**TR020002 – representation to the Secretary of State for Transport**

**Response to Ramsgate Town Council – report of Peter Forbes of ASA [PF]**

**Re-determination of the Application by RiverOak Strategic Partners Limited ("the Applicant") for an Order granting Development Consent for the reopening and development of Manston Airport in Kent.**

I would like to respond to the representation by Peter Forbes of Alan Stratford Associates (ASA) [PF], on behalf of Ramsgate Town Council, which, we believe, contains several errors and / or omissions.

## 1.0 Background

One of the main groups opposing the reopening Manston is No Night Flight over Ramsgate (NNF).

The Chair of Ramsgate Town Council (RTC), Anne-Marie Nixie, the Vice Chair of RTC, Jane Hetherington, the Chair of Finance and General Purposes at RTC, David Green plus 3 other RTC councillors are all active members of NNF.

As an interested party, Ramsgate Town Council (RTC) were notified by letter on the 11th June asking for further representations on the four matters outlined. RTC did not hold a meeting to discuss their representation until 30th June (wasting nearly 3 weeks). The minutes of that meeting[1] show that, to write a response, they said they needed expert advice and because of the short time scale, negotiations had already taken place with Peter Forbes of Alan Stratford Associates (ASA).

He was appointed by the council to write a report which RTC subsequently agreed, by a vote, to use as their representation to the Secretary of State.

The choice by RTC to use Peter Forbes to write their report is significant because:

- Peter Forbes is a member of NNF which opposes the development of Manston[2].
- Peter Forbes has written several articles[3] that have been critical of the applicant's plans and have contained personal attacks against Tony Freudmann[4].
- The Chair of the RTC, Cllr Anne-Marie Nixey, is an Admin of NNF[5] and screenshots of tweets and retweets by her prove that she was aware of critical articles by Peter Forbes of ASA[6].
- It was Cllr Green, who proposed the motion and Cllr Hetherington, who seconded the motion, to appoint Peter Forbes[7].

It is in this context that one should decide whether the author produced a balanced, impartial report to enable the council to make a suitable representation to the Secretary of State.

## 2.0 The Report

PF was asked to write a report for RTC to enable the council to respond to the Secretary of State. The money to pay for the report is public money (up to £6,000) and it is incumbent on PF to produce a balanced, impartial report. However:

- PF failed to factor in the consequences of a long delay in the expansion of Heathrow.
- PF failed to highlight that the priority at Heathrow is for belly hold not freighters.

[1] Minutes RTC 30th June
[2] Screenshot – Peter Forbes (PF) NNF
[3] PF Manston article 1
[4] PF Manston article 2
[5] Screenshot Cllr Nixey NNF ADMIN
[6] Screenshots Cllr Nixey tweets & retweets
[7] Screenshots of other RTC councillors in NNF

- PF used incorrect data to represent what has happened to air cargo since 2020 which has increased not decreased so his conclusions were totally wrong and thus misleading[8].
- PF completely misrepresented the data from the Boeing report implying there was a predicted drop in demand for freighters whereas the report actually predicted a 60% rise in freighter numbers[9].
- PF completely ignored the huge rise in e-commerce which will benefit the Manston development.
- PF ignored the significance of Amazon building their biggest warehouse in Europe at Dartford.
- PF did not factor in MAGs clear intention to increase the number of passenger ATMs which inevitably lead to a reduction of cargo ATMs with total ATMs fixed at 274,000.
- PF has totally ignored the possibility that there will be a move away from wide-body to narrow-body jets with the subsequent reduction in belly hold capacity.
- PF has not considered the need to build resilience into the system by granting the Manston development.
- PF has not even mentioned the Thames Freeport which is "*ready for development now in Europe's biggest consumer market*" and easily accessible from and to Manston.
- PF has not considered that "*the Proposed Development's effect on the global climate is not significant"*[10].
- PF has not given an accurate analysis of the planning situation regarding growth at many airports. Heathrow, for example, is by far the biggest expansion plan and that is nowhere near to getting planning permission.
- PF has misrepresented the situation by alleging that airports have already been allocated their "share of the UK's aviation carbon target".
- PF has not referred to the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) and that it is still in the monitoring, reporting and verification phase so allocations to "aeroplane operators" have not yet been finalised[11].
- PF tried to strengthen his argument against the development at Manston by including matters that were totally irrelevant.

**The residents of Ramsgate deserve to have a representation that is balanced, impartial and factually correct. Unfortunately, Peter Forbes has allowed his own prejudices to cloud his judgement and we have been left with a very one-sided report.**

**We urge the Secretary of State to consider the arguments that we have put forward and conclude that the representation by PF for RTC does not stop the granting of the DCO for Manston.**

**David Stevens**

[8] PF v CAA data
[9] Boeing WACF 2020 – Executive Summary
[10] [APP – 034] – table 16.16
[11] CORSIA – FAQs – page 20 section 2.14

**References for representation to the Secretary of State for Transport – response to []**


| | | Pages |
|---|---|---|
| 1. | Minutes RTC meeting 30th June 2021 | 4-9 |
| 2. | Screenshot – Peter Forbes (ASA) NNF | 10 |
| 3. | ASA Manston Article 1 | 11 |
| 4. | ASA Manston Article 2 | 12 |
| 5. | Cllr Nixey NNF ADMIN | 13-14 |
| 6. | Screenshots Cllr Nixey tweets & retweets | 15-19 |
| 7. | Screenshots of other councillors on NNF | 20-24 |
| 8. | PF v CAA data | 25-29 |
| 9. | Boeing WACF 2020 – Executive Summary | 30-38 |
| 10. | CORSIA FAQs | 39 |

# RAMSGATE TOWN COUNCIL

**Minutes of**

**Meeting of Council**

**Venue:** The Custom House, Harbour Parade, Ramsgate.

**Date:** Wednesday 30 June 2021.

[redacted]

Council agreed that the meeting could be audio recorded.

048 **APOLOGIES**

None received.

049 **DECLARATIONS OF INTEREST**

None declared.

050 **QUESTIONS FROM THE PUBLIC**

There were no questions from the public.

051 **MINUTES OF COUNCIL MEETINGS**

Proposed by Cllr Albon, seconded by Cllr Young and RESOLVED that;

The minutes of the Extraordinary Council meeting held on 1 March 2021 (Minutes 130 -136) be agreed as a true record.

Proposed by Cllr S Piper, seconded by Cllr Hetherington and RESOLVED that;

The minutes of the Extraordinary Council meeting held on 14 April 2021 (Minutes 155 – 157) be agreed as a true record.

052 **COMMITTEE TERMS OF REFERENCE / POLICY DOCUMENTS – UPDATE 2021**

Council considered the report of the Digital Communications and Marketing Officer updating the Email Acceptable Use Policy and the Web and Social Media Policy in line with current legislation.

Proposed by Cllr Albon, seconded by Cllr Wing that;

The updated Email Acceptable Use Policy amendments as detailed in the report be accepted by Council.

RESOLVED

Proposed by Cllr Wing, seconded by Cllr Green that;

The updated Web and social media Policy amendments as detailed in the report be accepted by Council.

RESOLVED

Council reviewed the Terms of Reference for its Committees apart from the Finance and General Services committee as those Terms of Reference had been reviewed by Extraordinary Council on 23 June 2021.

Proposed by Cllr Nixey, seconded by Cllr Hetherington that;

The Terms of Reference for the Planning and Infrastructure Committee be amended as follows;

Page 1 para 3 **amend** to read:

“To consider matters pertaining to environment and conservation interests, including flora and fauna and the built environment only in relation to planning matters”.

Page 1 **Remove**; “Restrictions on Appointment” and “Members who are also members of the Planning Committee of Kent County Council and Thanet district Council may not be appointed”

RESOLVED

Proposed by Cllr Austin, seconded by Cllr Nixey that;

The Terms of Reference for the Town Promotion Committee be amended as follows;

Page 1 para 1 **amend** to read;

“A Committee of the Town Council established to consider and make recommendations to Council in relation to the promotion of Ramsgate as a place to live, work and visit”.

Page 1 individual points **add** point 6 to read;

"To undertake any other activities with the objective of promoting Ramsagte that are approved by Council".

Page 2 under Terms of Reference **amend** point 1 to read;

"To formulate and make recommendations to Council in relation to any strategies, plans or policies intended to improve the experience of living in, working in or visiting Ramsgate and to attract visitors, investors and residents to the town".

RESOLVED

The Terms of Reference for the Radford House and Custom House Committee were considered.

Proposed by Cllr Albon, seconded by Cllr Nixey that;

The Terms of Reference for the Radford House and Custom House Committee to remain unchanged".

RESOLVED

Proposed by Cllr Albon, seconded by Cllr Nixey that;

The Terms of Reference for the Amenities Committee be **amended** as follows;

Amend the Committee name to "Amenities and Environment Committee".

RESOLVED

053 **EXTERNAL AUDITOR REPORT AND CERTIFICATE - ANNUAL RETURN 2019-2020**

Council considered the report of the Deputy Town Clerk (RFO) and the External Auditor Report and Certificate 2019-2020 noting that there were no other matters affecting the external auditors opinion to be drawn to the attention of Council.

