BUSINESS LDN

Submission to the Transport Committee scrutiny of the draft Heathrow Expansion National Policy Statement (HENPS)

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INTRODUCTION

1. BusinessLDN welcomes the opportunity to respond to the Transport Committee's scrutiny of the draft Heathrow Expansion National Policy Statement (HENPS).

2. BusinessLDN is a business membership organisation with a mission to make London the best city in the world in which to do business, working with and for the whole UK. Our members span a wide range of sectors, including financial and professional services, technology, infrastructure, transport, hospitality and the creative industries.

3. Our members depend on strong international connectivity to trade, attract investment, access global markets and compete internationally. Heathrow plays a critical role in supporting these objectives. As the UK's only global hub airport, Heathrow connects businesses across the country with customers, suppliers, investors and partners around the world.

4. BusinessLDN supports the Government's decision to progress Heathrow expansion. The project represents a significant opportunity to generate around £17 billion of additional economic activity each year, strengthen the UK's international competitiveness and catalyse one of the UK's largest privately financed infrastructure programmes.[1]

5. Expansion must be delivered through a robust policy framework that provides certainty for investors while ensuring that environmental impacts, community concerns and surface access requirements are properly addressed. The final HENPS should therefore set out a clear pathway for delivery alongside appropriate safeguards.

6. As highlighted in BusinessLDN's recent report, *Pathway to Delivery: Expanding London's Global Connections*, Heathrow's proposed expansion and wider modernisation programme represents around £49 billion of planned private investment, delivered without taxpayer funding.[2] This demonstrates both the scale of the opportunity and strong investor confidence in the potential of the UK aviation sector.

[1] Heathrow, Our Proposal for Expanding Heathrow: The UK's Gateway to Growth, Summer 2025

[2] BusinessLDN, Pathway to Delivery: Expanding London's Global Connections, February 2026

7. Heathrow's importance extends well beyond London. It supports businesses across all regions and nations of the UK by connecting them to global markets, international customers and investment opportunities. Around 60% of the economic benefits associated with expansion are expected to occur outside London and the South East, demonstrating Heathrow's role as national infrastructure.[3]

8. The publication of the draft HENPS offers an important opportunity to establish the policy certainty required to move from ambition to delivery. The UK has considered the case for additional hub capacity for many years, including through extensive independent assessment and consultation. The priority now should be to translate the evidence base into a clear and deliverable framework.

EXECUTIVE SUMMARY

Heathrow expansion remains strategically important for UK economic growth

9. International connectivity is essential to the UK's economic success. It enables businesses to export, access international markets, attract investment and participate in global supply chains. Therefore, Heathrow's role as the UK's only global hub airport makes it a strategically important economic asset. Additional capacity would strengthen the UK's ability to compete with international hubs that continue to expand.

Heathrow expansion should be recognised as Critical National Growth Infrastructure

10. BusinessLDN supports the designation of Heathrow expansion as Critical National Growth Infrastructure because expansion is not just another aviation project; it is nationally significant economic infrastructure that will help to boost trade and investment, support employment and skills, and deliver regional growth.

The final HENPS should strengthen recognition of the wider economic benefits of expansion

11. The economic assessment supporting the HENPS should ensure that it fully captures the wider benefits of international connectivity, including:

    - export growth;
    - inward investment;
    - productivity improvements;
    - tourism;
    - regional economic opportunities; and
    - access to emerging markets.

12. The HENPS should also better recognise:

    - Heathrow's unique role in supporting UK trade through bellyhold freight;
    - the benefits of private investment delivered without public funding; and
    - expansion's contribution to UK supply chains, apprenticeships and skills.

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[3] Heathrow, Our Proposal for Expanding Heathrow: The UK's Gateway to Growth, Summer 2025

Forecasts and evidence should reflect the changing economic context

13. The UK's economic circumstances have changed significantly since the 2018 Airports National Policy Statement. The UK has left the European Union while global competition for investment has increased and international aviation markets have continued to evolve. The final HENPS should ensure that assumptions and scenarios reflect current evidence and future uncertainty.

