From: [redacted]
Sent: 09 June 2019 17:23
To: Manston Airport
Subject: The Freight market growth is slowing down and automation is increasing

To whom it may concern

Further to the Manston Hearings last week. I wanted to point out that this article here (summary cut and pasted below and full article attached) suggests that the Freight Market growth is slowing down and there is increased automation in the industry which will lead to lower than anticipated job creations.

So when you calculate the cost benefit analysis. This would suggest that the benefits would not be as great as RSP claim/expect in terms of the need for Freight and also the creation of jobs - as most of these jobs will be automated in the near future, if made in the first place. So Thanet will just have lost a load of jobs in the tourism trade and environmental industries, only to find the jobs created, if they were, were short lived.

Also most of the jobs that are made are also likely to be just more low skilled manual labour, rather than the career based aspirational jobs we need in the area to raise aspirations of students and school children and to prevent the current chicken and egg situation that we have here which is - few career job opportunities meaning that most young people with academic and higher level skills and attainment potential leave the area to seek work elsewhere (often London).... but in turn, Industry with career opportunties do not locate in this area because we do not ahve the high level skills, academic and attainment potential..... because they have left... so in turn students have low expectations and aspirations etc etc etc.

We need aspirational career jobs to raise aspirations and attainment and stop the brain drain.

Thanet needs better jobs, not just more jobs

In Summary

- As a result of past consolidations, fewer carriers are now in business; they are finally focusing on profitability instead of volume.
- Carriers intend to keep supply tight against demand, resulting in higher rates than in 2018.
- China and USA trade war made by rising tariffs and retaliatory tariffs is far from over. Besides front-loading their shipping to avoid tariffs, importers are accelerating supply chain diversification by moving toward Southeast Asia.
- Air freight rates may climb between now and 2020 as a result of new emission control regulations.
- The surge in demand for air freight that took off in mid-2016, normalized in early 2018. 2018 ended with a growth rate in the 4% range, down from 10% in 2017.
- The cargo industry has made strides in the last year towards increasing its automated and digitalized processes and is expected to continue doing so in the coming year.

https://www.icecargo.com.au/air-and-sea-freight-market-outlook-the-cargo-industry-in-2019/

full article attached.

In my opinion The DCO is NOT a real national need

and the Benefits to the Nation do NOT outweigh the cost to this location.

Kind regards
Ceri Diffley

Air and Sea Freight Market Outlook: The Cargo Industry in 2019

Posted April 17th, 2019 in **Latest Posts**

Air and Sea Freight Market Outlook: The Cargo Industry in 2019

The freight industry is constantly evolving. After 30 years of experience in ocean and air freight, we know more than ever to expect the unexpected. Dealing with worldwide policies, market fluctuations, new technologies and the ever changing landscape of container shipping there is never one year the same. So you can stay up to date with the latest trends, we have listed below the main changes and forecasts in the cargo industry that you should be aware of. So read on and keep informed.

The Air Freight Market: Trends and Review

Despite the slowdown, the air cargo market continues to grow

The International Air Transport Association (IATA) figures indicate that air cargo demand grew by 3.5% in 2018, but this was already considerably slower than 2017's extraordinary growth of 9.7%. The slowdown commenced in mid-2018, fueled by sagging consumer confidence, and geopolitical headwinds, such as protectionism, trade friction, BREXIT, and anti-globalization rhetoric.

Despite IATA's gloomy forecast for 2019, two trends supporting air cargo in Asia-Pacific are growing populations and the rise of strong manufacturing hubs in countries such as Thailand and Vietnam.

The global air cargo market size is anticipated to reach USD 135.9 billion by 2025. This is attributed to the increasing penetration of digital technology in the retail industry resulting in a paradigm shift in consumer buying patterns and their expectations. This, in turn, has led to the substantial growth of the market.

Oil prices settle at higher levels but do not spike

As of October 2018, oil and jet fuel prices had more than doubled from their low points in early 2016. Oil prices are expected to pull back moderately in 2019. Recently, IATA estimated that rising fuel prices would cost the global airline industry $50.6 billion in 2018. Airlines seek to recover these increased fuel costs through fuel surcharges (mostly on international routes) and by raising their fares and fees. If oil prices moderate, as it is expected, the airlines' revenues should mostly catch up in 2019.

Southeast Asia Rises as an alternative to China

Southeast Asian airports are among the fastest growing in the world, with the production of various goods shifting into the region, due to rising costs of manufacturing in China, and concerns related to volatile trade relations between the United States and China. The Association of Southeast Asian Nations' (ASEAN) economic ministers also signed an agreement to support the facilitation of cross-border e-commerce between ASEAN members in November 2018. Meanwhile, airports in the surrounding region – including Singapore, Hong Kong and Taiwan – are helping national carriers expand air rights with ASEAN countries, encouraging operators to increase flights south, providing special incentive programs to attract more flights.