



UK air passenger demand and carbon dioxide forecasts: Introduction

In December 2003, the Government set out a sustainable long-term strategy for the development of air travel to 2030 in *The Future of Air Transport* ^[1]. This was supported by forecasts of demand for air travel at UK airports which were reported in *Air Traffic Forecasts for the United Kingdom* ^[2] in 2000. Further supporting analysis of demand and carbon emissions forecasts from UK aviation were set out in *Passenger Forecasts: Additional Analysis* ^[3] and *Aviation and Global Warming* ^[4] in 2004.

These forecasts are used to inform and monitor long term strategic aviation policy, and wider government policy on tackling climate change. They are also inputs to the appraisal of airport developments supported by the Air Transport White Paper, the results of which were set out in *Passenger Forecasts: Additional Analysis*.

The 2006 *Progress Report* reported updated passenger demand forecasts, and committed the Government to publish in 2007:

- a technical note on our passenger demand forecast methods and results; and,
- revised UK aviation emissions forecasts.

This report meets these commitments. It sets out our latest demand, CO₂ forecasting, and appraisal methods; gives updated passenger demand and CO₂ forecasts; and updates our economic appraisal results.

Since 2004, there have been a number of developments relevant to our forecasts of passenger demand and CO₂ emissions, and appraisal results:

- In 2006 the Government published the *Stern Review on the Economics of Climate Change* and the Eddington study. Following the recommendations in these reports, the Department for Transport has revised its Transport Appraisal Guidance to include a requirement that economic appraisal of transport schemes should include quantification and monetisation of impacts on carbon emissions.
- BERR has revised its projections of oil prices, while HMT and the IMF have updated their forecasts of UK and international economic growth.
- DEFRA has revised its guidance on the shadow price of carbon dioxide.

We have also updated our airport capacity assumptions in line with the latest plans indicated by airport operators, and our process of continual development has delivered a number of incremental improvements to our forecasting methodology.

[1] <http://www.dft.gov.uk/about/strategy/whitepapers/air/>

[2] <http://www.dft.gov.uk/pgr/aviation/atf/airtrafficforecastsfortheuni281>

[3] <http://www.dft.gov.uk/about/strategy/whitepapers/air/docs/passengerforecastsadditional5673> (PDF 1Mb)

[4] <http://www.dft.gov.uk/about/strategy/whitepapers/air/docs/aviationandglobalwarmingreport> (PDF 935kb)