

# [London city airport master plan 2006 assignment](https://assignbuster.com/london-city-airport-master-plan-2006-assignment/)

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An airport master plan (AMP) is a standard document used by the airport industry in the planning and design of new airports and redesign or restructuring of existent ones in order to meet the existent and emerging market demands (Ricondo & Associates et al 2009, p89). The plan is often prepared based on principles like how the airport authority should act in the process of planning in generating the necessary documents required by government and other related bodies. An AMP is a very important document that airport authority needs to prepare not only because it is a government requirement but because it defines certain levels of services (LOS) for all the terminal handling procedures that ensure that high quality standards in the airports are met and maintained. These principles include factors like the waiting times at the counters and airline handling procedures. Furthermore, the manual contains information on the recommendations on the relationship between the number of passengers using the airport and the necessary space needed by the airport in enhancing smooth operations on the basis of service provision.

## Brief background on the London city airport AMP

The London city airport AMP was prepared in November 2006 and details a projected market growth with a proposition of a phased expansion plan aimed at meeting the demands of the airport up to 2030. The document was published as a response to the 2003 government aviation white paper that requires airport operators to produce the plans indicating how they can maximize the use of the existent runway capacity (Crider et al 2011, p36). This plan advocated for an increase in the movements in King George V dock, hence resulting in the generation of more noise to the city. Although an AMP is an important document as already outlined, it has its own shortcomings that arise from the fact that they are often prepared by individual airports which by itself fails to fully take into account the needs of the city as a whole. This is a major challenge facing the London city Airport master plan 2006 because it fails to outline how the city aims at competing at the top level with other cities like Amsterdam and Frankfurt in terms of capacity.

It is important to regularly review AMPs because of the dynamic nature of the airline industry and changing demands of different cities. The London city airport AMP is fairly efficient as it aims at increasing the number of flight movements from the current 80, 000 to 120, 000 by 2030. This implies that the airport will be able to handle 3. 9 passengers per annum from the current 2. 5 million. Its major fault stems from the fact that it does not take into account the future of the city in the long run which is worrying owing to the fact that airline industry is ever expanding hence leading to probable capacity constraints (National Research Council et al 2012, p16).

The PESTEL analysis analyses the political, economic, social, technological, environmental and legal issues that affect a business entity. Senguttuvan (2007, p79) claims that in the airport business, the PESTEL analysis is important because it aids in the analysis of market and prediction of the future industrial trends.

## PESTEL analysis

Political

As the market increases in size, deregulation may lead to economies of scale   
Liberalization of skies which leads to an increase in market size

Economic

Some airlines are experiencing financial troubles caused by the recession   
Increase in costs like insurance (Kincaid et al 2012, p66 & Grothaus et al 2009, p88)   
Decrease in number of passengers owing to economic difficulties

Social

Some passengers are reluctant to fly especially after the attacks of September 11   
The knock on social affect results to loses

Technology

Economies of scale especially in production that comes from market size expansion   
E-commerce and other logistics have been made more efficient by technology (Ashford, Mumayiz, & Wright 2011, p38)

Environment

Noisepollutionthat accompanies increase in the number of flights   
Expanding the airport by creating additional runways may lead to displacements

Legal

The need to comply with both local and national laws

## Key challenges that affect the reliability of AMP & the PESTEL Analysis

Although the AMP is a good document forecasting the future of the London city airport, there are factors stated in the PESTEL analysis that may actually inhibit the actual realization of the plan. Burghouwt (2007, p55) says that the economic challenges may actually stop people from flying as they opt for other cheaper methods of transport like road and railway. Additionally, noise pollution may hinder the expansion of the airports as the local authority may step in to protect the people living around the airports by stopping the addition of more flights. The insulation offered by the airport authority against pollution may not be sufficient in controlling noise pollution.

The London city Airport master plan 2006 should be amended to take into consideration the long term interests of the city. The document should have proposed for an expansion of the terminals in order to cater for the projected increase in the number of both passengers and cargo. This should be in tandem with improving the road and rail networks so as to aid the handling of both passengers and cargo (Baglin et al 2012, p56 & National Research Council, 2011, p33). This would ensure that the airport takes into account the future interests of passengers in terms of capacity, efficiency and convenience. Future airport planning and development should always be aimed at catering for the long term interests of the passengers (Elizer et al 2012, p51). This is because the airline industry is still growing and as the economy continues to grow more people are likely to use air transport in the future. Generally, the London city airport plan is a good plan because it has not only taken into consideration factors like environmental impact but has also ensured an increase in capacity without having to go for 24 hour flights which would have been a big nuisance to the people living around the airport. This plan can be termed as strategic because of its pragmatic approach in tackling the capacity issue at the airport.

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