# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE**  | **Launch of the consultation on the proposed master plan for Cardiff Airport**  |
| **DATE**  | **18 July 2018** |
| **BY** | **Ken Skates, Cabinet Secretary for Economy and Transport**  |

The Welsh Government has today launched a consultation on the proposed master plan for Cardiff Airport.

As a result of its purchase supported by the Welsh Government in 2013, the airport has seen record passenger growth. 2017 saw an increase of 9% in passenger numbers for the calendar year with over 1,468 million customers having travelled through the Airport over the previous 12 months. This figure represents almost 50% passenger growth since Cardiff Airport came into public ownership.

There has already been a multi million pound investment into the terminal building, to improve the passenger experience, to make Cardiff Airport a more attractive and comfortable place to travel for business and leisure.

But cosmetic changes alone will not be sufficient to position this airport for the future, to act as one of the primary international gateways to south Wales, creating that vital first impression of a confident, forward facing and outward looking nation, and a location which can offer business, leisure and learning opportunities.

Now that the airport is on a stable and improving footing it is right for Welsh Government and Cardiff Airport, working as a team, to set out a strategic plan for future that builds on the recent successes and looks forward to ensure that the airport is fit for current and future generations.

Passengers, stakeholders, local residents and business now have the opportunity to have their say on the future shape of their airport.

The Masterplan needs to ensure the airport continues to improve its competitiveness and attractiveness and for it to become, for south Wales and beyond, a gateway to international travel and trade.

I welcome the development of the master plan, designed to continue and expand the growth of the airport, with the goal of increasing passenger numbers to three million per year, while delivering a great experience for those travelling for both business and leisure.

The exciting proposals for a new terminal building will enable the passenger growth and provide capacity to attract more airlines serving new routes.

But this master plan will deliver more benefits than passenger growth alone. In the Economic Action Plan I launched in December last year, the Government set out a new approach to investing in business and the economy and getting the most from the economy. The development of further aviation links to the rest of the UK, Europe and beyond is vital to the long term prosperity of Wales.

But more broadly, the Economic Action Plan sets out our ambition to improve the skills of our workforce and to build a connected infrastructure that supports growth and investment. The master plan launched today is the embodiment of our Economic Action Plan.

When we set out the Economic Action Plan we recognised the important role of the Airport as part of the vision of inclusive growth. To develop further it is essential that the airport has improved connections to the wider transport infrastructure enabling it to support growth and investment.

Our plans for the south Wales Metro will see two trains per hour serving the Vale of Glamorgan line from 2023. Transport for Wales will develop a new bus interchange at Barry Town station to provide high quality facilities for a new bus link to the Airport for passengers using the four trains per hour through Barry Town station.

We are investing £26m in improving 5 Mile Lane, and have invested in the development of initial plans for linking from the northern end of 5 Mile Lane to the M4 at junction 34.

Passenger numbers continue to grow on the T9 route, which is an important component of our national Traws Cymru bus network.

High quality, reliable, easy to use and rapid surface access by rail, road and bus is critical for all airports, and Cardiff is no different. We continue to invest to improve surface access to Cardiff Airport to allow it to achieve the ambitions set out today.

Earlier this year the government made a further equity investment of £6m into the airport company, in order to accelerate the point in time when the airport’s value exceeds the amount we have invested in it.

As the business continues to grow towards this year’s target of 1.65m passengers, the value of the company will continue this acceleration.

Ministers have no ambition to sell the Government’s stake in the company for the sake of selling it. The government wants to see sustainable growth in passenger numbers and balance sheet strength, but more importantly we want Cardiff Airport to be a lever for developing the economy of Wales.

The investment required to deliver the master plan will need to come from the market not just government, and this will mean that we will find new ways to partner with the private sector.

The master plan is the culmination of the work of the Cardiff Airport and St Athan Enterprise Zone.

The Enterprise Zone Board made a clear recommendation that we should develop a master plan which tied together the needs of the airport and the wider economic regeneration requirements beyond the airport boundary. It is because of this wider context that the Welsh Government has partnered with Cardiff Airport to develop this over-arching master plan.

The government didn’t want to see an airport master plan that looked solely at the needs of the airport. The proposals launched today have a much broader base and rationale.

The master plan fits in with our wider plans for the St Athan Enterprise Zone.

The St Athan airfield and business park is due to come under civilian control from the 1st April 2019.

The government can announce that the St Athan Airfield will be managed and operated by Cardiff Airport under a Joint Venture arrangement with the Welsh Government. As well as offering increased flexibility to the users of the site, over the course of the next 10 years, the joint venture is anticipated to save the Welsh Government £20m, compared with the current arrangements.

We will promote the St Athan business park for economic development projects from all sectors.

We are confident that over the next 10 years the St Athan business park will support 2000 jobs within enterprise zone.

The master plan will support these ambitions.

It is important now that stakeholders and the public take the time to consider the proposals set out today.