



HOUSE OF COMMONS
LONDON SW1A 0AA

The Airline Industry

May 2020

(Ref48524)

I have received a lot of correspondence concerning various aspects of the Airline Industry in the light of the coronavirus pandemic.

Firstly, I acknowledge that the aviation sector is very important to the UK economy, and like other sectors of the economy it will be able to draw upon the unprecedented package of measures that the Chancellor has announced to support businesses through the coronavirus outbreak. He has written to airline operators advising them on the steps they could take if they come into financial difficulty.

The Chancellor has made clear that while the Government is willing to consider the situation of individual firms, airlines must in the first instance have exhausted all other methods of help before asking for the taxpayer to support them. These would include using the measures the Government has already announced, such as the Coronavirus Job Retention Scheme (CJRS) which offers firms financial support to retain furloughed employees and contacting existing investors to ask for additional capital. Any intervention would need to represent value for money for taxpayers.

Secondly, and relatedly, I am sorry that the coronavirus pandemic has led to a dispute between some airline operators and many of their staff. We were all aware that things were always going to be difficult as a result of the effect of the virus on the aviation industry and it was with the intention of saving as many jobs as possible that the Government took the extraordinary steps it did in terms of the CJRS and its subsequent extension.

It is very disappointing that any organisation feels it necessary to press ahead with devastating cuts to their workforce despite the Government furlough scheme being extended until the end of October. Taxpayers have funded the furlough scheme to help companies avoid redundancies, but some are ploughing ahead with them and insisting on changes to employment contracts which will be detrimental to their workforces.

Thirdly perhaps, as some of you have suggested, amongst all the negative impact the virus has wrought upon us there may be some positive outcomes. It has, as the Prime Minister put it, 'inadvertently' led to a reduction in carbon dioxide emissions and the Government is

conscious of a need not to lose these gains. The aviation industry, like every other, must act to keep its carbon emissions lower looking forward.

Finally, following advice from the Chief Medical and Scientific Officers and their expert teams, you may be aware that the Government moved ahead, on 13th May, towards the second phase of its plan to beat the coronavirus. The scientific advice shows that when domestic transmission is high, cases from abroad represent a small amount of the overall total and make no significant difference to the epidemic. As the level of infection in the UK reduces, it will be important to manage the risk of transmissions being reintroduced from abroad. The Government has said it will introduce a number of new measures at the UK border, and will require all international arrivals not on a brief list of exemptions to self-isolate for fourteen days on arrival in the UK, if necessary in accommodation nominated by the Government. This has been cited by some in the airline industry as posing a major setback to recovery, but Ministers continue to focus on protecting public health.

You will no doubt appreciate that we live in times in which the situation changes continually so I ask that you keep up to date with developments as they are published on the gov.uk website. I, for my part, will continue to work with colleagues in order to try to achieve the best possible outcomes in terms of finances, jobs, the climate and safety as they relate to the airline industry and wider society.

A handwritten signature in blue ink, appearing to be 'A. B.', with a horizontal line underneath.