Proposed by Cllr Albon, seconded by Cllr Green that;

This Council has considered and notes the External Audit Certificate 2019-2020.

RESOLVED

054 **GOVERNANCE AND AUDIT RETURN STATEMENTS 2020-2021**

Council considered the report of the Deputy Town Clerk (RFO), completed Annual Return and Internal Auditor's report.

Proposed by Cllr Nixey, seconded by Cllr Green that;

ANNUAL GOVERNANCE STATEMENT

This Council certifies that the statements made in Section 1 of the Annual Return are a true record of the system of governance at Ramsgate Town Council.

ANNUAL ACCOUNTING STATEMENTS

This Council certifies that corrective action has been taken with regards to the 'except for' matters as detailed in the 2019-2020 Annual Return External Auditor Report.

Note There were no except for matters 2019-2020.

This Council certifies that the accounting statements made in Section 2 of the Annual Return for 2020-2021 are a true and fair record of the financial position of the council.

RESOLVED

055 **RAMSGATE FUND AND EVENTS FUND**

Council considered 4 applications to the Ramsgate Fund and 1 to the Events Fund.

**RF 4 2021/22 – Thanet Community Development Trust**

Proposed by Cllr Nixey, seconded by Cllr Green that;

Thanet Community Development Trust be awarded £3,000.00.

Council recommends that the guidebook is advertised more widely especially to children / schools.

RESOLVED

**RF 5 2021/22 – Hi Kent**

Proposed by Cllr Nixey, seconded by Cllr Hetherington that;

Hi Kent be awarded £753.00.

Council would like to be advised by Hi Kent whether the online classes can be recorded and used online for the benefit of others. Council may need the assistance of Hi Kent when it begins live streaming of its meetings.

RESOLVED

**RF 6 2021/22 – Ramsgate Arts Barge CIC**

Proposed by Cllr Green, seconded by Cllr Austin that;

Ramsgate Arts Barge be awarded £500.00.

THE PROPOSAL FELL

Proposed by Cllr Albon, seconded by Cllr Young that;

Ramsgate Arts Barge application is rejected as it does not fit the criteria.

RESOLVED

**RF 7 2021/22 – Nethercourt 20 is Plenty**

Councillor Green brought forward a request for funding towards progressing with a 20 mile per hour speed limit project for the Nethercourt estate as supported previously by Council.

Proposed by Cllr Nixey, seconded by Cllr Young that;

The matter to be brought back to the Finance and General Purposes Committee for further debate but £1,700.00 to be set aside from the Town Improvements budget to assist with the project.

RESOLVED

**EF16 2021/22 – Global Generation Church – Lark in the Park Lite**

Proposed by Cllr L Piper, seconded by Cllr Rusieki that;

Global Generation Church be awarded £3,000.00.

THE PROPOSAL FELL

Proposed by Cllr Albon, seconded by Cllr Green that;

Global Generation Church be awarded £2,000.00.

RESOLVED

056 **FREEDOM OF TOWN**

The Chair withdrew this item pending further information.

057 **RAMSGATE TOWN COUNCILS RESPONSE TO THE SOS TRANSPORT'S CALL FOR EVIDENCE TO INFORM HIS DECISION REGARDING THE DCO APPLICATION BY RSP FOR A FREIGHT HUB AT MANSTON TO CONSIDER THE REQUEST OF THE SECRETARY OF STATE**

Council considered the letter from the Secretary of State calling for more evidence.

Council had received all emails and letters received by the Deputy Town Clerk in relation to this item via email and had hardcopies for the meeting.

Proposed by Cllr Green, seconded by Cllr Hetherington that;

Due to the technical nature of the SoS questions, Ramsgate Town Council (RTC) recognises the need for expert advice before responding.

The short timescales imposed by the SoS has meant a swift negotiation with Peter Forbes of Stratford's, independent experts previously used by Thanet District Council.

They will agree to produce a draft for consideration by Council before the deadline of 9th July 2021.

Their charges are £2,000.00 for the draft. Should RTC require advice in responding to the SoS expert and others, the charge will be an extra £4,000.00.

RTC will be able reclaim the VAT.

RESOLVED

058 **DEPUTY TOWN CLERK'S REPORT**

There was nothing further to report.

The Chair closed the meeting at 9.35 pm.

# No Night Flights Over Ramsgate

[redacted]

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# Manston Airport DCO – Promises of over 23,000 new jobs are flawed

A personal view – Peter Forbes, Director, Alan Stratford and Associates

The approval of the Development Consent Order (DCO) for a major cargo hub at the disused Manston Airport is a highly controversial and politically decisive issue by the UK Department for Transport. But is this in the best interests of the UK aviation sector and the local community in East Kent? In this article, I offer my personal view as to why I feel that this decision which overruled an earlier recommendation by the Planning Inspectorate is flawed and will only potentially benefit the developer rather than providing the promised 23,000 new jobs both to the local area and across the UK as a whole.

I should firstly advise that I have been personally involved with Manston airport over a number of years – initially providing consultancy advice through my company Alan Stratford and Associates to the then-owner the Wiggins Group and subsequently to Thanet District Council (TDC). More recently I carried out a feasibility study for a private investor interested in acquiring the site and re-opening the airport. The main conclusion of this study was that while a small-scale freight / passenger airport might just be commercially viable, the real value was in the sale of all (or part) of the land for housing development.

However since this study, the economic landscape has changed through the impacts of Brexit, Covid-19 and several smaller UK regional airports have either closed or are struggling financially. In the case of Manston, there was also a key issue as to whether permission for night flights would be granted from TDC, which would strongly impact on the most likely modest levels of dedicated freighter traffic that might be achievable. In the end, the potential investor did not proceed further. I am not currently working for any group involved with the airport.

## Manston's history

In assessing this project, it is useful to review the airport's history. The airport was originally an RAF station which dual RAF and civilian use but was acquired by the Ministry of Defence in 1969. In 1998 the Wiggins Group, a publicly-quoted property investment company. The Wiggins Group, who rebranded themselves as Planestation, developed Manston primarily for low-cost UK operations. During 2004 and 2005, the airport, at that time, EUJet based up to seven B737 aircraft at the airport for UK domestic and European short-haul operations. Planestation subsequently purchased a stake in the airline. The venture, however was short-lived and Planestation went into liquidation in July 2005. Later that year, the airport was purchased by Infratil, a New Zealand-based company, who also owned and operated Prestwick Airport. Infratil marketed the airport for primarily for freight. There was some hope that it might be recognised as an overspill London airport for passenger traffic although this never materialised due to its location and poor surface access. From 2010 onwards, traffic levels declined and the airport became financially unviable, reportedly losing over £3.0m a year just prior to its closure in 2013.

Later in 2013, the site was sold to Ann Gloag, a Scottish entrepreneur, reportedly for £1.00. She subsequently sold it on Stone Hill Park, a property company who intended to develop the site with plans for some 4,000 homes and a business park, whilst retaining a 'heritage' airport for a mixture of small and other light aviation. Although proposals for some housing at the site were included in Thanet District Council's Draft Local Plan, these were subsequently rejected by Council's in favour of retaining Manston for freight and passenger use. In July 2019, StonehillPark sold the airport to RiverOak Strategic Partners (RSP), reportedly for some £16.5m. RSP plan to develop Manston as a major freight airport with some limited passenger traffic. Planning consent for this has been now given through a Development Consent Order (DCO) approved on behalf of the Secretary of State for Transport, although this was against the recommendation of the Planning Inspectorate examining panel. A local community group has vowed to raise funds to challenge this decision through a Judicial Review.

**Manston Airport - Passengers & Cargo (tonnes) handled**

| | Passengers | Cargo (tonnes) |
|---|---|---|
| 2003 | 3,000 | 43,026 |
| 2004 | 101,000 | 26,626 |
| 2005 | 204,000 | 7,012 |
| ... | ... | ... |
| 2014 | 40,000 | 3,701 |

Source: CAA Statistics

In order to fulfil the requirements of the DCO, RSP needed to show that the airport was a significant 'net cost' infrastructure development with a minimum of 10,000 ATMs per annum. Under RSP's forecasts, Manston would handle some 181,436 tonnes of cargo with 10,144 cargo ATMs by Year 6 of its operation. Passenger traffic was forecasted at 965,925 by Year 6 and 1,307,259 by Year 18. The development is forecasted to create some 23,255 direct, indirect and induced jobs – of which 3,417 were direct jobs at the airport itself. This compares against the total of just 193 jobs at Manston when the airport closed.

## Location is too remote

In terms of freight, the key disadvantage of Manston is its location at the extreme SE corner of the UK and its poor surface access. Historic traffic levels at the airport have generally been modest and it has never been to compete with East Midlands and Stansted – the UK's two largest airports for dedicated freighter traffic which account for some 71.7% of all cargo handled by dedicated freighter aircraft. The increased onward distance on times at Manston are particularly relevant for perishable goods which comprise a significant proportion of all dedicated freighter cargo. In addition, the inability to offer night flights at the airport, which is a condition of the DCO, will be a significant constraint for the development of a freight hub, particularly for main 'internal' cost freight package couriers such as Fedex, UPS and DHL. Similar considerations also apply for passenger traffic as the catchment area populated is relatively small. This is unlikely to increase significantly beyond perhaps a handful of UK domestic and European routes, even with a new rail station at Thanet Parkway, located some 3/4 miles from the airport. The conclusion that the proposed development of Manston would not be commercially viable is also made in reports by two other assistant consultants, York Aviation and Avisense.

