



*Rewarding Learning*

**ADVANCED**

**General Certificate of Education**

**2009**

---

## **Business Studies**

### **Assessment Unit A2 3e**

*assessing*

Module 1 to 5

Objectives and The Business Environment,  
People in Organisations, Accounting and Finance,  
Marketing and Operations Management

**[A2T51]**

**THURSDAY 28 MAY, MORNING**

---



#### **TIME**

1 hour 40 minutes.

#### **INSTRUCTIONS TO CANDIDATES**

Write your Centre Number and Candidate Number on the Answer Booklet provided.  
Answer the **one** question.

#### **INFORMATION FOR CANDIDATES**

The total mark for this paper is 63, which includes a maximum of 3 marks for quality of written communication.

Figures in brackets printed down the right-hand side of pages indicate the marks awarded to each question or part question.

## **The Future of Air Transport**

- 1 In 2003 the United Kingdom Government published a White Paper 'The Future of Air Transport' which set out a strategic framework for the development of airport capacity in the UK for the next 30 years. Part of the approach to the development of this framework involved an assessment of the needs of the various stakeholders that would be affected by the proposals.

### **A UK-wide balanced approach**

- 2 The main reason for the need for the strategic framework is that UK air travel has increased five-fold over the last 30 years. Half the population now flies at least once a year and freight traffic at UK airports has doubled since 1990.
- 3 Additionally, Britain's economy increasingly depends upon air travel, for exports, tourism and inward investment. The aviation industry directly supports around 200,000 jobs and indirectly up to 600,000 jobs.
- 4 Aviation links remote communities and helps people stay in touch with friends and family around the world. It brings businesses together and has given much affordable access to foreign travel. All the evidence suggests that air travel will continue to grow over the next 30 years. Subsequently, if the benefits are to continue, airport capacity will have to increase.
- 5 However, this increase in aviation activity cannot occur without taking into account the costs that may arise from the increased traffic. A range of stakeholders will be affected by these developments and the government has tried to address any issues that they may have.

### **Environmental concerns**

- 6 Even though there will be an increase in aviation activity, the government recognises the need to minimise the environmental effects. It realises that it needs to take action both nationally and internationally to meet air quality and other environmental standards.

### **Noise**

- 7 The government has also committed itself to limit and, where possible, reduce the number of people significantly affected by aircraft noise. To meet these commitments, a range of proposals has been put forward. These include limitations on the area around major airports that might be affected by significant noise levels and the implementation of stronger measures by airport operators to insulate properties against such noise. These commitments are further helped by the fact that today's aircraft are 75% quieter than those of the 1960s.

### **Property Values**

- 8 Planning law already provides for people whose property is affected by airport development proposals. However, additional proposals have been made for airport operators to bring in schemes to help with such issues.

## **Safety and security**

- 9 The UK aviation industry has an excellent safety record, and for years has operated a stringent aviation security regime. The Government, the Civil Aviation Authority (CAA) and the aviation industry agree that they must maintain these high standards, identify potential threats and make improvements if aviation activity is to continue to increase.

## **Northern Ireland**

- 10 Given its geographical location, good air links are particularly important for Northern Ireland and its future economic development. The aviation market in Northern Ireland is currently dominated by three major airports. The George Best Belfast City Airport caters for full scheduled services. Belfast International Airport has attracted 'no-frills', charter and freight traffic while City of Derry Airport has a catchment mainly in the North West of the province and Donegal in the Republic of Ireland.
- 11 The local economy relies on many different business sectors such as finance, professional services, advanced engineering, ICT and pharmaceuticals. All of these sectors support the need for a comprehensive network of sustainable air services.
- 12 Technological advances, cost efficiencies and intensified competition, together with rising standard of living, have brought air travel within the reach of many more people, providing opportunities for foreign travel that simply did not exist a generation ago. The availability of air travel has opened up new destinations and expanded people's horizons and expectations. In relation to Northern Ireland, this opens up a field of opportunity for significantly increased inbound tourism.

## **Surface access**

- 13 Alongside these developments it has been forecast that road and rail links to Northern Ireland's three major airports are unlikely to require any significant improvements before 2015. The existing road and bus links are considered adequate to cater for the levels of growth envisaged. Beyond that date, the Northern Ireland authorities will need to consider the need for, and timing of, possible improvements.

