

Speech on the Privatisation of Aer Lingus

25th May 2005

Liz O'Donnell T.D. Dáil Éireann Private Member's Motion Aer Lingus

Ceann Comhairle, I welcome this opportunity to contribute to the debate on the future of Aer Lingus. The Government amendment appropriately notes the contribution of the airline to the development of Irish tourism and the wider Irish economy. That has never been questioned and I join in commending that contribution over the years.

Deputy Grealish has already spoken on the specifics of the aviation package announced last week. In the few minutes I have, I would like to demonstrate how the development of policy on Aer Lingus shows to a great degree, the wisdom of the policies pursued by this Government, and in equal measure, the poverty and incoherence of the policies devised by the Parties opposite, in all their diversity.

The policy position set out for Aer Lingus by the proposers of this motion are reminiscent of those failed, Statist policies of decades gone by, that turned this country into an economic basket-case. That's not my assessment; it's the assessment of renowned economists. And I'll tell you why.

The motion before us, tabled by Sinn Féin, calls basically for the status quo for Aer Lingus - State ownership, same conditions and practices, same problems, unfortunately. It is remarkable that Sinn Féin, Labour and the Greens try to pass off their policies as if they are in the best interests of the company and, to a lesser degree, the consumer. The truth is that it is the Government parties that are listening to the concerns of Aer Lingus and the travelling public, and have invested a great deal of time and reflection before coming to the recent decision.

Aer Lingus believes there is significant growth potential particularly on long-haul routes, provided it has the appropriate cost base and access to funds to finance aircraft acquisitions. The question is how best to facilitate that growth- how realistically to provide the funds required?

Apart from statements laden with rhetoric, how does Sinn Féin propose to raise the required capital? Certainly, the motion they tabled, and the contributions of their Deputies last night do not answer this fundamental point.

The Labour Party, predictably, support continued State ownership of the airline, and at least are brave enough to set out their policy. We know that Aer Lingus sees significant growth potential particularly on long-haul routes. Its long-haul fleet currently consists of seven Airbus planes. It is believed that Aer Lingus see expansion opportunities on the Atlantic routes, and a need to replace and expand the fleet with up to a dozen new long-haul aircraft. Given that these reportedly cost over €100m each, I would be fascinated to hear how Labour proposes to justify spending €1.2 billion of taxpayers' money buying aeroplanes.

Fine Gael, on the other hand, reject Sinn Féin's motion and also the Government amendment to the motion. Yet, they stated last night that they have 'no problem' with the central point of our amendment. So, Ceann Comhairle, policy on Aer Lingus can now be added to the list of disarray between Fine Gael and Labour that includes the M3, the second terminal, stud fees, Aer Rianta, etc.

So where would we be if these Parties were in charge?

Is this the supposed alternative government?

The Government parties on the other hand are now agreed on how to address the needs of the company and the needs of the consumer. Both are best served if Aer Lingus is able to compete aggressively and grow both on short-haul and long-haul routes.

Rather than repeat the failed policy of the past, as suggested by the opposition, this Government has provided the means by which Aer Lingus can grow the business and ensure financial stability going forward. That is sound and responsible government, and will no doubt be recognised by the public for being just that.

Go raibh maith agat.