**UK airports - Cargo handled (freighter aircraft) - 2019**

| | Cargo (tonnes) | % | ATMs | % |
|---|---|---|---|---|
| East Midlands | 335,947 | 43.5% | 23,202 | 40.3% |
| Stansted | 217,268 | 28.2% | 10,208 | 17.7% |
| Heathrow | 85,757 | 11.9% | 2,726 | 4.7% |
| Prestwick | 10,647 | 1.7% | 764 | 1.3% |
| Other | 121,830 | 15.8% | 20,633 | 35.9% |
| Total UK | 771,446 | 100.0% | 57,535 | 100.0% |
| Manston (Year 6) | 181,436 | | 10,144 | |

Source: CAA statistics

It might be argued that the UK air freight market will grow substantially over the coming decades. Prior to Covid-19, Boeing forecasted that the global air freight market was to grow by some 4.2% pa over the next 20 years. However much of the growth will be in passenger belly/hold rather than dedicated freighter cargo (belly/hold currently accounts for 70% of all UK air cargo) and in practice the dedicated freighter market in the UK is highly fragmented and has shown relatively little growth in the past decade.

**UK airports - Cargo handled (freighter aircraft) - 2015 v 2009**

| | Cargo (tonnes) | ATMs |
|---|---|---|
| 2009 | 690,080 | 55,623 |
| 2019 | 771,446 | 57,535 |
| Annual growth | 1.1% | 0.3% |

Source: CAA statistics

Apart from the little national freight consultants, the all-cargo airlines operating in the UK, such as Cargolux and AirBridgeCargo, are already well-established at other airports and will be reluctant to move to Manston. This also applies to the freight subsidiaries of the passenger airlines, several of which operate dedicated freighter aircraft. The UK's only all-cargo airline, CargoLogicAir, which leases two B747F aircraft, temporarily suspended operations in February this year due to a lack of demand, although these have recently recommenced following the Covid-19 pandemic. This may however be short-term as any ongoing growth of the UK air freight market is likely to be impacted by the aftermath of the pandemic, Brexit and a potential economic recession.

## No clear need for the Development

Given the fact that Manston was historically unable to develop significant levels of freight and/passenger traffic on a profitable basis and the constraints on future growth as I have noted above, I really cannot see why the Secretary of State for Transport overruled the Planning Inspectorate and approved the DCO. There is a significant available capacity to handle additional freight at East Midlands and Stansted (as well as at other airports with the exception of Heathrow and Gatwick) for at least the next 15-20 years. If this latter aspect by for dedicated freighters is needed in the longer-term, then it would be preferable to have a more central location within the UK, either through expansion of an existing airport or possibly by developing an ex-RAF airfield with good road connections and where fears would potentially be fewer households exposed to noise. It simply does not make sense that he SoS can conclude that "there is a clear case of need for the Development which existing airports (Heathrow, Stansted, EMA and others able to handle freight) would not bring about to the same extent or at all". My feeling is that the correct conclusion is likely to be challenged in any Judicial Review of the SoS's decision.

The issues of cost was not assessed as part of the DCO approval process. The capital cost of the proposed development has been variously reported at £300m, £330m and £400m. This investment, together with the financing and operating costs would need to be recovered through airport and handling charges. It is likely that these charges will be higher than those at other airports where the infrastructure is already in place, even if there are initial discounts to attract air freighter operators.

It should also be noted that the previous owner of the site, Stone Hill Park, proposed that a "heritage" airport is retained at the site, in addition to new housing and a business park. This would comprise the existing heritage museum, which would need to be relocated and facilities for vintage aircraft and general aviation. It is also possible, in the longer-term that the airport might support commercial operations by smaller electric aircraft.

## Sale of land

There is little doubt in my mind that RSP's objective in promoting the Manston development is to sell off some or all of the land for housing and/or industrial development. There is a part of the airport site known as the 'Northern Grass' which has long been muted as a potential area that could be sold off – although RSP claim that it would be used for the airport's development. It is interesting that the Planning Inspectorate took a different view on whether this was needed. It should be noted that approval of the DCO does not prevent RSP selling off some or ultimately all of the land should for any reason the airport prove to be unprofitable or the development does not proceed at all. I also wonder as to what are the Terms of Payment for the sale of the site by StonehillPark Developments to RSP. These have not been made public and if I were in RSP's shoes I would not part with £16.5m unless I was certain that the airport scheme had full and final approval and funding was in place for the development. If for some reason payment was not forthcoming, I would assume that ownership of the site would revert back to StonehillPark. Alternatively if the development were to go ahead and some land was ultimately sold, they may have negotiated a potential stake in the proceeds.

Although Thanet District Council and the local MPs are in favour of the development, there is considerable opposition locally, particularly as the flight paths to the east are over the town of Ramsgate. There is also likely to be an adverse impact to tourism in Ramsgate although the Planning Inspectorate acknowledged that there may be some tourism benefits to the wider East Kent region. There is also some local support for the proposed new jobs in an area of high unemployment but this of course as a sentiment dependent on the success of the airport development.

## Suitability of the developer

A further issue is the background of RSP and its key personnel. RSP is a US investment company with no background or experience in airport development or operations. The source of the funding for the project (£330m) is completely undetermined. Many of the project's opponents have questioned RSP's financial resources and it is noteworthy that there were delays in paying the Planning Inspectorate's fees for the DCO application. RSP's key UK director, Tony Freudmann, has had a chequered career. He was reportedly fatally struck off as a solicitor for the misuse of client funds before joining Planestation, where he became CEO of its European operations. He has also been involved with other airport developments in Germany, although none of these have proceeded to be successful. Mr Freudmann is known to be a close associate of two local Tory MPs, Sir Roger Gale and Craig Mackinlay.

## Impact on climate change

I recognise that for some objectors, there is an issue as to whether the project would contribute towards climate change. RSP has indicated that the airport would contribute some 1.9% of the UK's target CO2 emissions for 2050. The Planning Inspectorate does not agree that this is weighed moderately against the development. My own view, however, is that the UK aviation sector as a whole is fully committed to meeting these targets in line with ICAO requirements and, if the development were not to proceed, any traffic growth would in any case be accommodated at other UK airports.

## How would the development be financed?

Should the DCO decision be upheld, then it is unclear as to how the development would be funded. If private finance is not forthcoming, then might RSP seek funds through a public offering? It is also possible that the RSP may try to resell some land to enable the initial investment, although ultimately the only beneficiary of this will be the developer. In addition, given the fragmentation of the UK air freight market, it is conceivable that RSP might at some point attempt to fund its own home-based cargo airline – somewhat reminiscent of Planestation's venture with EUJet and Sir Robert Group's investment in Stobart Air to support London Southend Airport. But CargoLogicAir's difficulties in establishing a viable dedicated cargo airline even when better located UK airports are used would suggest that any venture of this type would be doomed to failure.

## False hopes?

As a specialist consultant, I am certainly not anti-aviation and I generally support expansion, subject to meeting the relevant climate change and other environmental constraints. I would hope that some sort of cargo facility can be retained at the site both to maintain its heritage and for light aviation. This might in the future include the use of electric aircraft for some cargo and small-scale commercial passenger operations. There is a strong sense of community in the Ramsgate area and pleasingly both for and against the development run high. But the local concern of any airport is fundamental and the development of a major cargo hub at Manston as proposed is simply not commercially viable. I cannot see any reason for the SoS's decision to approve the DCO application, beyond perhaps creating a false promise of jobs in a deprived area as we move into the expected economic recession.

I personally hope that the decision will now be overturned in a Judicial Review. If not, I suspect it will be a long drawn out saga with few, if any, jobs created and no long-lasting benefit to the local community.

# Manston Airport – A win-win scenario for the developer but not for East Kent?

A personal view by Peter **Forbes**,
Director, Alan **Stratford** and Associates Ltd

The long-running saga of the proposed freight hub at Manston Airport continues despite the Government's decision to grant the Development Consent Order (DCO) against the recommendations of the Planning Inspectorate. Riveroak Strategic Partners (RSP) is planning to invest some £300m in the development which it claims will create over 23,000 jobs in East Kent and the wider economy by its 20th year of operation.

## Will it ever be commercially viable ?

But despite the go-ahead, there are fundamental question marks about Manston's commercial viabi ity, which was not assessed or taken into account either in the Government's decision nor in the Planning Inspectorate's analysis. The key disadvantage of Manston is its remote location in the far south east of the UK, which increases the time and cost of onward trucking within the country. This is particularly important for perishable items and it is not surprising that many of the larger supermarket chains have their main distribution centres in the 'Golden Triangle' within the East Midlands.

The scale of the project is ambitious, but this was necessary in order to warrant consideration for a DCO. As an aviation economist, I can safely say that Manston, irrespective of the level of investment funding, will never attain the cargo throughput to make the hub financially viable, which RSP say is between 150,000 – 200,000 tonnes per annum.

