

Economic Value Report

Richard Lennard, Economic Partnerships Manager

Crawley Economic Recovery Taskforce Group

21 July 2021



Gatwick's Economic Value

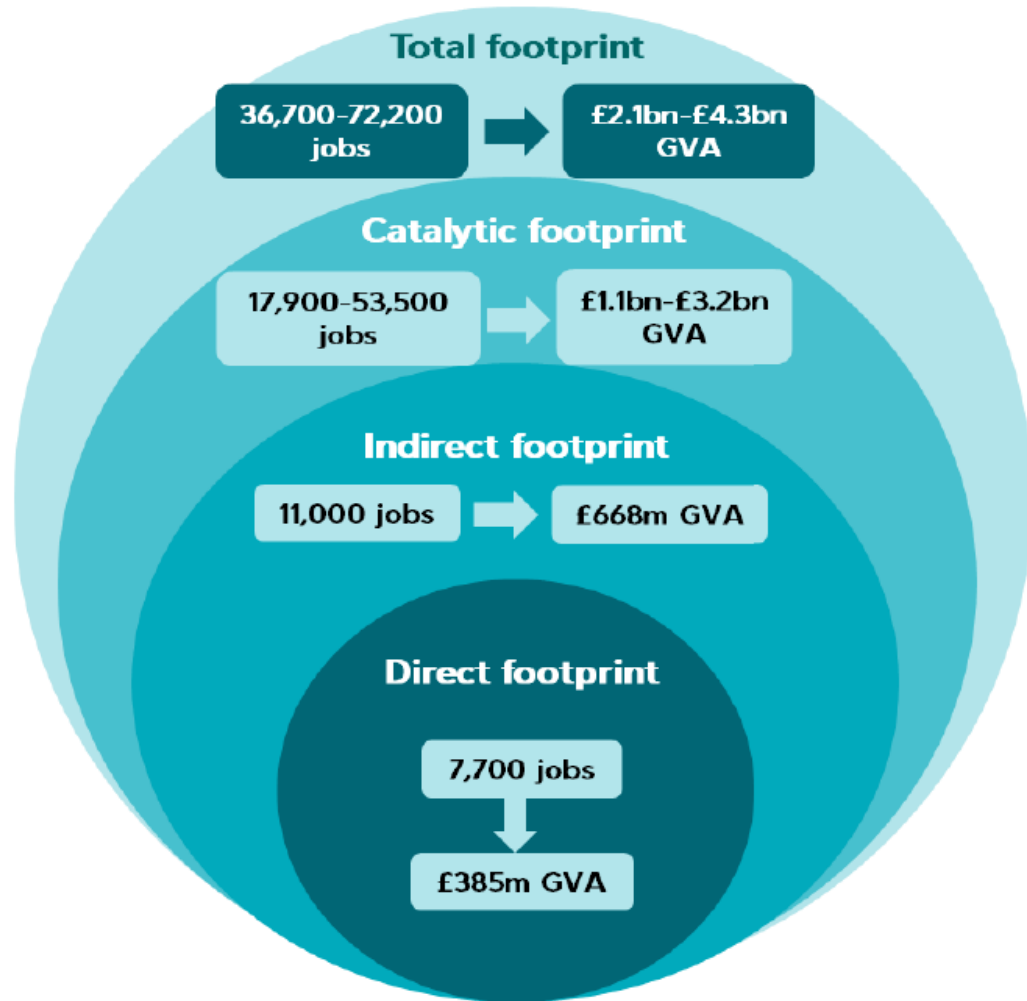
- An **updated data set and narrative** that sets out the airport's role in the local and regional economy.
- Demonstrates that the **airport revival will help drive wider recovery and support the region's economic diversification** by making the area attractive to new and emerging business clusters.
- **Creates the foundations for a strategic framework** to enable Gatwick to work collaboratively with stakeholders to identify specific actions and prioritise activity in the region to maximise the economic benefits.



www.gatwickairport.com/economy



Economic value of Gatwick in 2020 and beyond



Gatwick Airport provides **significant value to the local economy**.