Expansion must be delivered alongside environmental responsibility

14. The final HENPS should demonstrate that in order to meet the Government's tests on air quality, noise and climate change mitigation Heathrow expansion can be delivered alongside continued progress towards aviation decarbonisation and effective mitigation measures.

DETAILED COMMENTS

The need for expansion and its designation as Critical National Growth Infrastructure

15. The Government's rationale for progressing Heathrow expansion is robust and reflects the strategic importance of maintaining the UK's global connectivity.

16. International connectivity is a key driver of economic competitiveness. Businesses depend on reliable connections to overseas markets, customers, suppliers and investors. For internationally focused companies, connectivity is an important factor in decisions about where to locate, invest and grow.

17. Heathrow plays a unique role because of its scale, long-haul network and hub status. While regional airports make an important contribution to UK connectivity, Heathrow remains the country's principal gateway for long-distance international business links. However, Heathrow has operated at or close to capacity for around 15 years, constraining opportunities to add routes and frequencies, with connectivity and business opportunities increasingly diverted to competing hub airports including Paris, Amsterdam, Frankfurt and Dubai**.** At a time when competing international hubs in Europe, the Middle East and Asia continue to invest in additional capacity, maintaining the status quo risks reducing the UK's competitiveness. The Government is therefore right to recognise that additional hub capacity is required.

18. Heathrow already handles around £300 billion of goods annually by value, making it the UK's largest port by value.[4] Expansion would increase cargo capacity by around 50%**,** strengthening exporters' and importers' access to global markets through long-haul bellyhold freight that cannot be replicated elsewhere in the UK.

19. Expansion would also create opportunities to strengthen domestic connectivity, improving links between Heathrow and the UK's nations and regions while increasing access to international markets. For example, research from Frontier Economics identifies Belfast International, Cornwall Airport Newquay, Leeds Bradford Airport, Liverpool John Lennon and Teesside International Airport as most likely to gain Heathrow connections through expansion.[5]

[4] Heathrow, Our Proposal for Expanding Heathrow: The UK's Gateway to Growth, Summer 2025

[5] Heathrow, Keeping the UK Connected: Domestic Connectivity at Heathrow, May 2026

20. The final HENPS should also recognise that Heathrow expansion is not only about increasing airport capacity. It is about strengthening the UK's wider economic infrastructure. A larger Heathrow would support:

- exporters seeking access to international customers;
- businesses attracting overseas investment;
- supply chains and employment across the UK;
- universities and research institutions seeking global links;
- tourism and related industries; and
- more than 30 additional routes, including to underserved markets in South America and secondary cities in India and China.[6]

21. For these reasons, it is right that Heathrow's expansion is designated as Critical National Growth Infrastructure. The designation would appropriately recognise the national importance of the project and provide confidence that the Government, regulators and infrastructure bodies are aligned around supporting delivery.

22. Given Heathrow Airport Limited's responsibility for operating the UK's only hub airport, the HENPS should establish a planning framework that enables the airport operator to bring forward a coherent and deliverable scheme as the sole designer, financier and deliverer of any future expansion.

The role of expansion in driving economic growth

23. We welcome the draft HENPS's recognition that economic growth should be central to assessing Heathrow expansion. However, the final document should go further in recognising the full economic opportunity associated with additional hub capacity.

24. The benefits of Heathrow expansion extend beyond those captured through traditional transport appraisal. Heathrow performs an enabling role in the economy by connecting businesses, investors and communities to global markets. Heathrow already spends around £2 billion each year with British businesses, comprising approximately £1 billion in operational expenditure and £1 billion in capital investment.[7] Expansion would unlock billions more in opportunities for UK manufacturers, engineering firms, construction companies and supply chains across every nation and region. Expansion also represents an important opportunity to strengthen the UK's infrastructure skills base through apprenticeships, training and long-term employment.

25. The transport appraisal methodology used to support the HENPS remains largely designed to assess publicly funded transport schemes and does not adequately capture the wider economic impacts associated with international connectivity. It underestimates the economic gains associated with trade, inward investment, tourism, productivity improvements and large-scale private investment. This is particularly important where major privately financed infrastructure projects generate benefits that extend well beyond conventional transport user impacts.

