

## 6. Urgent Oral Question

The Bailiff:

I have given leave for an urgent question to be asked by Deputy Southern of the Minister for Economic Development, I think is. Hopefully Members have a copy of it but, Deputy, would you like to ask your question?

6.1 Deputy G.P. Southern of the Minister for Economic Development regarding ...

In the light of the announcement by Flybe to cut its staff by almost 20 per cent, including 35 in Jersey, has the Minister sought assurances from Flybe of the maintenance of essential flights to and from the Island and, if not, will he do so as a matter of urgency?

Senator A.J.H. Maclean (The Minister for Economic Development):

Jersey Airport received a communication from Flybe last Friday, 15th November, of its likely intention to close its Jersey base at the end of March 2014, affecting up to 35 local Flybe employees. However, despite the loss of the Gatwick service, the airline has indicated to our officials that it remains fully committed to continuing to provide its excellent network of services to and from the Island. The Port of Jersey Group Executive and the Route Development Team for Jersey Airport remain in regular contact with Flybe and continue to analyse its network, evaluating what current routes, if any, could be affected in the longer term. If Flybe decides to reduce or relinquish any of its other routes in due course, then Jersey Airport will engage with other competing or alternative operators to take over those services in the same successful manner as it has done when securing easyJet to take over the Gatwick services from March 2014.

6.1.1 Deputy G.P. Southern:

I heard the word “destinations”, I think, but I did not hear about the number of services. Does the Minister anticipate that, with such a large-scale cut and the closure of Jersey as a local base, that the number of services will, in fact, be affected?

Senator A.J.H. Maclean:

As I have stated, we have no indication from Flybe that they are intending to close any further routes or cease any further routes other than Gatwick, which has already been announced. For the Deputy’s information and for Members’ information, there are currently 7 year-round destinations that are served by Flybe from Jersey, 4 of those they fly alone, the remaining 3 are served by other operators at the same time. But, as I say, there is no indication at the moment that any changes to that, or indeed the summer-only services of 12, are going to be affected.

6.1.2 The Connétable of St. Lawrence:

In order to continue the maintenance of essential flights to the Island and, indeed, to encourage additional flights, what consideration is being given to reducing landing fees?

Senator A.J.H. Maclean:

The landing fee regime at Jersey Airport is not believed to be a barrier to entry or sustaining the current routes we have got. We have seen routes grow, and the fact that we are able to secure the services of companies like easyJet demonstrates that the package we offer is competitive in the marketplace.

6.1.3 The Connétable of St. Lawrence:

A supplementary? If reducing landing fees will not be conducive to encouraging other flights, what further incentives may we offer?

Senator A.J.H. Maclean:

We are competitive with regard to the package that we can offer to airlines considering flying to the Island. It is to do with additionality principally and we are looking at an economic model that drives more business to Jersey and the value that that brings to our local economy. It is quite a complex economic model that we consider and, on that basis, support can be either through new route incentives or, indeed, further than that, as we did previously with the Heathrow route that the Connétable mentioned. One other point I should make is that one area in which we are particularly competitive is that we do not have airport departure duty here in Jersey which many of the airports in the U.K. do.

6.1.4 Deputy J.H. Young:

In their public statement, Flybe said that they would be withdrawing their base in Jersey in March 2014. Does the Minister consider it likely that this means we will lose our early morning and evening red-eye flights which overnight in Jersey, both to Gatwick and Southampton, reducing us down to one single operator to Gatwick? If so, what contingency plans has the Minister in place to ensure that we replace those?

Senator A.J.H. Maclean:

We have already dealt, with the greatest respect to the Deputy, with Gatwick, where easyJet have agreed to take on the Gatwick route from March next year when Flybe cease to operate that service, and in fact, because they have larger aircraft, they are going to add an extra 200,000 seats per annum on that service. That is a big plus for leisure and business travellers to and from the Island. There are other airports affected by Flybe's decision, Jersey is not alone: Guernsey, Isle of Man, Newcastle, Aberdeen, Inverness are all impacted in a similar way but we do not believe the fact that they are reducing the staff on-Island is going to have any impact on the early morning flight, for example to Southampton. I should point out that British Airways and other airlines do not have engineering staff based in the Island and so Flybe are simply coming in line with many of those models.

6.1.5 Deputy G.C.L. Baudains:

Bearing in mind that obviously a reduction in flights may well have a knock-on effect on our tourism, is the Minister comfortable that the number of flights, especially to Gatwick, will be maintained? For example, does it envisage that easyJet will take over all the present Flybe flights in and out of Gatwick?

Senator A.J.H. Maclean:

With regard to Gatwick, as I have stated, we are going to have 200,000 more seats available for the Gatwick/Jersey route. British Airways have added another service later in the evening, which is a big plus, easyJet have larger aircraft. We are very satisfied with the spread we have got and the fact we have got 2 very strong brands arguably, the easyJet brand and the British Airways brand, connecting us all over the world from here in Jersey I think has worked out very well for the Island.

6.1.6 The Deputy of St. Ouen:

What plans, if any, are in place to help those people who have lost their jobs to find alternative employment?

Senator A.J.H. Maclean:

At this stage, it is a matter for the company because the jobs have been put at risk; there is now a matter of consultation which is being undertaken and staff are being engaged by the company through that process. Clearly, at the end of that, the Social Security Department is available to provide support and assistance to any on-Island staff who may require their assistance.

6.1.7 The Deputy of St. Ouen:

Sir, can I respond to the Minister? Does that mean that there will be no opportunities for the staff to be re-employed by another airline provider?

Senator A.J.H. Maclean:

Of course; there are, I believe, about 14 pilots. I am sure that other airlines servicing the Island will find it attractive having fully-qualified pilots available to their services, so I am sure there are opportunities there.

6.1.8 Deputy M.R. Higgins:

Just following on from the Minister's answers. The arrangement with easyJet, can he tell us how long the arrangement will last for? Is there a finite term or is it open-ended? Have they guaranteed all those flights for one year, 2 years, or whatever? What is the actual arrangement you have got with easyJet?

Senator A.J.H. Maclean:

It is not a fixed, guaranteed arrangement, as is the case with any airline but, nevertheless, the relationship with easyJet is building. I am very encouraged to see that they have added, since the Gatwick route, an additional Belfast route, and they are making plans we understand to consider other development routes from Jersey. It is a relationship that is building. Certainly, every destination they fly to they seek to be the number 1 or number 2. As from March, they are going to be the second-largest operator in Jersey behind British Airways. British Airways, incidentally, will have about 33 per cent of the market, easyJet about 27 per cent and Flybe, after March, is down to about 14 per cent; similar, by the way, to Blue Island's. We have a good spread of operators serving Jersey and a fantastic network of routes.

6.1.9 Deputy G.P. Southern:

The Minister mentioned his examination of the 6, I think it was, all-year routes and the 12 summer routes. Is he confirming that all of these routes are viable and he anticipates no changes on these particular routes?

Senator A.J.H. Maclean:

What I said was that Flybe had indicated that there was no intention at the moment to make any changes; clearly, I cannot stand here and guarantee there are not going to be any in due course when they have finished going through their process of looking at all the routes that they serve, not just from Jersey but across their network. There are certainly some routes we can see from the statistics that do not have large usage and large numbers, and those potentially are going to be runnable. I have said we will work with other operators serving Jersey Airport to see if any are interested in seeking opportunities to develop those routes should Flybe decide to let any of them go.