## **The George Best Belfast City Airport**

- 14 The George Best Belfast City Airport is conveniently located close to the city centre. It has an above average proportion of business traffic, as a result of providing a wide range of scheduled services to destinations within the UK. However, the airport does face significant operational constraints. These include the length of its runway and the planning controls imposed as a condition of its development. The most important of these are:
- the requirement that air transport movements should not exceed 45,000 a year.
  - an early evening and night scheduling curfew.
  - a restriction on the number of aircraft seats provided.
- 15 The government recognises the need to maintain suitable controls on the environmental impact of the airport, given the large number of local residents who are affected by aircraft noise. At the same time, it realises that the airport does have an important role as a transport gateway for the economic life of Northern Ireland.

## **City of Derry Airport**

- 16 Unlike the other two main Northern Ireland airports, City of Derry Airport is in public ownership and serves the market for air services in the North West of the island of Ireland. It provides services to a limited range of destinations, but could have potential to develop routes to a number of others.
- 17 The airport is regarded as having an important political role in facilitating access to the north west of the province and Donegal in the Republic of Ireland, and in contributing to the development of the area. A runway extension is currently under construction which has raised a number of technical, economic and competition issues. Given the cross-border nature of the market served by the airport, the Northern Ireland authorities will want to carefully consider the airport's future infrastructure requirements in conjunction with the Government of the Republic of Ireland.

## **Belfast International Airport**

- 18 Belfast International Airport is by far the largest airport in Northern Ireland, and is likely to remain so. By 2030, forecasts suggest that demand for airline services may double.
- 19 The airport has developed a strong presence in the 'no-frills' and charter markets. The length of the runway means that it is able to serve long-haul services should airlines wish to develop these. It is situated in a sparsely populated area, and is able to operate 24 hours a day. As a result, it is the major freight and flown mail airport in Northern Ireland.

## **Airport Master Plans**

- 20 As part of the strategic review of air travel, the White Paper requires individual airport operators to produce a Master Plan to explain how they each propose to take forward the Government's strategic framework. The preparation of a Master Plan provides airport operators with an opportunity to consider the political, legal, environmental, economic, technological and social effects of growth. By doing so it will help them to develop a clear and concise vision for the future and communicate their development plans to a wide range of stakeholders.

## **Belfast International Airport's Master Plan**

- 21 In September 2006, Belfast International Airport published its Master Plan for the next 25 years. The Master Plan predicted that passenger numbers would increase to between 6 mppa (million passengers per annum) and 7.5 mppa by 2015, reaching 12 mppa by 2030. Cargo throughput at Belfast International Airport could reach as high as 82,000 tonnes by 2015, and 148,000 tonnes by 2030. To accommodate this growth a number of upgrades have been suggested, some of which are listed below:

### **2006–2015**

- Extension of international check-in hall
- Extension and reconfiguration of domestic baggage hall
- Construction of a new South Pier including departure lounges
- Extension of West Pier (to accommodate more and larger aircraft)
- Passenger aircraft parking apron expanded into cargo apron
- Construction of multi-storey car park and high level link to terminal
- Expansion of cargo/freight handling facilities.

## 2015–2030

- A new three-storey central building linking existing and recently developed areas
  - A passenger rail connection to the airport
  - Enhanced road links between the airport and the M2 motorway and improved public transport direct to all parts of Northern Ireland
  - Demolition of the old terminal.
- 22 It has been forecast that the proposed expansion could lead to the creation of 7,000 new jobs. Key to the scheme is the construction of a business park which would promote commercial and industrial projects.
- 23 An airport spokesperson stressed that environmental impacts would be ‘carefully managed’ throughout the development period.

*Adapted from © Crown Copyright, Government White Paper, The Future of Air Travel, Department of Transport, © Crown Copyright The Future of Air Transport Summary, The United Kingdom Parliament, Select Committee on Northern Ireland Affairs, Minutes of Evidence and Memorandum. submitted by Belfast International Airport*

Answer the **one** question.

- 1 You are a consultant who has been asked by the Northern Ireland Assembly to write a report entitled, ‘The impact of the growth of air transport on the Northern Ireland economy’.

The aim of the report is to examine the external environment surrounding the air transport industry, analyse the main issues surrounding its growth and evaluate the impact of this growth on the Northern Ireland economy. You should draw appropriate conclusions as to whether this growth is in the best interests of the Northern Ireland economy.

Your report should:

- Draw on the information given in the case study and any other relevant information or issues you have considered
- Show your knowledge and understanding of the external environment
- Be in the correct format
- Make appropriate recommendations.

[60]

---

**THIS IS THE END OF THE QUESTION PAPER**

---