26. The final HENPS should ensure that the evidence base fully reflects:

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[6] Heathrow, Our Proposal for Expanding Heathrow: The UK's Gateway to Growth, Summer 2025
[7] Heathrow, Our Proposal for Expanding Heathrow: The UK's Gateway to Growth, Summer 2025

- the role of connectivity in supporting exports;
- the importance of aviation links in attracting foreign direct investment;
- productivity benefits associated with improved international access;
- the value of connections to emerging economies; and
- the contribution of Heathrow expansion to regional growth.

27. The economic context has changed considerably since the Airports National Policy Statement (ANPS) was designated in 2018. The UK has left the European Union and is seeking to improve productivity, increase exports, attract investment and strengthen its position in an even tougher global economic environment.

28. In this context, international connectivity has become increasingly important. The key question is not simply whether existing airport capacity meets current demand, but whether the UK has the connectivity needed to support future economic growth.

29. The final HENPS should ensure that forecasts and assumptions are based on robust evidence and tested against a range of scenarios. This should include consideration of:

    - future economic growth;
    - changes in global trade patterns;
    - aviation demand;
    - technological developments;
    - progress in aviation decarbonisation; and
    - changes in international competition.

30. The final HENPS should also ensure that the assessment methodology captures uncertainty appropriately while recognising the strategic risks associated with under-providing nationally important infrastructure.

Environmental requirements, surface access and changes since 2018

31. Heathrow's expansion must be delivered within the UK's environmental framework. The final HENPS should set out clear expectations on how the Government's four tests relating to economic growth, air quality, noise and climate change mitigation will be addressed.

32. On climate change, it is important that the growth of the aviation sector is consistent with the UK's net zero objectives. This will require continued progress on:

    - sustainable aviation fuels;
    - aircraft efficiency improvements;
    - technological innovation;
    - emissions reduction measures; and
    - effective carbon management.

33. The final HENPS should demonstrate that economic growth can be pursued alongside climate objectives. Air quality and noise impacts must also be managed effectively. It should provide a clear framework for mitigation, monitoring and enforcement, alongside meaningful engagement with affected communities. It should also continue to focus on the strategic case for expansion while allowing detailed mitigation measures to be considered through the Development Consent Order process.

34. Expansion must be matched by improvements in sustainable transport connectivity. The final HENPS should support improved rail connectivity through either a Western Rail Link or Heathrow Southern Rail, recognising that Heathrow Southern Rail may represent the most commercially viable option should delivery rely on private finance. The Government should play a coordinating role in enabling the timely delivery of the preferred scheme alongside airport expansion, ensuring better integration with the wider national rail network and supporting more sustainable travel patterns.

CONCLUSION

35. BusinessLDN strongly supports Heathrow expansion and welcomes the publication of the draft HENPS. The UK's future economic success depends on its ability to compete in an increasingly competitive global economy. Strong international connectivity is essential to supporting exports, attracting investment and enabling businesses across the country to grow.

36. Heathrow expansion represents an opportunity to strengthen the UK's economic foundations and deliver one of the UK's largest privately financed infrastructure programmes without taxpayer funding. Around 60% of the economic benefits are expected to be realised outside London and the South East, supporting growth across every nation and region.

37. The final HENPS should ensure that the full economic opportunity associated with expansion is recognised, including wider benefits relating to productivity, trade, investment and regional growth.

38. The UK has spent decades considering the case for additional hub capacity. The evidence base has been extensively examined. The priority now should be to establish the policy certainty required to deliver infrastructure that supports growth, strengthens international competitiveness and meets the UK's environmental obligations. Timely designation is particularly important because prolonged delays risk imposing significant economic costs and undermining investor confidence in nationally significant infrastructure.

39. The final HENPS should provide a clear, balanced and deliverable framework that enables the UK to realise the benefits of improved global connectivity while ensuring environmental responsibilities and community impacts are properly addressed.