

**WRITTEN QUESTION TO THE MINISTER FOR ECONOMIC DEVELOPMENT BY DEPUTY G.P.
SOUTHERN OF ST. HELIER**

ANSWER TO BE TABLED ON TUESDAY 2nd DECEMBER 2008

Question

Will the Minister inform members what measures, if any, are under consideration, whether through Service Level Agreements or otherwise, to prevent airlines from accepting subsidies to provide low cost flights to and from the Island and then cancelling winter flights at short notice to the inconvenience and cost of Jersey residents and their families?

Answer

The global airline industry is operating in unprecedented circumstances which this year is expected to see the world's airlines posting a record \$5.28 **billion** loss. Already some 30 airlines around the world have ceased operations and more are threatened.

For the past 18 months Jersey Airport has been proactively pursuing new airline business. This has resulted in numerous new routes and airlines being introduced to the Jersey market leading to year-to-date growth of 4.3%. As a result of this action Jersey is better placed than the vast majority of UK airports to weather the forthcoming winter season.

Airlines typically reduce capacity during the winter season to reflect lower demand for services. Reduced demand is a certainty taking into consideration the downturn. There are clear signs of depressed demand on Jersey routes as a result of the current depressed economic activity and we are therefore not immune to the conditions affecting airlines.

Jersey Airport and Economic Development are in constant dialogue with airline partners, not just those that are receiving additional support from Economic Development. Because of the severity of the current operating environment Airlines are now making decisions on a fluid basis and whilst we are reasonably certain that the winter schedule is now set, we cannot guarantee that there will be no further changes which may occur in direct response to changing economic circumstances over the coming months.

Jersey Airport is making every effort to ensure that key routes to and from Jersey are sustained over the winter.

Economic Development's proactive policies have been proven to work to secure a future for the visitor economy and enhance the diversity of routes for Islanders. Whilst in the short-term some routes will be cut back, it is expected that route expansion will continue as soon as the economic situation improves.