This would represent nearly a quarter of all dedicated freighter traffic in the UK in 2019. Growth in this market in the UK has been virtually static over the past decade (an increase of just 0.8% pa between 2010 and 2019) and, whilst there has been some improvement in dedicated freighter traffic during the Covid-19 pandemic, this growth is likely to be short-term once the passenger market recovers. The reality is that air freight is often carried more cost-effectively as bellyhold cargo on passenger aircraft rather than in dedicated freighters. Furthermore, the future demand for air freight will be constrained by increasing costs as the aviation sector endeavours to meet its climate change commitments.

Over 84% of the UK's dedicated freighter traffic is focused on three hubs at Heathrow, East Midlands and Stansted airports, where the main freight consolidators, Fedex, UPS and DHL, have their main bases. There is no reason to suppose that they would abandon these in favour of Manston. Wh ist it is recognised that there can be slot constraints at these airports at certain times , there are other centrally-located airports such as Birmingham and Doncaster Sheffield which would be preferable to Manston. Furthermore, and of crucial importance, these airports have no night flight constraints, whereas RSP has committed to no night flights at the proposed Manston hub. Night flights represent nearly one half of all dedicated cargo flights and are particularly important for perishables and other fast-moving consumer goods (FMCGs).

It is d fficult to see how Manston w ll now suddenly be able to attract cargo airlines to the airport when ts previous owner, Infratil, were unable to do so. Wh ist some investment will be necessary to make the airport operational, this would not dramatically change this pos tion. Other airports handling freight traffic already have up-to-date facilities with available capacity in place. Any investment in Manston would be unlikely to give it any competitive advantage.

Sim lar considerations apply for possible passenger flights at Manston, although these would be on a smaller scale than dedicated freighter traffic. There was an attempt to introduce passenger flights in the 1990s, when the then-owner, Planestation, established its own home-based airline, EUJet, at the airport, although this was short-lived. A new rail station at Thanet Parkway has recently been given the go-ahead by Kent County Council but although this is relatively close, passengers would still need to be bussed to the airport. The reality is that nearly all sma ler regional airports in the UK were losing money even before the Covid-19 pandemic, so it is difficult to see how Manston might be any different.

## Local concerns

The decision to proceed with the development has split those living in East Kent, which has one of the highest unemployment rates in the UK. On the one hand, some residents support the proposals due to the sign ficant level of jobs that the developer, Riveroak Strategic Partners (RSP) claim would be created.

RSP seem now to be backtracking on this by saying that they would not be as high as they originally stated and were assessed by the Government and the Planning Inspectorate due to automation. It is difficu t to understand why this was not considered in the first instance. Many local residents are concerned about aircraft noise, particularly if night flights were ever to be introduced and about the impact of the development on climate change. RSP has recently indicated that it is in discussions with the Port of London Authority (PLA) about the use of electric barges, whereby freight arriving at Manston is trucked to the Port of Ramsgate, transferred onto electric barges to sail round the Thames and into London. Whilst technically this might perhaps reduce carbon emissions, it clearly would significantly increase transit times and costs in comparison to a direct road journey. Whilst it should be expected that all air freight and any subsequent trucking will need to comply with the UK's Net Zero carbon commitments in the future, the electric barge scheme is unlikely to be commercially viable.

A local resident has launched an appeal against the Government's decision in the High Court following a Crowdfunding campaign, although this can only be overturned on the basis that the Secretary of State failed to adopt the correct procedures rather than on the merits or dismerits of the freight hub itself. A judicial review has now been granted, although a date for this has not yet been set.

## What are the motives of RSP and Stone Hill Park ?

If a major freight hub at Manston is not commercia ly viable, as is predicted by all industry experts, then we need to look at the motives of RSP and of Stone Hill Park, who originally sold the s te to RSP, reportedly for £16.5m. It is important to appreciate that the only commercial value at Manston is in the sale of the land, ideally for residential housing but, on a secondary level, for industrial development. This, however, must largely be seen as a longer-term strategy as the site is not designated for housing in Thanet District Council's Local Plan, which may have prompted Stone Hill Park to sell the site to RSP. We do not know the precise details of this sale, but it seems hard to believe that in the event of any future land sales, Stone Hill Park would get no financial payback.

If the Appeal is unsuccessful, in the short-to-medium term RSP may attempt to set up some cargo operations at Manston, but these would be very limited, particularly without any night flights which were a vital component of its modest levels of traffic prior to its closure. It may try to seek investment, including Government grants, for industrial development on part of the site on the basis that this would qualify as 'enabling development', although this would not sign ficantly increase traffic levels at the airport. So for RSP and its financial backers, it is a waiting game until it is clearly demonstrated that the airport will never be commercially viable and that residential housing and/or industrial development is the only alternative. If the Appeal is successful, then the airport development would not proceed and again it is a waiting game until the site can be redeveloped. Either way, it would appear that, as the owners of the site and the beneficiaries of any future land sales, RSP may be in a 'win-win' situation.

So where does this leave local residents in Ramsgate and in East Kent ? Wh ist it is possible that, if the Appeal is unsuccessful, a small number of jobs could be created in the short-term, it is unlikely that the airport would ever require more than the 150 staff it employed when it closed in 2014. There is likely to be a continuing fear of the possibility of reintroducing night flights and climate change concerns will not vanish away.

Whatever the outcome, the Government, Thanet District Council and Kent County Council will need to look very carefully at the way forward in the best interests of local residents and the wider UK economy.

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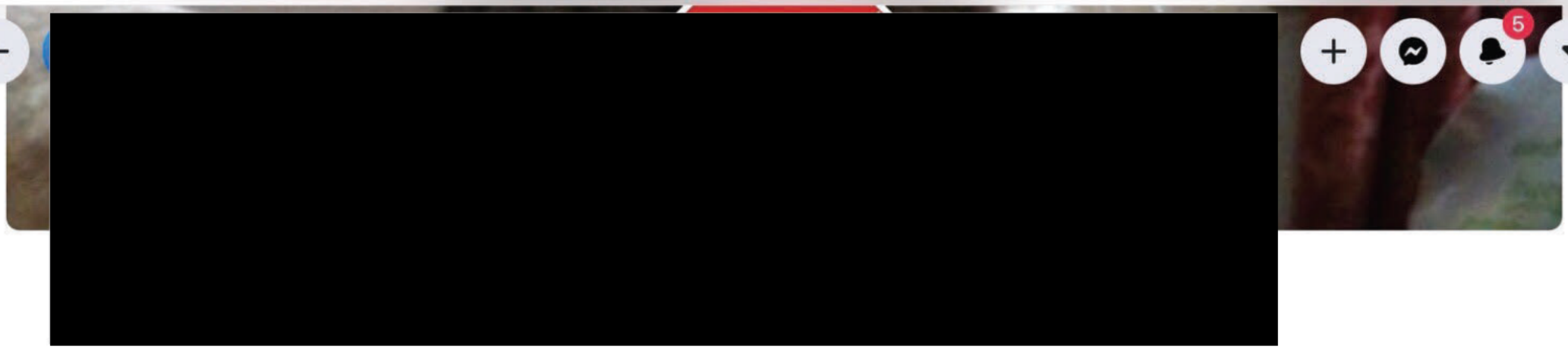



[redacted]

Group posts

Message | View Main Profile | ...

## Intro

Member of **No Night Flights Over Ramsgate** since 29 September 2009

## Things in Common

[redacted]

## Group badges

Admin

Conversation starter

## Group posts

[redacted]

Well, it's in. I'm never good at writing these, give me a FB post anyday...

Did you get an email receipt?

