

STATEMENT BY THE GSLP/LIBERAL OPPOSITION

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The news that Andalus is to suspend its flights between Gibraltar and Barcelona due to lack of demand casts further doubt on the decision taken by the Government to spend over £50 million on a new air terminal building. Andalus has also slashed its flights to Madrid by half and instead of the 12 flights a week announced at the outset, will now operate 6.

It has become increasingly clear in the light of unfolding events that the decision of the Government to embark on such a massive expenditure was not taken on the basis of establishing its commercial viability, but as a sop to the Spanish Government. This latest development calls into question the nature of the market testing that was done prior to when the decision to construct a new terminal was taken or indeed whether any market research was actually done at all in the over-riding eagerness to secure a political agreement.

The Gibraltar-Madrid route was launched amongst much fanfare by Iberia in December 2006. The then GB Airways followed suit the following year and at its peak there were then 60 flights a month between the Rock and the Spanish capital. However, it soon became clear that the demand for the route simply did not exist to make it viable with both airlines flying at occupancy levels of around 50% and both of them pulled out.

It was argued at the time that the problem with the Madrid flight was that the aircraft used by both airlines were too large and that the timing of the flights were not suited to the needs of the business community. The resumption of the route by Andalus on 30 April this year came about with a smaller 50-seat aircraft and with the morning departure and evening return requested by businessmen. However, even then it is obvious that the route is still not performing well, with an even smaller aircraft used on occasions, and that this has led the airline to reduce the number of flights to Madrid.

Commenting on the matter, Shadow Minister responsible for Civil Aviation Dr Joseph Garcia said:

“The new air terminal building will prove an enormously expensive project for Gibraltar both in terms of the capital investment and the increased running costs that will follow from a larger building. The idea that this new building alone would somehow generate more flights and that these costs could be met with the landing charges appears to be nothing more than wishful thinking given that the demand is simply not there.

The reality is that there is a choice of airports at Jerez, Malaga and Seville as well as the AVE high speed train which all connect the Spanish hinterland to Madrid already, often with a wider choice of flight times and at a cheaper price.

All this calls into question the judgement of the Government in rushing into this project for their own political reasons without any certainty of the return that would materialise for Gibraltar as a whole.”

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