cargo (reducing the reliance for goods travelling to other air or sea ports, which helps reduce costs for business due to less costs in logistics and also reducing the carbon footprint. New long-haul flights will expand business reach and increase opportunities to transport goods as cargo in the belly hold of aircraft. A restriction on capacity at the airport will mean local businesses having to continue transporting their goods from other ports further afield, thereby increasing road carbon footprint used by logistics vehicles to transport these goods further, as well as continue to increase costs for businesses having to transport goods to other ports.

An increase in long haul traffic will also allow businesses to travel to new routes and destinations and allow opportunities for inward investment.

Low-cost carriers market

There appears to be a consensus that short haul flights such as Easy Jet, only tend to carry tourists on holiday, however many businesses use short haul flights for business purposes, attending exhibitions or meetings, sending technicians or engineers, or specialists to many countries used by short haul airliners. Statistics publicly available from the CAA (Civil Aviation Authority) on departing passenger surveys from 2019 indicate an average of 16.92% of all passengers travel for business purposes on short haul and domestic flights from Gatwick Airport. This is evidence that tourist destination carriers are also used for business purposes.

Effects of Covid19

There is a huge reliance on aviation. During the Icelandic volcano, local businesses, such as Varian and Elekta (specialists in oncology and radiation therapy), could not fly spares around the world. As a result cancer treatment seized in global markets, the impacts of which are still being seen with ongoing treatment delays. This is an example of large manufacturing businesses providing essential goods, engineers and technicians worldwide needed by hospitals and health care around the world. There are over 200 businesses in Sussex alone in the bio life sciences and pharmaceutical industry which provide critical health care services globally, many of which work closely together in the supply chain. New routes and expansion will allow these businesses to reach new markets and provide critical care.

Ongoing volcanic eruptions in Iceland have re-emerged, and whilst not a result of Covid19, this is now a potential future threat for leading businesses in Sussex. Having opportunities to open up in new markets would help alleviate pressure on countries and routes that may be impacted by volcanic eruptions, allowing businesses to diversify and expand in new markets.

During the pandemic, the airport facilitated the supply of essential PPE for healthcare not only in Sussex, but around the UK. Essential equipment and supplies needed by healthcare professionals. Evidence of maintaining and enhancing global connectivity for goods and supplies. The UK relies on global connectivity to provide goods, materials and services that are part of our daily lives.

The impact from Covid, Brexit and conflicts overseas has been significant and have all impacted supplies of goods, materials, technology, microchips, construction materials, metals used by construction and manufacturing companies locally (delays in projects, such as housing) as well as impacting growth potential for businesses in general. The industry is starting to recover but slowly, however conflicts in the Red Sea are now causing shipping routes to divert, raising prices for goods we receive and rely on daily in the UK market. A variety of conflicts will continue to emerge, therefore having the capacity to expand and open new routes, will allow businesses to transport their goods as cargo in airline carriers, although this will always be restricted by size of the goods and capacity of the airlines. By providing businesses with options provides greater resilience.

The impact from Covid, Brexit and conflicts overseas has been significant on people and business. Future investment would have a very positive result on UK plc.

5. Need and future demand

5.1

Future demand forecasts

With an increase in flights, Sussex hosts one of the highest areas for flight simulator training facilities which are supported by local businesses and supply chains, providing parts, technology and materials to support the airport, as well as essential pilot training. There is the capacity to handle the increased demand for pilots in the area.

Sussex Chamber, along with the national Chamber network is licenced to provide businesses with the documents needed to export or import goods. UK Chambers helped businesses export over £690bn of goods and services in 2023.

In 2023 Sussex businesses exported goods worth over £175m through Sussex Chamber alone. We have seen a general increase trend since the pandemic, year on year, as businesses are now expanding, recruiting more staff, and exporting more. This will continue to grow with increased global opportunities and increased demand for goods in global markets.

In 2022 and 2023 Sussex Chamber, along with Surrey Chamber and Kent Invicta Chamber worked closely with the airport to provide key market information which was crucial in discussions with potential airlines which led to the introduction of routes with Saudia. This is a key market for local businesses which has eased negotiations, attracted inward investment and allowed cargo movements locally. The middle east is one of the largest markets for exporters in the south east, followed by Europe, Asia, the Americas. New routes and working closely with the airport will allow increased opportunities into new markets but also to attract inward investment from foreign companies.

Working with the Global Chamber network has helped identify businesses overseas who wish to invest in British products thereby attracting foreign direct investment. The South East is the 2nd largest area, after London, for foreign direct investment, which accounts for 62% of the UK's total.

World leading businesses in Sussex exist in areas such as the vacuum industry, engineering, medical equipment, oncology, radiation, intraocular lenses manufacturing (as examples) which exports goods to over 100 countries globally.

More must be done to connect exporters and potential exporters with customers in markets in Europe and around the world, this can only be delivered through improved and increased connections to new markets.

