

STATEMENT BY THE GSLP/LIBERAL OPPOSITION 100/2007
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The Opposition notes that Iberia has now confirmed its decision to cut the number of flights a week on the Gibraltar-Madrid route from seven to two.

This follows the recent cancellation by GB Airways of its entire winter schedule on the same route and the news that Easyjet is taking over GB Airways without an indication that they are interested in re-starting the route to Madrid themselves after March.

It is clear that there are two independent issues surrounding this question. The first is that the principle of being able to fly on this route should always have been available to any interested airline without any concessions having to be made on our part. The second separate point is that the fact the option to fly the route exists does not necessarily mean that an airline can operate profitably on it. That would be a commercial decision.

Clearly, there has been a serious miscalculation as to the demand that existed on the Gibraltar-Madrid route. GB Airways was flying to Madrid in May, June and July with load factors of 49%, 47% and 43% respectively. Iberia have been flying the same route with a smaller 120 seater Airbus aircraft, which means that although its average load factor was around 60%, this does not necessarily mean that they were carrying more people.

The Spanish Director for Europe Mr Pons said recently that it is not the job of the Spanish Government to subsidise a loss making service from Madrid to Gibraltar, nor do we think it is the role of Gibraltar Government to use tax-payers money to do the same from this end. This is particularly so when the flights are being predominantly used by passengers from the other side of the frontier.

It is not clear why Mr Pons should think that the route is not being used in higher numbers because it has not been marketed properly. This he should have said to Iberia who are the only operators at present. One would, in any case, imagine that Iberia does not need to be given a lesson in marketing by a civil servant,

all the more so when this marketing is probably something that they are doing already.

Commenting on the matter, Shadow Minister for Tourism, with responsibility for civil aviation Dr Joseph Garcia said:

“It is clear that people on other side of border see the Gibraltar-Madrid route as one which competes with flights from Malaga, Jerez and Sevilla. There are also other important considerations like the availability of flights, the number of flights a day to Madrid and, most importantly, the price, which also have a bearing on the decision that people may take as to which airport to use.”

The reduction of flights from seven to two does not make the prospect of higher load factors in the future any more realistic.

“If the passenger traffic is not there and the demand is not there, this puts in doubt the considerable investment that the Government is going to make in a new air terminal and ancillary works. It is premature for the Government to continue with this investment to service a projected number of flights which may or may not now materialize. It needs to be said that on present evidence the prospects do not look very good,” said Dr Garcia.

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