10 31 comments

Like Comment

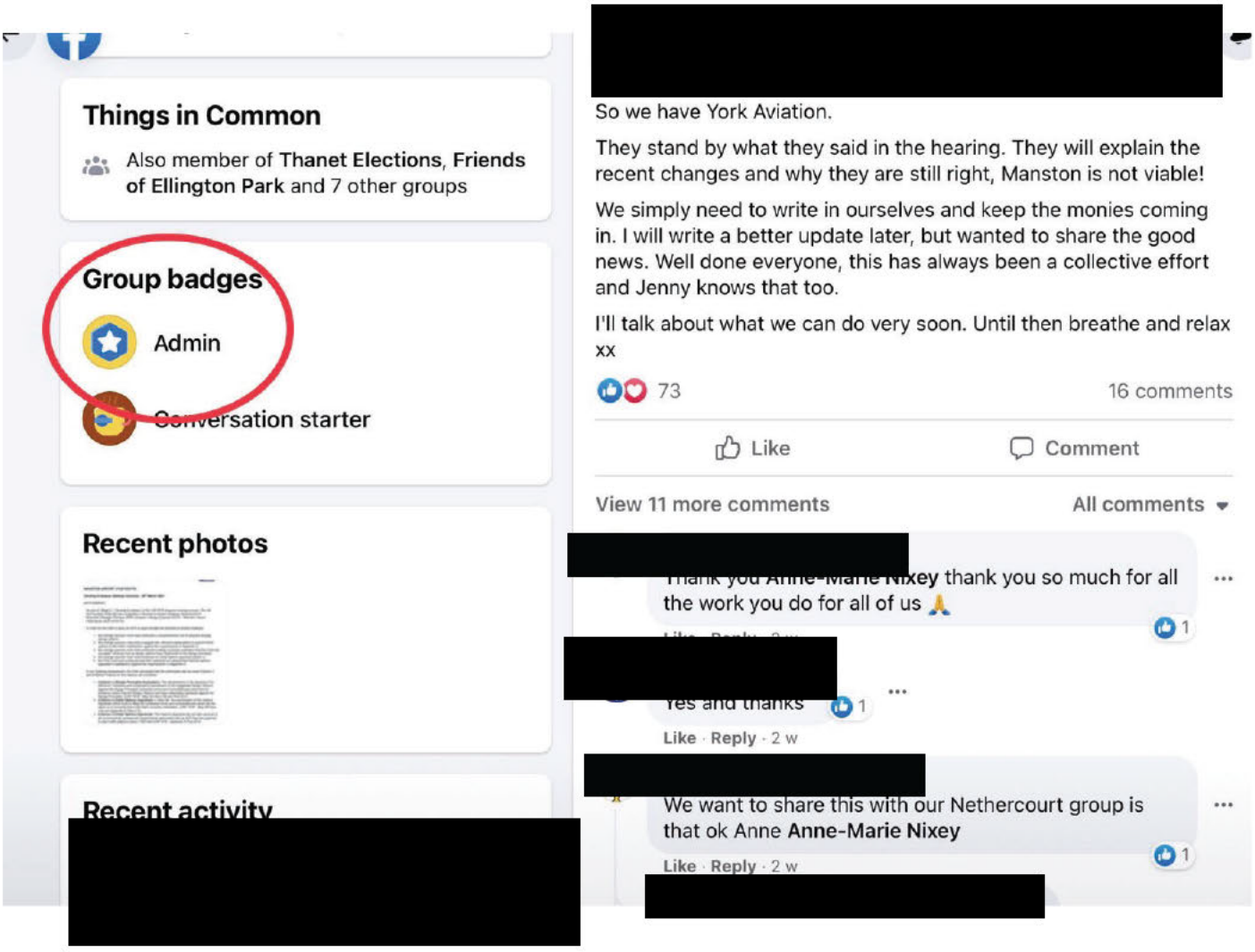
[redacted]

Submissions

Sorry this is later than anticipated, but you've been amazing with the submissions you've sent in so far!

Cllr Anne-Marie Nixey shown to be playing a key role in NNF

1. Securing York Aviation for NNF representation
2. Encouraging members of NNF to write in & pay money
3. Demonstrates her close relationship with Jenny (Dawes) who fronted the JR



Cllr Nixey aware of ASA anti Manston article 1

[redacted] 27/07/2020

If #Manston ever opens as a cargo hub it is certain to fail. So why bother and leave #Ramsgate in a state of limbo for years. An interesting view from someone who is pro aviation expansion and it would appear that the real goal for RSP is development but not as an airport

> **Alan Stratford & Associates** @ASAaviation · 27/07/2020
>
> DfT's decision to approve the DCO application for a cargo hub at Manston airport looks set to be challenged in a judicial review. But will the promised 23,000 new jobs be delivered? Find out more in ASA's latest Insights article. #airports #avgeek alanstratford.co.uk/aviation-insig...

1 7 11

[redacted]

Tweets Tweets & replies Media Likes

Support Judicial Review of Manston Airport DCO

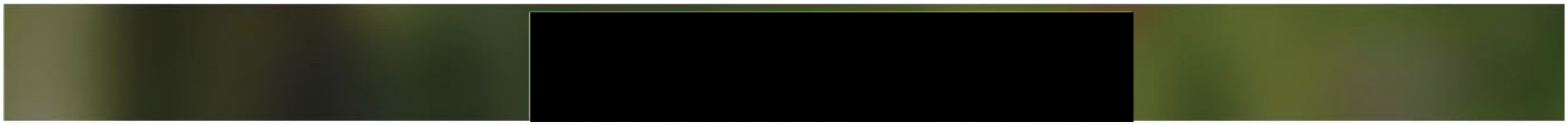
1 6 18

anne-marie nixey 🇪🇺 💙 Retweeted

**Alan Stratford & Associates** @ASAaviation · 02/08/2020

The SoS's approval (Para 33) specifically banned scheduled but not charter flights between 2300-0600 hours. However, if Manston ever re-opens, there would be relatively few of each and it would not be commercially viable. ...structure.planninginspectorate.gov.uk/wp-content/ipc...

3 4 3



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[redacted] Retweeted

**Alan Stratford & Associates** @ASAaviation · 03/08/2020

Barry - On the basis of these figures, there would be more staff on duty at any time between 2200-0600 than during the day. More flights at night than during the day...?

3 2 1

[redacted] Retweeted

**Alan Stratford & Associates** @ASAaviation · 03/08/2020

There is an ambiguity between the SoS's approval letter (which makes no mention of charter flights) and the DCO. But crucially, either with or without night flights, Manston is not commercially viable - the competition from other better-located airports is far too strong.

2 2 2

[redacted] Retweeted

**Alan Stratford & Associates** @ASAaviation · 03/08/2020

The attached link demonstrates how airports in the Midlands (or with good access to it) are better placed than Manston for the many of the UK's supermarket distribution centres.

[redacted]

I suspect the current regulated airport charges model must also be under stress right now?

1 1

**Alan Stratford & Associates** @ASAaviation · 31/07/2020

Hi Mike - At present, HAL is working on a revised business plan (RBP) with the CAA and the airlines for the price control regime in H7 (2022-2026) based on a two runway scenario. Given the current situation, the key focus is on value-for-money and capital efficiency.

1

**The Loadstar** @theloadstar · 29/07/2020

Plan for cargo hub at Manston Airport seriously flawed, says consultant

Plan for cargo hub at Manston Airport seriously flawed, says consultant - The Loadstar
theloadstar.com

1 9 9

**Alan Stratford & Associates** @ASAaviation · 29/07/2020

Just a note to say that I've not joined any group opposing this development. The article is purely my own personal view - Peter Forbes, Director, ASA

1 5

**Alan Stratford & Associates** @ASAaviation · 28/07/2020

Replying to @elmlea11 and @roblaur32

[redacted]

Tweets | Tweets & replies | Media | Likes

RSP is a US company, with a UK director who has also been involved with other airport developments in Germany, none of these have proved to be successful".

2 4 7

[redacted] 💙 @Qinginteriors · 29/07/2020

Plan for cargo hub at Manston Airport seriously flawed, says consultant - The Loadstar

theloadstar.com

2

anne-marie nixey 🇪🇺 💙 Retweeted

**The Loadstar** @theloadstar · 29/07/2020

Plan for cargo hub at Manston Airport seriously flawed, says consultant

Plan for cargo hub at Manston Airport seriously flawed, says consultant - The Loadstar

theloadstar.com

1 9 9

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Added by Susan Kennedy on 6 November 2013

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[redacted]dded by Susan Kennedy on 16 July [redacted]017

[redacted]ad Adviser at Campaign for Learning

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Jane Hetherington

**Search results**

[redacted]

Added by Susan Kennedy on 30 August 2014

Works at NHS

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**Table 3.2 UK Air Cargo Market by Type – May 2019 – May 2021**

| Tonnes Handled | May-19 | May-20 | May-21 |
|---|---|---|---|
| Passenger Bellyhold | 146,491 | 17,322 | 49,231 |
| Dedicated Freighter | 65,507 | 123,090 | 115,199 |
| Total | 211,999 | 140,412 | 164,430 |

Source: CAA Airport Statistics

**Table 3.3 UK ATMs by Type – May 2019 – May 2021**

| Total ATMs | May-19 | May-20 | May-21 |
|---|---|---|---|
| Passenger Aircraft | 202,572 | 10,283 | 17,000 |
| Dedicated Freighter | 4,888 | 8,263 | 6,899 |
| Total | 207,460 | 18,546 | 23,899 |

Source: CAA Airport Statistics

Freight by Aircraft Configuration May 2021 (a)
Comparison with Previous Year
Tonnes