Thousands of businesses in the area have strong links with the airport working together, through supply chains. It allows businesses to connect with the global world, gives access to suppliers and consumers, facilitates inward investment and enables higher levels of trade and tourism.

Economic growth is made possible by working closely with key partners such as the airport, as well as businesses in the local and wider areas. Local communities are the building blocks upon which our economy sits. They are where the people who come together to drive our businesses live, and one cannot survive and prosper without the other.

The airport is committed to supporting local businesses. The construction and infrastructure will support the procurement of local construction companies to bid on the expansion, keeping growth local. This will also lead to creating new opportunities associated with the supply chain. The airport recently invited local businesses to express an interest in local procurement projects which shows collaboration.

Future investment of the airport would have a very positive result on UK plc easing business links.

Hotel provision within the proposal

More than 28,000 additional jobs across the UK, through a 61% increase in inbound tourism, could be generated.

A report by Oxford Economics highlights that international visitors arriving via Gatwick are likely to increase from 5.6m in 2019 to 9m in 2038, 1.6m more than without the Northern Runway.

By 2038, this uplift in tourism would also generate £8.74billion of Gross Value Added (GVA) through increased spending of international visitors, amounting to nearly £2 billion more than without the Northern Runway development.

As a result of increasing numbers of international visitors, there will be 130,700 jobs by 2038, both directly and indirectly supported by Gatwick-facilitated tourism. This compares to the 84,100 jobs in 2019, and 28,700 more than without the Northern Runway.

Increased flights and routes will support hotels, retail, over 200 visitor attractions, cultural and arts centres, cafes, restaurants, who all rely on visitors.

With the improved train station development and train links, tourists and visitors have direct connectivity to major towns and cities. The airport has ideal links with train routes directly to the coast and London, as well as the South Downs National Park. In 2019 the visitor economy delivered £5bn of impact attracting 62m visitors supporting 74,000 full time equivalent jobs. Visitors help drive the economy, supporting businesses and job increases.

Businesses such as Goodwood in Chichester West Sussex attract over 150,000 visitors annually from all over the world for the Goodwood Revival and over 200,000 visitors for the Goodwood Festival of Speed with plans to increase and provide more for the visitor economy. Tulleys Farm Shockober Fest, is now the UK's No1 Halloween attraction with over 75,000 visitors from UK and Europe. These 2 examples of local attractions support the hospitality and visitor economy, generating growth for airlines, hotels, hospitality, retail and other businesses supporting visitors.

Sussex, as the largest wine producer in the UK, with world-famous wine, and over 140 vineyards has a plan for growth. The wine industry is primed and ready for significant growth in tourism. By 2040, this economy in Sussex will attract more higher spending from international and domestic tourists having a £283m impact and over 3,500 new jobs. UK wine industry is projected to be worth up to £658m in the UK by 2040. This can only be supported by foreign visitors and tourism and expansion in global routes.

Sussex's reputation as a global wine destination will be enhanced to attract higher spending. The wine industry is working collaboratively across all local authorities to achieve growth in a sustainable and responsible way. Wine tourism complements the regions other tourism assets such as its landscape (South Downs National Park), cultural and heritage offer and gastronomic experiences. This also supports tourism looking for wine tours, weddings, hotels and hospitality.

The hotel industry is set to grow again across the whole of the South East due to business growth and opportunities the airport can bring.

ISH3 - Socio Economic Including Health & wellbeing

Proposed Employment, Skills and Business Strategy

4.1 Comment on the proposed Employment, Skills and Business Strategy.

The Airport's Employment Skills and Business Strategy goes beyond the usual DCO employment and skills strategies and would be very positive for businesses, with themes around local procurement, innovation and regional promotion.

Sussex Chamber of Commerce as well as other South East Chambers, played a crucial role in the roundtables hosted by Gatwick Airport over the last few years to help shape the employment, skills and business strategy themes.

Chambers of Commerce around the UK are leading on the Local Skills Improvement Plan (LSIP) in their local areas, which follow the Skills for Jobs White Paper set out by government to reshape the education system to better meet the needs of employers. This is a collaboration between business, education and training providers, the local authorities and Local Enterprise Partnerships. Our LSIP or Future Skills Sussex as it is known, has ensured the applicant as a key stakeholder has been involved in our discussions and to help shape the priorities for Sussex. The airport has been a supporter and fully engaged in the collaboration process ensuring there is alignment between the LSIP and also the airport's employment, skills and business strategy. This also ties in with the collaboration with local authorities ensuring skills and business strategies are aligned.

The LSIP provides an overview of the labour market and skills needs. It identifies skills initiatives that support businesses and residents.

Through our LSIP research and analysis of data, Sussex Chamber has identified key sectors that are crucial to the future economic success of the area. The key sectors are construction, creative and cultural, digital technology, engineering and manufacturing, health and care (including bio life sciences and pharmaceutical), horticulture and viticulture as well as the visitor and hospitality sectors.

