

THE HEATHROW AOC, ARORA GROUP, IAG AND VIRGIN ATLANTIC CALL FOR URGENT AND FUNDAMENTAL REFORM OF HEATHROW'S REGULATORY MODEL

- **Heathrow AOC, Arora Group, IAG and Virgin Atlantic come together for the first time to announce *Heathrow Reimagined: A Better Hub for Britain* campaign.**
- **Heathrow is the most expensive airport in the world, with customers paying £1.1 billion more than if charges were in line with equivalent major European airports, yet it's fallen out of the Skytrax top rankings for passenger experience.**
- **Campaign calls for urgent and fundamental reform of Heathrow's regulatory model for the benefit of consumers, businesses and the UK economy.**
- **The joint submission of the case for change to the Civil Aviation Authority (CAA) urges a review before investment in expansion, without delaying a third runway.**

London, 10 February 2025 – The Heathrow Airline Operators' Committee (AOC), Arora Group, International Airlines Group (IAG), and Virgin Atlantic, have today come together to launch *Heathrow Reimagined: A Better Hub for Britain*. The campaign calls on the Civil Aviation Authority (CAA) to conduct an urgent and fundamental review into the way in which Heathrow, the UK's only hub airport and the largest in Europe, is regulated, for the benefit of consumers, businesses, and the UK economy. The campaign seeks to work with industry, Government and the CAA to achieve reform.

Heathrow Reimagined represents the first time these parties have come together, united in a shared view that the current regulatory model is not fit for purpose. Heathrow Airport Limited's substantial market power has, for too long, given it an incentive to spend inefficiently which means it has acted against the interest of both consumers and airlines.

In the 15 years since the last major review into UK aviation by the Competition Commission, Heathrow has become the world's most expensive airport, with passengers and airlines today paying £1.1 billion more each year than if charges were in line with equivalent major European airports. Instead of being a source of national pride, Heathrow has failed to modernise and in turn, let down consumers, carriers and the British economy. In recent years, Heathrow has also dropped out of Skytrax's Top 20 airports for passenger experience, and surveys label the airport as the "most stressful in Europe".

In response to Heathrow's declining experience and ageing infrastructure, coupled with expansion plans that will see passenger charges rise again, Heathrow Reimagined calls on the CAA to investigate what has gone wrong and to address the root causes before passengers and airlines are locked into higher charges for decades to come. To achieve this, and to ensure future investment offers value for money, there must be wholesale reform, which is necessary and achievable without delaying spades in the ground for expansion.

- **Nigel Wicking, Chief Executive of Heathrow AOC, said:** *“Heathrow is rapidly falling behind other major airports around the globe both in facilities and service to airline customers, whilst having the unenviable accolade of being the most expensive for airport charges. This cannot continue. The airline community want to offer travellers, to and from the UK, a great experience through Heathrow and we want growth, also avoiding the disproportionate costs we too often see by Heathrow Airport Limited.”*
- **Surinder Arora, Founder and Chairman of the Arora Group, said:** *“I have worked in and around Heathrow for several decades and have seen with my own eyes the decline in what used to be the world’s best airport. The current monopoly at Heathrow doesn’t only vastly overcharge passengers on aviation fees but also on their parking and a variety of other services as it continues to stand out as the most expensive airport in the world by a long way.*

“We are delighted to be working with the airlines to ask the CAA to look more carefully at the regulatory issues which lead to such high prices and seize the opportunity for competition to improve Heathrow’s offer to passengers.

“This is critical for the future of the airport separately to the third runway debate – the regulatory landscape for Heathrow must change regardless.”

- **Luis Gallego, CEO of IAG (International Airlines Group), said:** *“As an international airline group, we compare the experience for passengers at Heathrow with other airports, and the experience does not match the cost. We would like to work with the industry, the Government and the CAA and recommend an urgent review in to the regulatory system at Heathrow, to improve the affordability and experience for travellers, so that it can become a leading global airport once again.”*
- **Shai Weiss, CEO of Virgin Atlantic, said:** *“The current regulatory model at London Heathrow is simply not fit for purpose and does not sufficiently constrain Heathrow’s monopoly power. Despite having the highest passenger charges in the world, Heathrow is failing consumers, airlines and the UK economy, with ageing facilities and a declining customer experience. The regulatory framework which governs Heathrow must be reformed and we call on the CAA to undertake a fundamental review.”*

As part of its submission, Heathrow Reimagined highlights alternative international hubs that have realised the opportunity to stimulate growth in vastly more efficient ways, providing value for money. This includes new terminals at Barcelona, Frankfurt, Madrid and Munich all costing half or less, when adjusting for terminal size, than the upgrades to Heathrow Terminals 2 and 5.