Table 15

| | <---------- Passenger A rcraft ----------> | | | <---------- Cargo A rcraft ----------> | | | <---------- Tota ----------> | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2020 | Percentage Change | 2021 | 2020 | Percentage Change | 2021 | 2020 | Percentage Change |
| London Area A rports | | | | | | | | | |
| GATWICK | 390 | 3 | 12900 | 509 | - | | 899 | 3 | 29867 |
| HEATHROW | 47 189 | 16 345 | 189 | 70 311 | 63 751 | 10 | 117 500 | 80 095 | 47 |
| LUTON | - | - | | 1 736 | 2 464 | -30 | 1 736 | 2 464 | -30 |
| STANSTED | 16 | 12 | 33 | 22 037 | 19 829 | 11 | 22 053 | 19 840 | 11 |
| Tota London Area A rports | 47 595 | 16 360 | 191 | 94 593 | 86 043 | 10 | 142 188 | 102 403 | 39 |
| Other UK A rports | | | | | | | | | |
| ABERDEEN | 113 | 121 | -7 | 347 | 280 | 24 | 460 | 401 | 15 |
| BARRA | 1 | - | | - | - | | 1 | - | |
| BELFAST CITY (GEORGE BEST) | 3 | - | | - | - | | 3 | - | |
| BELFAST INTERNATIONAL | - | - | | 2 253 | 1 838 | 23 | 2 253 | 1 838 | 23 |
| BENBECULA | 2 | 2 | | - | - | | 2 | 2 | |
| BIRMINGHAM | 29 | 15 | 93 | 1 200 | 474 | 153 | 1 229 | 489 | 151 |
| BOURNEMOUTH | - | - | | 2 090 | - | | 2 090 | - | |
| CARDIFF WALES | - | - | | - | 72 | | - | 72 | |
| DONCASTER SHEFFIELD | - | - | | 1 766 | 3 069 | -42 | 1 766 | 3 069 | -42 |
| EAST MIDLANDS INTERNATIONAL | - | - | | 35 214 | 28 404 | 24 | 35 214 | 28 404 | 24 |
| EDINBURGH | 170 | 1 | 16900 | 1 383 | 1 202 | 15 | 1 553 | 1 203 | 29 |
| GLASGOW | 8 | 12 | -33 | 183 | 54 | 239 | 191 | 66 | 189 |
| HUMBERSIDE | 5 | 3 | 67 | 1 | 1 | | 6 | 3 | 100 |
| ISLAY | 7 | 1 | 600 | - | - | | 7 | 1 | 600 |
| ISLES OF SCILLY (ST.MARYS) | 4 | 1 | 300 | 6 | 4 | 50 | 9 | 5 | 80 |
| KIRKWALL | 2 | 1 | 100 | - | - | | 2 | 1 | 100 |
| LANDS END (ST JUST) | 3 | 1 | 200 | 5 | 4 | 25 | 9 | 5 | 80 |
| LIVERPOOL (JOHN LENNON) | 1 | 10 | -90 | - | - | | 1 | 10 | -90 |
| MANCHESTER | 1 414 | 749 | 89 | 2 557 | 576 | 344 | 3 971 | 1 325 | 200 |
| NEWCASTLE | - | - | | 61 | - | | 61 | - | |

Freight by Aircraft Configuration May 2021 (a)
Comparison with Previous Year
Tonnes

Table 15

| | <---------- Passenger Aircraft ----------> | | | <---------- Cargo Aircraft ----------> | | | <---------- Total ----------> | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2020 | Percentage Change | 2021 | 2020 | Percentage Change | 2021 | 2020 | Percentage Change |
| NORWICH | 8 | 22 | -64 | - | - | | 8 | 22 | -64 |
| PRESTWICK | - | - | | 1 314 | 1 069 | 23 | 1 314 | 1 069 | 23 |
| SCATSTA | - | 11 | | - | - | | - | 11 | |
| SOUTHAMPTON | 2 | 2 | | - | - | | 2 | 2 | |
| STORNOWAY | 12 | 8 | 50 | - | - | | 12 | 9 | 33 |
| SUMBURGH | 14 | 3 | 367 | - | - | | 14 | 3 | 367 |
| TIREE | 1 | - | | - | - | | 1 | - | |
| Total Other UK Airports | 1 798 | 963 | 87 | 48 382 | 37 047 | 31 | 50 181 | 38 009 | 32 |
| Total All Reporting UK Airports | 49 394 | 17 322 | 185 | 142 975 | 123 090 | 16 | 192 369 | 140 412 | 37 |
| Non UK Reporting Airports | | | | | | | | | |
| ALDERNEY | 4 | 4 | | - | 1 | | 4 | 4 | |
| GUERNSEY | 5 | 3 | 67 | 59 | 40 | 48 | 63 | 44 | 43 |
| ISLE OF MAN | 1 | 10 | -90 | - | 4 | | 1 | 14 | -93 |
| JERSEY | 2 | 2 | | 82 | 26 | 215 | 85 | 28 | 204 |
| Total Non UK Reporting Airports | 12 | 19 | -39 | 141 | 71 | 99 | 153 | 90 | 70 |

(a) Domestic traffic is counted both at the airport of arrival and the airport of departure.
The total domestic plus international traffic is, therefore, only a measure of airport activity.

Air Transport Movements May 2021
Comparison with Previous Year (a)

Table 6

| | <----------May 2021----------> | | | <----------May 2020----------> | | | <---------- Percentage Change ----------> | | |
|---|---|---|---|---|---|---|---|---|---|
| | Total | Passenger Aircraft | Cargo Aircraft | Total | Passenger Aircraft | Cargo Aircraft | Total | Passenger Aircraft | Cargo Aircraft |
| London Area Airports | | | | | | | | | |
| GATWICK | 1,539 | 1,524 | 15 | 126 | 126 | - | 1121 | 1110 | .. |
| HEATHROW | 11,441 | 8,003 | 3,438 | 6,698 | 2,997 | 3,701 | 71 | 167 | -7 |
| LONDON CITY | 431 | 431 | - | - | - | - | .. | .. | .. |
| LUTON | 1,765 | 1,668 | 97 | 977 | 840 | 137 | 81 | 99 | -29 |
| SOUTHEND | 2 | 2 | - | 2 | 2 | - | - | - | .. |
| STANSTED | 2,304 | 1,462 | 842 | 1,236 | 403 | 833 | 86 | 263 | 1 |
| Total London Area Airports | 17,482 | 13,090 | 4,392 | 9,039 | 4,368 | 4,671 | 93 | 200 | -6 |
| Other UK Airports | | | | | | | | | |
| ABERDEEN | 3,749 | 3,593 | 156 | 2,765 | 2,653 | 112 | 36 | 35 | 39 |
| BARRA | 120 | 120 | - | 62 | 54 | 8 | 94 | 122 | .. |
| BELFAST CITY (GEORGE BEST) | 639 | 639 | - | 75 | 75 | - | 752 | 752 | .. |
| BELFAST INTERNATIONAL | 1,304 | 843 | 461 | 350 | - | 350 | 273 | .. | 32 |
| BENBECULA | 106 | 104 | 2 | 56 | 56 | - | 89 | 86 | .. |
| BIGGIN HILL | 27 | 27 | - | 8 | 8 | - | 238 | 238 | .. |
| BIRMINGHAM | 902 | 757 | 145 | 225 | 144 | 81 | 301 | 426 | 79 |
| BLACKPOOL | - | - | - | 88 | 88 | - | .. | .. | .. |
| BOURNEMOUTH | 127 | 75 | 52 | 2 | 2 | - | 6250 | 3650 | .. |
| BRISTOL | 548 | 548 | - | 39 | 39 | - | 1305 | 1305 | .. |
| CAMPBELTOWN | 91 | 91 | - | 77 | 70 | 7 | 18 | 30 | .. |
| CARDIFF WALES | 68 | 68 | - | 3 | 1 | 2 | 2167 | 6700 | .. |
| CITY OF DERRY (EGLINTON) | 152 | 152 | - | 52 | 52 | - | 192 | 192 | .. |
| DONCASTER SHEFFIELD | 105 | 81 | 24 | 45 | 3 | 42 | 133 | 2600 | -43 |
| DUNDEE | 86 | 86 | - | - | - | - | .. | .. | .. |
| EAST MIDLANDS INTERNATIONAL | 2,159 | 31 | 2,128 | 2,137 | - | 2,137 | 1 | .. | - |
| EDINBURGH | 1,496 | 1,091 | 405 | 574 | 186 | 388 | 161 | 487 | 4 |
| EXETER | 251 | 214 | 37 | 39 | - | 39 | 544 | .. | -5 |
| GLASGOW | 1,341 | 1,297 | 44 | 289 | 239 | 50 | 364 | 443 | -12 |
| HUMBERSIDE | 239 | 228 | 11 | 135 | 125 | 10 | 77 | 82 | 10 |
| INVERNESS | 274 | 227 | 47 | 22 | - | 22 | 1145 | .. | 114 |
| ISLAY | 118 | 118 | - | 67 | 64 | 3 | 76 | 84 | .. |
| ISLES OF SCILLY (ST.MARYS) | 855 | 774 | 81 | 126 | 50 | 76 | 579 | 1448 | 7 |
| KIRKWALL | 590 | 571 | 19 | 372 | 340 | 32 | 59 | 68 | -41 |

