

## [We need competition in transport, not grand projects](#) [1]

Written by [Dr. Eamonn Butler](#) [2] | Monday 9 September 2013



I've just done a Spectator podcast - online end of the week - on airport competition with Gatwick CEO Stewart Wingate and Margot James, member of the No 10 Parliamentary Advisory board. Let's face it, we need more airport capacity much more than we need a high-speed train that gets you to Manchester half an hour earlier. The Transport Department forecasts that demand will double, from 219m passengers per year, to 480m in 2015. We don't need one new runway, we need a whole slew of them, with extra capacity to encourage real competition.

Boris Island? I love it?big, shiny, high speed connections an all that?but at £96bn-odd and a 30-year planning and construction period, it seems a bit of a non-starter. The Houses of Parliament were built 150 years ago, and came in three times over budget and 27 years late, and that is about the norm for state-run infrastructure projects. So think more £300bn and 90 years. After all, it took nine years just to build a new terminal at Heathrow, not even a new runway.

How I wish that the Thatcher government had listened to us in our paper [Airports For Sale](#) [3] back int the early 80s. Then, the state quango, British Airports Authority, ran all six major UK airports, three round London and three in Scotland. But no, they privatized BAA as a unit because it was easier. Since then, all the talk, and action, has been about building up Heathrow as a 'hub'. Typical monopolist talk ? we need the biggest, the flagship facility. Nothing about customers being best served by competition. But now, in the last few years, with the (inevitable) forced break-up of BAA plc, we do have competition, and it is wonderful, if you are an air passenger, to see the individual airports vying for your business. Like trying to speed up queues in customs and immigration, and getting rail links to their airports that actually take account of the fact that you might have some luggage. And indeed, competing for the next runway.

Sir Howard Davies, who is reviewing all the options, has so far identified fifty different choices. Let's hope he realises that the most cost-effective solutions are the ones that focus on what customers, not politicians and airport planners, want. Use the market. Only about 7% or UK airline passengers are interlining, so let the airlines with that sort of traffic pay to go to the biggest hub, heathrow. Otherwise, develop capacity with new runways at Gatwick, City, Luton and you name it. As I say if only we'd had competition when ASI suggested it, passengers would have a much better experience than they get today.

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[3]

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