



LONDON STANSTED EYES TRADITIONAL AIRLINES

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Stansted Airport is to sign a full-service airline in 2016, its owner said, as London's runway capacity squeeze pushes traditional carriers towards the UK capital's third busiest hub and the UK home of budget operator Ryanair.

In London, traditional airlines such as British Airways have concentrated on the country's busiest airport Heathrow. But Heathrow is full, and awaiting permission to build a third runway which won't be ready until 2025 at the earliest.

Passenger demand for travel to and from London continues to rise, however, putting Stansted, primarily a base for low-cost and charter airlines, on track to announce a deal with a full-service or legacy carrier, according to its owner Manchester Airports Group (MAG).

MAG chief executive Charlie Cornish said that Stansted, about 40 miles (65 km) northeast of London, was in "deep discussions" with legacy airlines. "We are talking to a whole host of legacy carriers," he said.

"I think as we hit 2016 we'll be able to confirm that we've secured some full-service carriers."

Cornish said he expected long-haul destinations to include Middle East hubs and US cities, adding that legacy carriers were also interested in launching short-haul destinations from Stansted.

Stansted, running at just over 50 percent capacity, competes with London's No. 2 airport Gatwick and its biggest operator Heathrow, to the south and west of London respectively.

Heathrow could be given the go-ahead to build a new runway by Prime Minister David Cameron before the end of the year, although airport expansion in the densely-populated area has proved a controversial issue for past British governments.

In the six months ended September 30, Stansted increased passenger numbers by 11 percent, which alongside the 4.5 percent more people who used Manchester Airport helped lift MAG's core earnings (EBITDA) by 11 percent to GBP£202.5 million (USD\$302.41 million) in the period.

MAG has owned Stansted since 2013. MAG itself is owned by Australian pension fund IFM Investors and a group of Manchester councils.

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