| | <----------May 2021----------> | | | <----------May 2020----------> | | | <--------- Percentage Change ---------> | | |
|---|---|---|---|---|---|---|---|---|---|
| | Total | Passenger Aircraft | Cargo Aircraft | Total | Passenger Aircraft | Cargo Aircraft | Total | Passenger Aircraft | Cargo Aircraft |
| Other UK Airports | | | | | | | | | |
| LANDS END (ST JUST) | 537 | 457 | 80 | 128 | 52 | 76 | 320 | 779 | 5 |
| LEEDS BRADFORD | 130 | 130 | - | 1 | 1 | - | 12900 | 12900 | .. |
| LERWICK (TINGWALL) | 79 | 79 | - | 4 | 4 | - | 1875 | 1875 | .. |
| LIVERPOOL (JOHN LENNON) | 375 | 374 | 1 | 106 | 106 | - | 254 | 253 | .. |
| MANCHESTER | 1,850 | 1,702 | 148 | 437 | 365 | 72 | 323 | 366 | 106 |
| NEWCASTLE | 449 | 418 | 31 | 2 | 2 | - | 22350 | 20800 | .. |
| NEWQUAY | 126 | 126 | - | - | - | - | .. | .. | .. |
| NORWICH | 950 | 950 | - | 650 | 650 | - | 46 | 46 | .. |
| OXFORD (KIDLINGTON) | 1 | 1 | - | - | - | - | .. | .. | .. |
| PRESTWICK | 74 | 6 | 68 | 52 | - | 52 | 42 | .. | 31 |
| SCATSTA | - | - | - | 213 | 213 | - | .. | .. | .. |
| SOUTHAMPTON | 353 | 353 | - | 75 | 74 | 1 | 371 | 377 | .. |
| STORNOWAY | 212 | 210 | 2 | 62 | 61 | 1 | 242 | 244 | 100 |
| SUMBURGH | 654 | 654 | - | 107 | 107 | - | 511 | 511 | .. |
| TEESSIDE INTERNATIONAL AIRPORT | 318 | 318 | - | - | - | - | .. | .. | .. |
| TIREE | 108 | 107 | 1 | 51 | 30 | 21 | 112 | 257 | -95 |
| WICK JOHN O GROATS | - | - | - | 1 | 1 | - | .. | .. | .. |
| Total Other UK Airports | 21,563 | 17,620 | 3,943 | 9,497 | 5,915 | 3,582 | 127 | 198 | 10 |
| Total All Reporting UK Airports | 39,045 | 30,710 | 8,335 | 18,536 | 10,283 | 8,253 | 111 | 199 | 1 |
| Non UK Reporting Airports | | | | | | | | | |
| ALDERNEY | 334 | 334 | - | 65 | 59 | 6 | 414 | 466 | .. |
| GUERNSEY | 568 | 424 | 144 | 247 | 103 | 144 | 130 | 312 | - |
| ISLE OF MAN | 233 | 194 | 39 | 235 | 198 | 37 | -1 | -2 | 5 |
| JERSEY | 442 | 349 | 93 | 86 | 34 | 52 | 414 | 926 | 79 |
| Total Non UK Reporting Airports | 1,577 | 1,301 | 276 | 633 | 394 | 239 | 149 | 230 | 15 |

(a) Excludes air taxi operations.


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FORECAST 2020–2039

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The Boeing Company issues the biennial World Air Cargo Forecast (WACF) to provide a comprehensive, up-to-date overview of the air cargo industry. The forecast summarizes the world's major air trade markets, identifies major trends, and presents forecasts for the future performance and development of markets, as well as for the world freighter airplane fleet.

This document would not be possible without the efforts of several contributors. The Boeing World Air Cargo Forecast 2020 production team included the Boeing Content Studio and our colleagues in the Market Analysis Group. We extend special thanks to Divya Gupta, who managed all aspects of the WACF update. We also give special thanks to Adin Herzog, who, along with Wendy Moore, Kitt Forsyth-Burton, Aaron Tayler and Sarah Nizolek, thoroughly updated our Airline Cargo Traffic Database (ACTD), which includes historical traffic data for nearly 850 airlines. Thank you also to Wendy Moore, who researched and modeled the air freight yield curves in the Air Cargo Industry Overview; Kimberly Tornabene, who analyzed and compiled historical airline cargo revenues; Katrina Krebs, who developed the North America chapter; Jacqueline Kaye, who authored the Latin America and Europe chapter; Staci Strickland, who authored the Domestic China and Latin America and North America chapters; Allison Corrigan, who authored the South Asia chapter; Amine Benkirane, who authored the Middle East chapter; Carl Allen, who authored the East Asia and North America chapter; Don Lim, who authored the Europe and East Asia chapter; Jayden Lee, who developed the insights and analysis behind the Intra–East Asia and Oceania chapter; and David Franson, who led our freighter fleet forecast effort. Lastly, we would like to acknowledge the professional work accomplished by our summer interns, Kaitlyn Elgart and Portia Uwase Zuba, who assisted in the research and authoring of the Intra–Europe and Europe and North America chapters, respectively.

The next update to the WACF will appear in fourth quarter 2022. The authors welcome any questions or comments. All queries and suggestions should be directed to the following:

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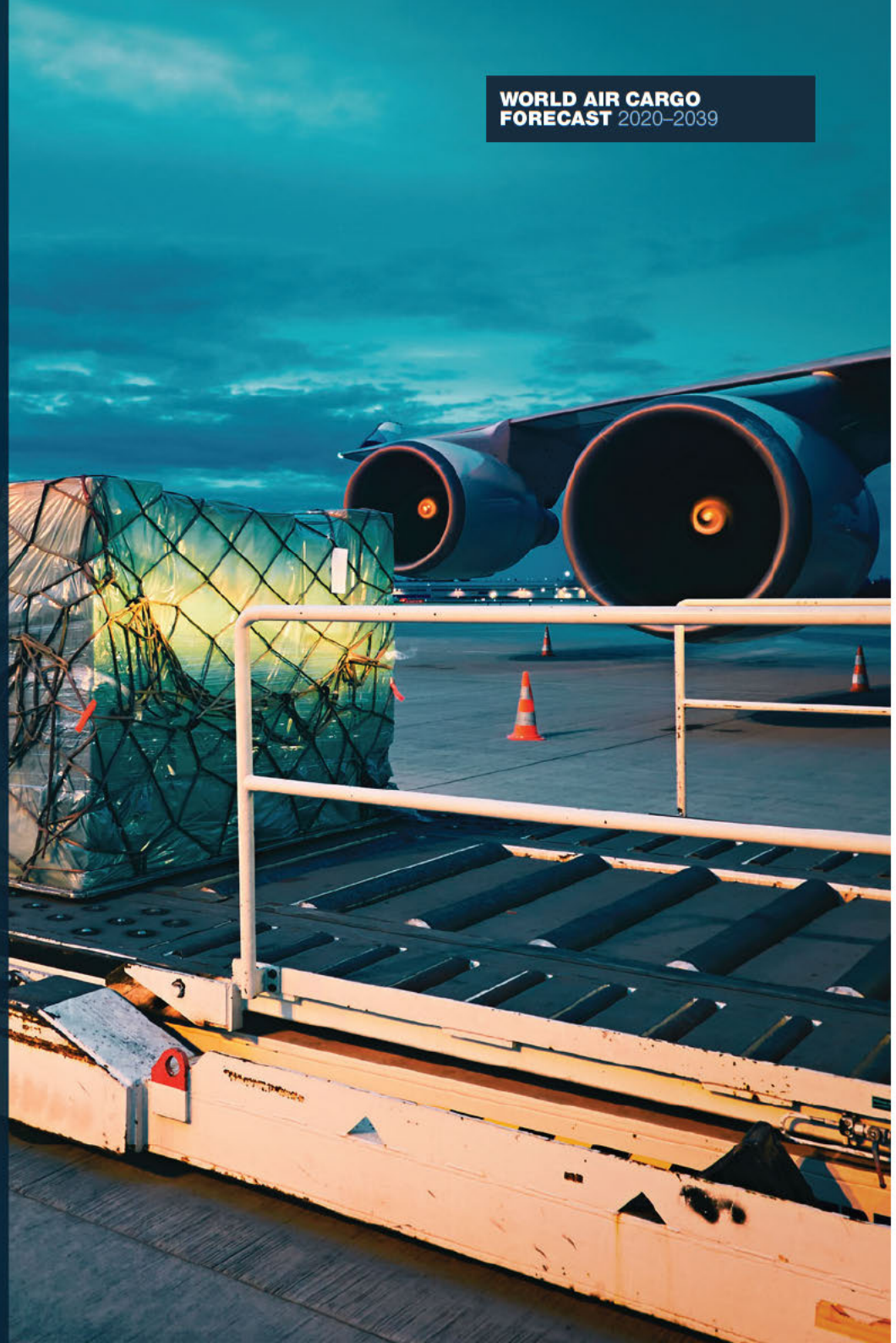
# EXECUTIVE SUMMARY



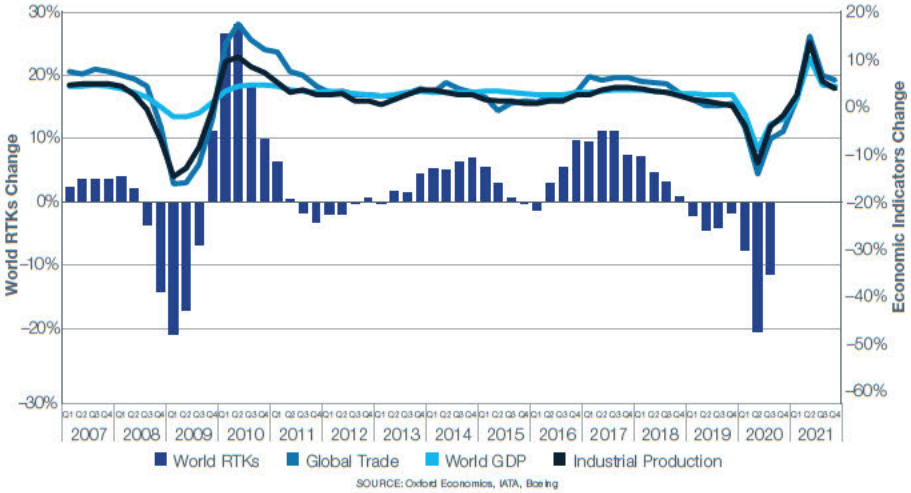
## Air cargo markets disrupted in 2020 by COVID-19 pandemic

As the new decade began, the air cargo market was poised to benefit from improvement in the world economy.