The LSIP report identified challenges impacting the labour market such as demands on higher wages, greater resignation of the over 50s during and post the pandemic, increased remote and hybrid working, reduced migrant workers, Gen Z having different expectations of the workplace, an ageing workforce, lack of diversity and a lack of awareness or understanding of local opportunities.

There is now greater engagement through businesses such as the airport, who recently opened their STEM (science, technology, engineering and maths) centre, to help people understand the opportunities that exist within the airport which may be in manufacturing, engineering, technology, or administrative services.

As businesses are starting to recover and grow we have seen a high number of job vacancies or gaps in higher management levels. Some of the barriers are accessing or offering development opportunities to staff, understanding of apprenticeships and having short or modular courses to develop skills at all ages.

Through the collaborative work, positive change has seen greater collaboration, setting up 2 key projects such as Greener Sussex and the CODES projects. (One project focusing on addressing net zero and sustainability skills across the county and other focusing on centres of digital excellence in Sussex and providing essential technology skills). Both of these projects are preparing people for the future, dealing with change and innovation, which is core to the airport and their plans.

A significant result of the collaboration has been the two Institutes of Technology, the specialist post 16 technical curriculum which is based on the needs identified by employers and the comprehensive economic strategies developed by the local authorities and local enterprise partnerships. The airport is an Industry Partner in the Sussex and Surrey Institute of Technology which focuses on engineering and manufacturing technologies, information and communication technologies, construction, planning and the built environment. These adult training courses will help provide key labour and skills needs in and around the airport as well as the wider Sussex business community.

The increased operational development and Northern Runway Project would create 14,000 job opportunities in construction and infrastructure projects, as well as seeing an additional increase in hospitality, tourism, and retail, in manufacturing and aviation requirements, injecting £1bn into the region's economy every year.

The priorities set by the LSIP are to work collaboratively, to share resources and expertise, attract inward investment, support businesses to recruit, retain and upskill their workforce, raise awareness of key sectors and opportunities so young people do not leave the area to work elsewhere, and ensure training and employment is open and accessible to all.

Equality, diversity and inclusion are at the heart of the Sussex LSIP creating awareness and understanding of the key sectors attracts a more diverse workforce. To ensure the skills development offer is accessible for those with special educational needs and disabilities and has clearly defined routes into each sector and jobs. Furthermore, engagement with the job centres and ex armed forces who have a diverse skill set are opportunities for all.

Economic development is about supporting businesses so they have the right tools, services, skills and opportunities to continue to grow, which will lead to a growth in GDP, investment, and driving prosperity.

If we are to make a concerted effort to seize the future and continue with business economic growth, we need to be at the forefront in shaping a more purposeful world economy by working closely with key partners in the area such as the airport.

Local economies play an indispensable role in fostering prosperity and sustainable growth within our communities. Emphasising their significance is crucial in promoting self-sufficiency, boosting job creation, and preserving the unique character of our regions.

The Global Chamber network also plays a key part in the climate agenda and brings business and Chambers together from across the globe, recently having a strong presence at COP28, the United Nations Climate Change Conference in the United Arab Emirates, taking part in key discussions with ministers. If we want a better quality of life and a more circular economy that is better for our planet, then we must bring everyone on the journey, removing the impediments to scale for thriving sustainable businesses, and empowering local strategies for skills and infrastructure. By working closely with key stakeholders, the airport and business, we can ensure we work together to create an environment to speed up the roll out and target for net zero.

Local businesses, such as exporters rely on Gatwick Airport for international trade with new routes bringing new business links, opportunities and inward investment. This plan supports trade initiatives, procurement opportunities for local businesses as well as supporting training and apprenticeships for all.

Exporting and importing is not just about goods but also allows those to provide essential services across the world. Tourism and hospitality to the South East, to ensure businesses can continue to thrive, are key components in attracting inward investment and growth. It supports hotels, retails, catering, restaurants, and the visitor economy.

5. Labour supply and housing

5.1 Availability of labour supply and housing (to include temporary accommodation and affordable housing).

ONS 2022 statistics evidence there are over 75,560 registered businesses in the area producing over £40bn GVA per hour worked. There is over 1,035,700 people of working age (ONS 2021). Gatwick Airport, Crawley and Brighton & Hove are key economic drivers and net importers of workers. The airport is a vital piece of the UK's national infrastructure and a major driver for both the regional and national economies.

Sussex is mirroring national trends in terms of a tight labour market because of changes to immigration rules, the pandemic and inflationary pressures. A national plan for People and Work through the British Chambers of Commerce, which has been submitted to government, is to ensure we remove barriers to work, we promote workplace flexibility and have a more equitable workplace culture, support a healthier workforce, better wages and make the immigration system work for the UK. Working in partnership with business and key stakeholders, we can help address these barriers as identified above in 4.1.