

## **Comments to the study on economic costs of night flights**

The study has in our view a couple of very serious economic and methodological flaws. To make matters worse, the flaws do not cancel but one by one push the cost estimates upward. As a result, the methodology is unsuitable for any cost benefit type of assessment of noise abatement measures.

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The first is that the study ignores any economic benefits of compliance measures, such as relocation. Relocation certainly leads to economic losses in the losing region but adds to the economy in the winning region (e.g. Brussels – Leipzig). Probably DHL does not even incur costs as a result of their move; it could very well be an element of a profitable business strategy, in some way facilitated by the nightly noise troubles at Zaventem.

The second is that the study advises to take also into account secondary economic impacts by using multipliers on employment, a practice rejected by today's cost benefit analysts. Every economic activity leads to secondary employment, whether its aviation, production of furniture, or video games. Allocating secondary economic activity is in practice double counting.

The third is that the study does NOT include macro-economic impacts of job losses, namely lower pressure on the labour market and hence alternative employment. This is not controversial, it is commonly accepted among macro-economists. If the study decides to take into account highly contentious feed-forward mechanisms (under point 2) it should certainly decide to take on board feedback mechanisms like this one.

Summarising, the study is (again) an example of purely sectoral and local thinking instead of a cornerstone for sound cost benefit analysis at societal level. It is not just one side of the equation as the consultant put it, it is only one side of a triangle consisting of economic costs, economic benefits, and environmental benefits, and even worse an exaggerated side of the triangle. We are highly disappointed the opportunity to include some reason in the debate on night flights is lost. We recommend at least that the study

- Acknowledges the points made and does not pretend to be a part of a cost benefit analysis
- Change the title into local and short term economic costs of ...