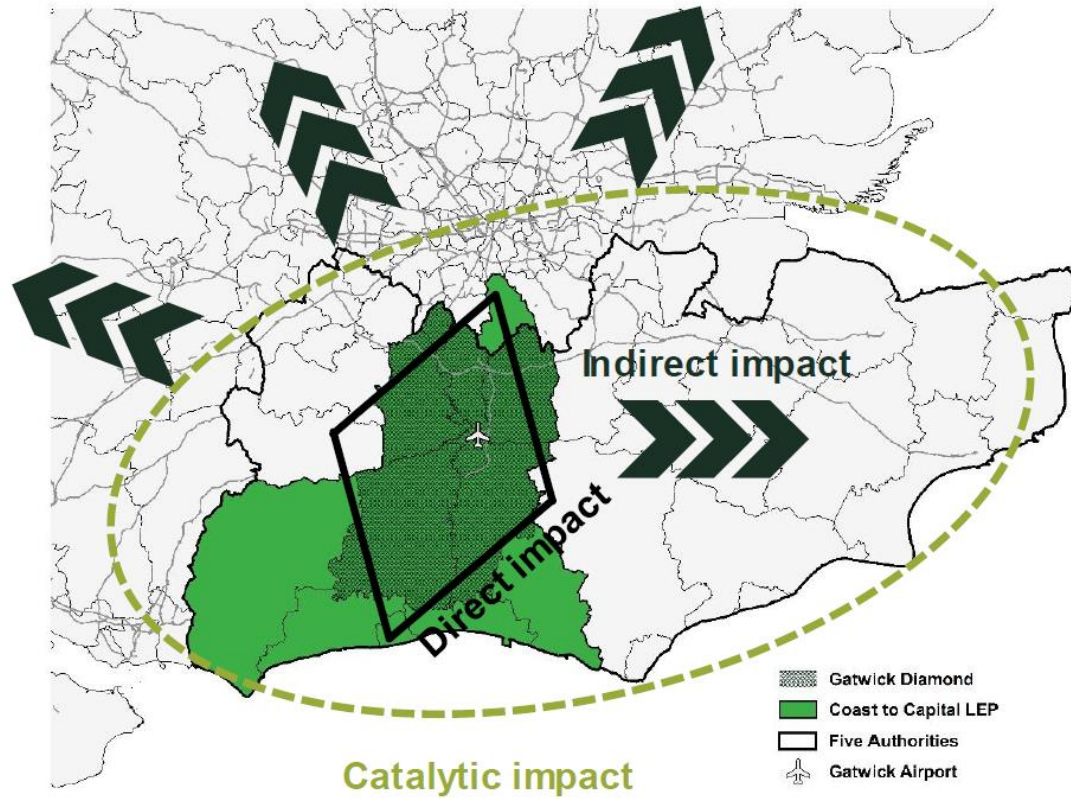
In 2020, Gatwick represented **a total of 36,700 jobs and £2.1bn in gross value added (GVA) in the UK** through the economic activity on site, in the supply chains to those firms, and to businesses that locate close to Gatwick Airport because of the connectivity and opportunities offered.

By 2028, the airport's footprint in the UK is projected to increase to 139,700 jobs and £9.3bn in GVA as traffic recovers and expands beyond pre-COVID levels. These estimates do not include the additional economic activity that would be supported by the Northern Runway project.

Source: Oxera analysis. Numbers may not sum due to rounding. 2020 prices.



Regional economic value of Gatwick



A strong Gatwick would support the region's economic growth as air traffic recovers and could:

GENERATE
50K
NEW JOBS
BY 2028

GENERATE
£8.4B
FOR THE
REGION

Put another way, that is enough to annually support:

70,000 nurses OR 220,000 primary school places

Supporting the region's economic growth

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Contextualising Gatwick's total GVA footprint

	2019	2020	2024	2028
Estimated tax take (UK-wide)	£2,674m	£683m–£1,372m	£2,166m	£2,986m
of which Gatwick Diamond	£1,369m	£348m–£693m	£1,108m	£1,525m
of which Coast to Capital	£1,922m	£491m–£1,061m	£1,492m	£2,121m
of which Five Authorities	£2,407m	£619m–£1,307m	£1,905m	£2,673m
Primary school places (UK-wide)	222,500	56,900–114,100	180,200	248,400
of which Gatwick Diamond	113,900	28,900–57,600	92,200	126,900
of which Coast to Capital	159,900	40,800–88,200	124,200	176,500
of which Five Authorities	200,300	51,500–108,700	158,500	222,400
Nurse positions (UK-wide)	71,200	18,200–36,500	57,700	79,500
of which Gatwick Diamond	36,500	9,300–18,400	29,500	40,600
of which Coast to Capital	51,200	13,100–28,200	39,700	56,500
of which Five Authorities	64,100	16,500–34,800	50,700	71,200



Narrative key themes



A stronger local economy

- Driving an innovative business environment; supporting a more diverse, resilient economy



A sustainable future

- Working in partnership with stakeholders to promote a clean, green recovery by building on our sustainability commitments



Investing in talent

- Skills strategy to create a pipeline of talent; supporting apprentices and creating more jobs



Investing to kickstart local growth

- Investments in Northern Runway and rail station upgrade; developing a procurement strategy to support revival of local supply chain spending



Case studies



"I've loved working with Gatwick... It's a family environment; it has such a good community feel and you can really rely on people around you to support you."



"From the very first day I walked into the project, we've always understood the importance of having a strong working relationship with Gatwick...this is a key enabler for success."

RocketMill

"I view the airport as our founding client. For that reason they are culturally and commercially a cornerstone of the business."

"After 29 years I still love working for Gatwick; you can have a whole career here. It's a friendly place to work, and it's exposed me to opportunities I may not have had the chance to get involved in elsewhere."



