



THE CHANNEL GROUP

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Powering Up The Engines: Investing In Regional Infrastructure To Drive UK Growth

The Channel Group today launches its second report which investigates regional infrastructure spending, exploring potential future infrastructure projects across the United Kingdom and their effect on Britain's ability to trade. By focusing on the projects that will be of the most use to businesses, the Government can ensure that it maximises their economic potential.

The key finding of the paper are:

- The UK must be far more ambitious in developing and modernising its infrastructure network. The UK needs a pattern of regional growth centres that spread economic benefits throughout the country. With globally connected airports and excellent internal connectivity, these cities and regions can secure direct economic growth.
- A new runway in the South East is vital. Gatwick is the only viable option for a new runway in the region as it is essential to deliver more point-to-point capacity for London. A new runway at Heathrow will stifle competition in the long-haul market and will undo all the positive progress that has been made since the break up of BAA. In addition, upgrades at Birmingham and Stansted are required to offer greater competition and more benefits for consumers.
- Regions should be independent of London, whilst still having adequate connectivity to the capital. Edinburgh has a clear programme for updating its network, and this should be followed by regions across the country. Only 9 out of 21 UK airports have direct rail connections, and this is one area that needs to be urgently addressed.
- After 2026, increased capacity will become available on the UK rail freight network. This presents an opportunity to move freight from road to rail, easing the burdened road network. Post 2020, the focus of transport spending should be the creation of a multi-modal integrated transport system for both personal and freight travel.
- Investment in London should continue but not at the expense of the regions. Ideas such as an inner ring road with an orbital tunnel should be considered to ease the flow of traffic in the capital.

Quotes

Commenting on the importance of increasing airport capacity, Daniel Campbell, Partner of The Channel Group said: "A new runway at Gatwick, offering greater competition and many benefits for consumers is crucial for future growth of the South East.



“Stansted is currently underutilised and Birmingham Airport is forecast to reach capacity by 2030. By focusing on developing these airports, alongside Gatwick, the UK will be better equipped to deal with rapidly evolving changes in air travel.”

Commenting on the importance of providing infrastructure for regional growth centres, Toby Illingworth, Partner of The Channel Group said: “If the UK is to remain the leading destination globally to do business, it is crucial that it operates as an entity of interconnected regional centres. By focusing solely on London and the South East, the significant economic benefits of an integrated network of regional centres would be lost.”

“The UK Government has made steps in the right direction by identifying regional growth centres, such as the Northern Powerhouse, however to really ensure the economic potential of these centres is maximised, it is vital that infrastructure is not just developed within the centres, but also between them.”

Notes to editors:

About the The Channel Group:

The Channel Group is an independent think tank established to champion Free Trade. The Channel Group collaborates with leading thinkers to promulgate a vision of international Free Trade, the breaking down of trade barriers and the ending of internal protectionist measures. Through rigorous independent research and insightful comment, The Channel Group informs debate and develops policy.

The Channel Group was founded in 2015 by three partners with experience in politics, law and finance. The partners came together to create a strong voice for international Free Trade

Core aims:

- Serve as an independent expert in international trade.
- Work with governments and regulators to remove barriers to trade.
- Champion business interests and support Free Trade.
- Educate the public on trade issues.

Media enquiries:

The Channel Group +44 (0)20 7367 5427 / press@thechannelgroup.org

Thomas Dempster +44 (0)7767 251412

Toby Illingworth +44 (0)7772 864683

www.thechannelgroup.org