



Economic Impact Assessment of Extended Opening Hours at TFN
February 2013



TFN Situation

- Current TFN opening hours: 7:15 – 22:00
- Iberia, Vueling and Air Europa have requested an extension of opening hours:
 - From 6:45 in the morning to 0:30 at night
 - With focus on domestic and African services (international destinations are served mainly from TFS)

Methodology for Economic Impact Assessment

- Comparison of LPA schedule with TFN
- In 2013 domestic capacity and movements from TFN are higher than from LPA during the TFN opening hours.
- LPA capacity and movements have been mirrored one to one to the TFN extended opening hours.
- It is assumed that 55% of the potential passengers on the additional services would be tourists to Tenerife.

Domestic Destinations Served from LPA in Extended Opening Hours

Dest	Carrier	Annual 2-Way Seats			Annual Movements			Weekly 2-Way Seats			Weekly Movements		
		Summer	Winter	Total	Summer	Winter	Total	Summer	Winter	Total	Summer	Winter	Total
ACE	NT	22,680	12,456	35,136	315	173	488	756	566	676	11	8	9
ACE	PM	1,410	1,034	2,444	30	22	52	47	47	47	1	1	1
ACE	ZN	5,904	5,976	11,880	82	83	165	197	272	228	3	4	3
AGP	VY	360	1,440	1,800	2	8	10	12	65	35	0	0	0
BCN	FR	5,859	4,158	10,017	31	22	53	195	189	193	1	1	1
BCN	VY	73,260	46,800	120,060	407	260	667	2,442	2,127	2,309	14	12	13
BIO	FR	11,529	8,316	19,845	61	44	105	384	378	382	2	2	2
BIO	UX	5,208	186	5,394	28	1	29	174	8	104	1	0	1
FUE	NT	13,896	9,792	23,688	193	136	329	463	445	456	6	6	6
FUE	ZN	19,080	13,824	32,904	265	192	457	636	628	633	9	9	9
MAD	FR	5,670	14,175	19,845	30	75	105	189	644	382	1	3	2
MAD	I2	35,624	18,688	54,312	244	128	372	1,187	849	1,044	8	6	7
MAD	IB	19,542	26,264	45,806	98	136	234	651	1,194	881	3	6	5
MAD	UX	39,804	27,528	67,332	214	148	362	1,327	1,251	1,295	7	7	7

Sources: SRS Analyser, highlighted rows shows capacity for carriers requesting extended opening hours

Domestic Destinations Served from LPA in Extended Opening Hours (Cont.)

Dest	Carrier	Annual 2-Way Seats			Annual Movements			Weekly 2-Way Seats			Weekly Movements		
		Summer	Winter	Total	Summer	Winter	Total	Summer	Winter	Total	Summer	Winter	Total
SCQ	FR	17,199	9,828	27,027	91	52	143	573	447	520	3	2	3
SCQ	UX	930	2,418	3,348	5	13	18	31	110	64	0	1	0
SDR	FR	5,859	1,701	7,560	31	9	40	195	77	145	1	0	1
SPC	NT	9,792	6,192	15,984	136	86	222	326	281	307	5	4	4
SPC	ZN	5,616	4,392	10,008	78	61	139	187	200	192	3	3	3
SVQ	FR	17,388	9,828	27,216	92	52	144	580	447	523	3	2	3
SVQ	UX	7,626	1,302	8,928	41	7	48	254	59	172	1	0	1
TFN	NT	9,792	6,120	15,912	136	85	221	326	278	306	5	4	4
TFN	ZN	3,744	2,808	6,552	52	39	91	125	128	126	2	2	2
TFS	NT	0	360	360	0	5	5	0	16	7	0	0	0
TFS	ZN	4,320	2,448	6,768	60	34	94	144	111	130	2	2	2
VLC	FR	5,670	6,615	12,285	30	35	65	189	301	236	1	2	1
Total		347,762	244,649	592,411	2,752	1,906	4,658	11,592	11,120	11,393	92	87	90

Sources: SRS Analyser, highlighted rows shows capacity for carriers requesting extended opening hours

Capacity Summary for IB, VY and UX

- In 2013, 4.6 mill domestic 2-way seats will be offered on 44,700 flight from and to TFN or 89,112 weekly 2-way seats and 860 weekly movements (430 departing flights).
- If opening hours at TFN were extended and IB, VY and UX introduced the same flights and frequencies from TFN as they currently operate from LPA, **domestic capacity** from TFN would **increase by 6.6%** and **movements by 4%**.