Heron

Kmt

Storm¹²



Gatwick Airport Update

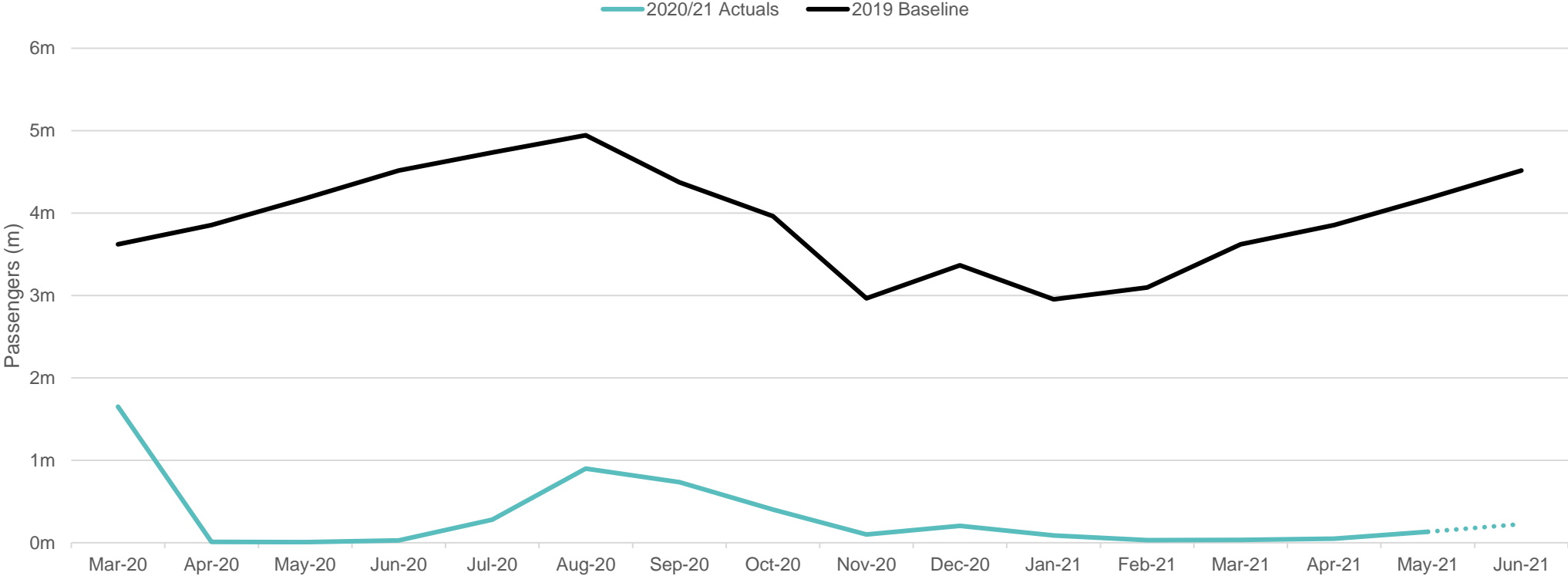
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Impact of COVID-19 on passenger numbers



In 2020, Gatwick saw 10.1 million passengers compared to 46.6 million passengers in 2019, a 78.2% drop.



Gatwick future outlook

We continue to have encouraging conversations with a range of existing and potential new airlines about future growth prospects at the airport:

- **easyJet continue to ramp up capacity** as soon as restrictions allow, growing to up to three quarters of 2019 available seats at Gatwick and introducing new routes.
- **British Airways is committed to operating from Gatwick**, continuing to operate long haul services to the Caribbean whilst the US is still closed.
- **Norwegian is focused on continuing to fly short-haul routes**, having ceased long-haul across its network. They returned at end of June flying to three Scandinavian cities.
- **Wizz Air expanded its short-haul services** from Gatwick in 2020 and desire to expand as restrictions are removed. Current expectation to restart (again) in August.
- **JetBlue have secured slots at Gatwick for Summer 2021**, with a daily JFK service from September and are working on a second US flight for summer 2022.
- **New airlines** waiting to start also include **Corendon**, however they are delayed by Turkey still being on the UK's red list. **Condor** begins flights later this month with a daily Cyprus service.



International Travel

International travel restarted on Monday 17 May with traffic light system in place:

- May half term - **1,000 flights** to green destinations including Portugal, Madeira and Gibraltar.
- Portugal subsequently moved to the amber list - impacting passenger numbers in June
- Balearics have moved onto green watch list and back to amber in the last few weeks
- **19 July changes:**
 - Amber travel restriction to be removed
 - Quarantine free travel for fully vaccinated UK adults
 - Pre-departure tests and PCR test on or before day 2 post-arrival in UK (requirement for day 8 test removed)



Key challenges

- Quarantine free travel for double vaccinated UK residents welcome - but requirement for private PCR tests remains a barrier to travel
- Passenger numbers are expected to increase into August but potentially still only around 25% of normal levels
- Furlough scheme ending 30 September
- Approaching winter season with ongoing challenge of significant fixed costs e.g.
 - Operational costs, including staff and NI
 - Business rates
 - Policing costs
 - CAA costs



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Thank you

Keep Healthy, Keep Safe, Keep Flying

