

Cabinet Secretary for Wellbeing Economy, Fair Work and Energy
Rùnaire a' Chaibineit airson Eaconamaidh do Mhath
Dhaoine, Obair Chothromach is Cumhachd
Neil Gray MSP
Niall Gray BPA



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Claire Baker MSP
Convenor
Economy and Fair Work Committee

14 September 2023

Dear Claire,

As the Committee are aware, the Scottish Government intervened in 2012 to secure the future of Glasgow Prestwick Airport (GPA) when the business was under threat of closure. It was in the public interest to secure the continued operation of the airport as an asset of importance to Scotland.

GPA continues to perform well in a highly competitive aviation market and is now a profitable business. Scottish Ministers remain confident of returning the airport to private ownership at the appropriate time and to investors with airport experience and an aviation focus who will continue to build the airport, which is so important to the economy of Ayrshire and of Scotland. Therefore, any decision to sell GPA must be informed by what is right for the long-term success of the business, value for money for taxpayers and its contribution to the local and Scottish economy.

Given the Committee's remit to consider and report on matters largely falling within my portfolio, I wish to inform the Committee of a recent Expression of Interest to purchase the Scottish Ministers' interest in GPA.

In late March 2023 the Board of GPA was approached by a party expressing an interest in acquiring the airport. The Board considered this Expression of Interest and drawing on advice from commercial advisers, provided advice to Scottish Ministers. It was the view of the Board, that the Expression of Interest did not present a compelling business case and did not demonstrate the credibility and aviation and airport experience to deliver a sustainable future for GPA.

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Consequently, the Board's recommendation to Scottish Ministers was not to continue with this enquiry to acquire the Scottish Government's interest in the airport. Having considered the findings, I accept the Board's recommendation to not take this Expression of Interest further, as it would not be able to deliver a future for the airport and the wider economy.

I would like to take this opportunity to thank the Board for their diligence and oversight in reviewing this Expression of Interest and advising me accordingly and, having made this determination, I wished to advise the Committee.

The airport has been profitable for the last 3 years and will report a further successful year to March 2023. The Scottish Government has full confidence in the Board and senior management and its strategy to grow and develop the airport. The airport is a key enabler for the Ayrshire aerospace cluster, sustaining 300 direct and 4,000 indirect jobs and Scottish Ministers remain committed to supporting their investment in the airport.

Therefore, as matters stand, for the reasons I earlier set out, although it remains the Scottish Government's intention to return GPA to the private sector, this is only when the time and circumstances are right for the business and for the Scottish Government as shareholder.



NEIL GRAY

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