Istanbul is developing a completely new airport with capacity for up to 200 million passengers for €12 billion, while New York JFK will open its New Terminal One in 2030, the centrepiece of a £15 billion airport wide transformation. In Singapore, Changi is creating a fifth passenger terminal and a third runway for an estimated £8 billion, boosting capacity by 50 million passengers.

Following the launch of Heathrow Reimagined and the Campaign's joint submission to the CAA, it will now seek to actively engage with the wider industry and government to achieve its primary objective of fundamental reform that can serve as a first step towards delivering value for consumers, UK plc and the government's growth agenda.

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For more information about *Heathrow Reimagined: A Better Hub for Britain*, please visit: www.heathrow-reimagined.com

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About Heathrow AOC

Heathrow AOC LTD was formed in 2009 to represent and promote the interests of airlines, ground handlers and others operating at Heathrow. We operate in accordance with the scope and remit which has been defined by our members, particularly focusing on operational, capital and regulatory matters and challenges found in the complicated and regulated environment that is Heathrow.

In representing our members we work with Heathrow, the CAA and other authorities as part of regulatory engagement & governance, capital development & efficiency, safety and security, the wide range of charges at Heathrow Airport & operational resilience, and improvement in service quality. We also act on behalf of our members to various industry and community bodies.

About Arora Group

The Arora Group is a successful UK-focused private group of companies, which leverages synergies across its specialist property, construction, and hotel divisions to its strategic advantage. Since 1999, the Group has built its standing through meticulously managing projects from inception to delivery and beyond. Today, it owns and manages a diverse portfolio of flagship assets across the nation's key business locations, partnering with some of the world's most recognised brands to deliver consistently high service levels and sustainable growth.

About International Airlines Group (IAG)

International Airlines Group (IAG) is one of the world's largest airline groups with 582 aircraft, directly connecting Europe to 250+ destinations in 91 countries and carrying 115+ million passengers per year. Its leading airlines in Spain, the UK and Ireland include Aer Lingus, British Airways, Iberia, Vueling and LEVEL. The Group also consists of two additional businesses: IAG Cargo and IAG Loyalty. PwC found that IAG supports more than 600,000 jobs in the region directly and indirectly and through the spending of travellers, contributing nearly €70 billion of GDP to the EU and UK.

About Virgin Atlantic

Virgin Atlantic was founded by entrepreneur Sir Richard Branson in 1984, with innovation and amazing customer service at its core. In 2024, Virgin Atlantic was voted Britain's only Global Five Star Airline by APEX for the eighth year running in the Official Airline Ratings. Headquartered in London, it employs 8,500 people worldwide, flying customers to 30 destinations across four continents throughout the year.

Alongside shareholder and Joint Venture partner Delta Air Lines, Virgin Atlantic operates a leading transatlantic network, with onward connections to over 200 cities around the world. In February 2020, Air France-KLM, Delta Air Lines and Virgin Atlantic launched an expanded Joint Venture, offering a comprehensive route network, convenient flight schedules, competitive fares and reciprocal frequent flyer benefits, including the ability to earn and redeem miles across all carriers. Virgin Atlantic joined SkyTeam in March 2023 as the global airline alliance's first and only UK member airline, enhancing the alliance's transatlantic network and services to and from Heathrow and Manchester Airport.

Virgin Atlantic has been pioneering sustainability leadership for more than 15 years, committing to Net Zero by 2050 and continuous action that reduces environmental impact. The airline operates one of the youngest and most fuel-efficient fleets in the skies, with an average age under seven years. In October 2022, Virgin Atlantic welcomed its first A330-900's to the fleet, continuing its transformation towards 100% next generation aircraft by 2028.

In November 2023, the airline led a consortium to deliver the world's first flight across the Atlantic on 100% Sustainable Aviation Fuel (SAF), demonstrating that 100% SAF can be used safely as a drop in fuel in existing infrastructure, engines and airframes. The need to scale production is an industry imperative and Virgin Atlantic is committed to radical collaboration across the energy chain to support commercialisation ahead of 2030.