Domestic Capacity in Extended Opening Hours for IB, VY and UX

Dest	Carrier	Annual 2-Way Seats			Annual Movements			Weekly 2-Way Seats			Weekly Movements		
		Summer	Winter	Total	Summer	Winter	Total	Summer	Winter	Total	Summer	Winter	Total
MAD	I2	35,624	18,688	54,312	244	128	372	1,187	849	1,044	8	6	7
MAD	IB	19,542	26,264	45,806	98	136	234	651	1,194	881	3	6	5
	Total	55,166	44,952	100,118	342	264	606	1,839	2,043	1,925	11	12	12
AGP	VY	360	1,440	1,800	2	8	10	12	65	35	0	0	0
BCN	VY	73,260	46,800	120,060	407	260	667	2,442	2,127	2,309	14	12	13
	Total	73,620	48,240	121,860	409	268	677	2,454	2,193	2,343	14	12	13
MAD	UX	39,804	27,528	67,332	214	148	362	1,327	1,251	1,295	7	7	7
SCQ	UX	930	2,418	3,348	5	13	18	31	110	64	0	1	0
SVQ	UX	7,626	1,302	8,928	41	7	48	254	59	172	1	0	1
	Total	53,568	31,434	85,002	288	169	457	1,786	1,429	1,635	10	8	9
Total	IB,VY,UX	182,354	124,626	306,980	1,039	701	1,740	6,078	5,665	5,903	35	32	33
	Other	165,408	120,023	285,431	1,713	1,205	2,918	5,514	5,456	5,489	57	55	56

Sources: SRS Analyser

Impact on Domestic Passenger Volumes at TFN

Carrier	Annual Capacity			Weekly Capacity			Carrier Network Load Factor	Annual Passenger			Weekly Passengers		
	Summer	Winer	Total	Summer	Winer	Total		Summer	Winter	Total	Summer	Winter	Total
VY	73,620	48,240	121,860	2,454	2,193	2,343	77.7%	57,203	37,482	94,685	1,907	1,704	1,821
IB&I2	55,166	44,952	100,118	1,839	2,043	1,925	81.3%	44,850	36,546	81,396	1,495	1,661	1,565
UX	53,568	31,434	85,002	1,786	1,429	1,635	82.4%	44,140	25,902	70,042	1,471	1,177	1,347
Total	182,354	124,626	306,980	6,078	5,665	5,903		146,193	99,930	246,123	4,873	4,542	4,733

- In 2012, TFN handled 3,658,389 passengers on domestic scheduled services.
- An extension of opening hours would add almost **250,000 passenger per year (+6.7%)** or **123,000 individual visitors** to the island.
- 55% of those visitors (67,684) are expected to be tourists to Tenerife.

Sources: Capacity data from SRS Analyser; load factors from Flightglobal and CAPA; 2012 TFN passenger numbers from AENA statistics

Financial Impact of Extended Opening Hours at TFN

- The average length of stay of Spanish holiday makers in Tenerife is 6.75 days with an average spend of EUR 44.28 per day in the destination and EUR 67.55 at their origin.
- Assuming 55% of the total passengers on flights from/to Tenerife are tourists, those 67,684 tourist could bring a potential financial benefit of EUR 51 mill for Tenerife if the opening hours at TFN were extended. 40% of the tourist spending (EUR 20 mill) would occur directly in Tenerife.

Location of Expenditure	Daily Spending	Annual Spending at Destination			Weekly Spending at Destination		
		Summer	Winter	Total	Summer	Winter	Total
Tourist Spending at Destinations	€44.28	€12,015,095	€8,212,921	€20,228,016	€400,503	€373,315	€389,000
Tourist Spending at Origin	€67.55	€18,331,061	€12,530,200	€30,861,261	€611,035	€569,555	€593,486
Total	€111.83	€30,346,156	€20,743,122	€51,089,278	€1,011,539	€942,869	€982,486

Daily spending is taken from Tenerife's passenger survey

Employment Impact of Extended Opening Hours at TFN

- It is assumed that per 38 tourists one new job is created on Tenerife.
- Consequently, the 67,684 additional tourists that could be attracted to Tenerife by extending the TFN opening hours, could create 1,781 jobs.

Employment impact ratio as provided by Turismo de Tenerife

Opportunity for Flights to Africa

- Another reason for extending the opening hours at TFN is to add flights to Africa, as carriers such as Vueling regard this as a prerequisite for operating to the African continent.
- Iberia is operating twice weekly services from LPA to Dakar, Senegal and Nouakchott, Mauritania. Both services arrive at times outside the proposed extended opening hours for TFN.
- If Iberia could adjust the schedule to fit the extended opening hours of TFN and started operating flights to Africa at the same frequency, this could add 82,656 annual 2-way seats at TFN. Assuming a conservative average load factor of 60%, the African market has the potential to add an extra 49,600 passengers.

Summary

- Our analysis demonstrates extended opening hours at TFN could deliver:
 - 306,980 seats and 1,740 movements per year,
 - **TOTAL INCOME GENERATED IN THE LOCAL ECONOMY: 60 Mil Euros per Year**
 - 123,000 individual visitors (246,000 passengers), 55% of which are expected to be tourists: 67,684
 - Total spend of EUR 51 mill:
 - EUR 31 mill pre-paid holiday spend on flights, hotels, transport etc.
 - EUR 20 mill during visit in Tenerife
 - 55,350 passengers (the 45% of passengers which are not tourists) are businessmen or residents travelling for business or leisure.
 - Total spend of 9 million
 - Creation of 1,781 jobs.

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