This followed a weak 2019, in which the effects of tariffs, tepid world economic growth and weakened industrial production resulted in air cargo traffic decreasing by 3%.

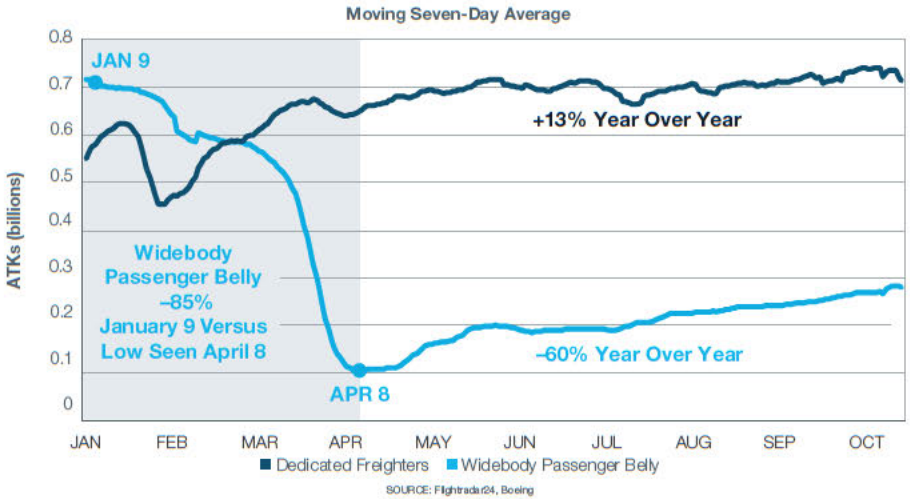
As COVID-19 quickly spread to all corners of the world early this year, the impact from the loss of long-haul passenger belly capacity from widebody fleets created a significant air cargo capacity shortfall. Passenger belly cargo capacity typically accounts for 54% of the world air cargo capacity. Freighter operators have responded by operating above normal utilization levels to fill the lower cargo hold shortfall.

**Anticipated Economic Recovery Expected to Bolster Air Cargo Traffic Growth**



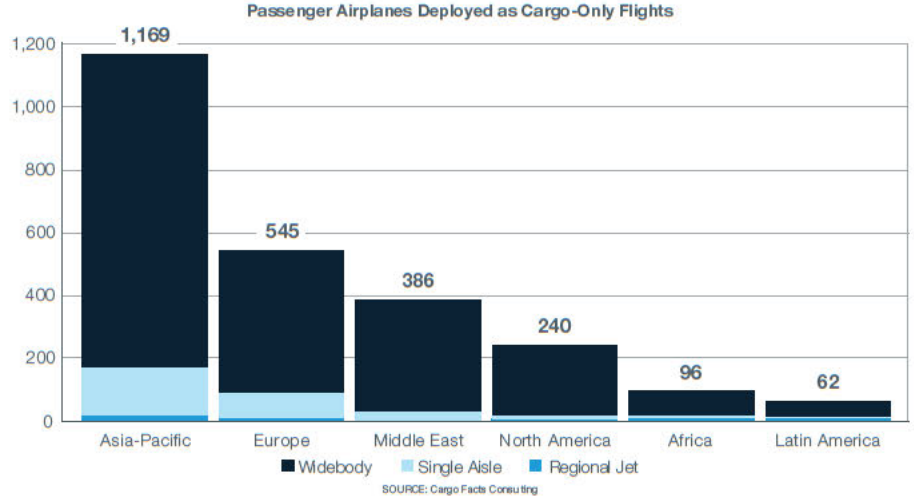

SOURCE: Oxford Economics, IATA, Boeing

**Major Reduction of Passenger Service Is Creating High Demand for Freighter Capacity**




SOURCE: Flightradar24, Boeing

**Widebodies Account for Nearly 90% of Passenger Airplanes Used for Cargo-Only Flights**




SOURCE: Cargo Facts Consulting

In addition, the urgent need to meet demands for transporting medical supplies to all regions in response to COVID-19 created a unique and unprecedented environment. The decline in air cargo capacity plus urgent demand for medical supplies led to a spike in yields to high double-digit levels in second quarter 2020. With these market conditions, freighter operators have been in a unique position to meet market demands that require a high level of speed, reliability and security, as only air cargo can do.

With high air cargo yields and greatly reduced long-haul international networks, conditions have been favorable for many airlines to use some of their passenger widebody fleets for cargo-only operations to generate much-needed cash flow. These "preighters" have taken up some of the capacity shortfall and, even in some cases, have generated quarterly profits for carriers despite minimal passenger operations. As of the end of September, nearly 200 airlines have operated 2,500 passenger airplanes exclusively for cargo operations.

Through September, air cargo traffic was down 12%, rivaling declines in past recessions. In a normal year, this would translate to poor financial performance for air cargo operators. However, in 2020 almost a quarter of air cargo capacity has been lost. As a result of the constrained air cargo capacity, yields were up over 40% and overall air cargo industry revenues were up 16%.

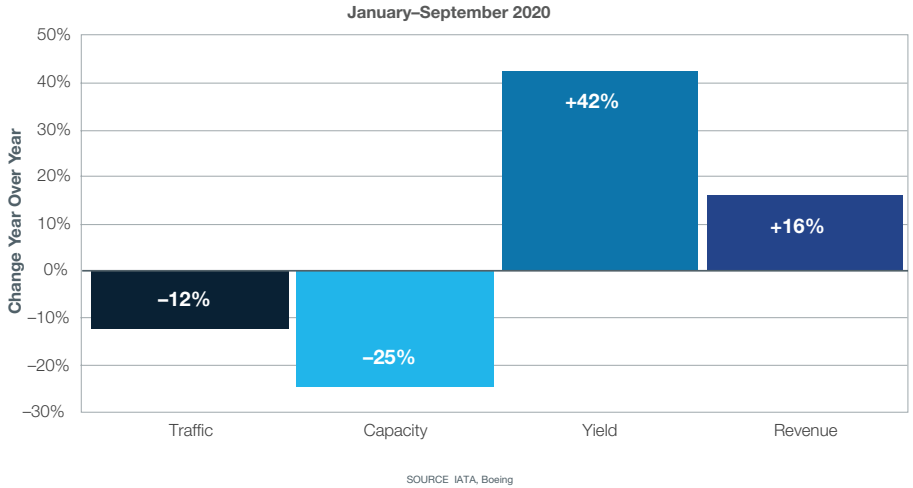
The 2020 World Air Cargo Forecast incorporates the near-term disruption to air cargo markets but does not assume the current dynamics of constrained widebody passenger belly capacity will continue into the long term. Long-haul widebody passenger traffic will return in the coming years, and air cargo will then reflect market dynamics much closer to what we have seen in the years prior to the COVID-19 disruption.

## COVID-19 pandemic accelerating express and e-commerce market

In contrast to disrupted passenger markets, the higher-than-market-average growth seen in express markets over the last decade has increased during the COVID-19 pandemic. E-commerce, which was already growing at double-digit rates prior to the pandemic, has accelerated its impact on the air cargo market. Express carriers have fared well as a result of the market turmoil in 2020. Through the end of September, they had increased their traffic by 14%. All-cargo carriers, at 6%, are the only other air cargo business model to show growth. This forecast incorporates this continued structural growth and surge in demand that we have observed because of COVID-19.

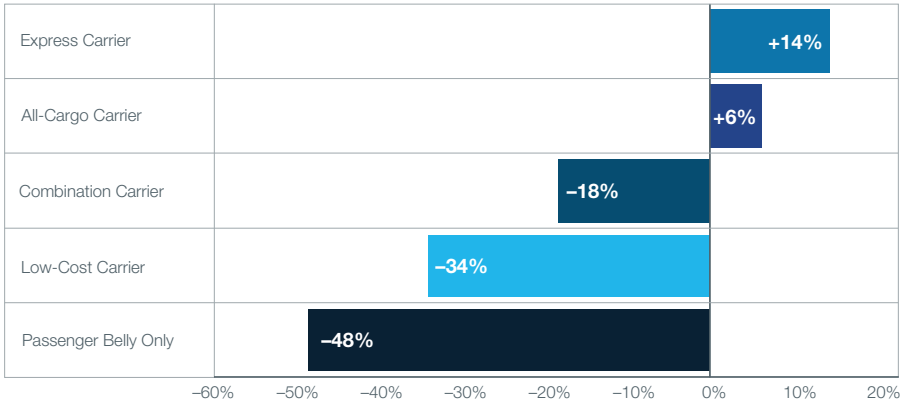
Another consideration of structural shifts affecting air cargo growth, and a topic of intense debate in recent years, is the trajectory

**Constrained Cargo Capacity Is Driving Higher Yields and Revenue**




SOURCE IATA, Boeing

**Dedicated Cargo Carriers Lead in Challenging Market Conditions**




SOURCE IATA, Boeing

of globalization on global supply chains. Geopolitical tensions and trade disputes have percolated and increased in many major economies around the world. Air cargo is highly sensitive to global industrial production output and worldwide manufacturing supply chains.

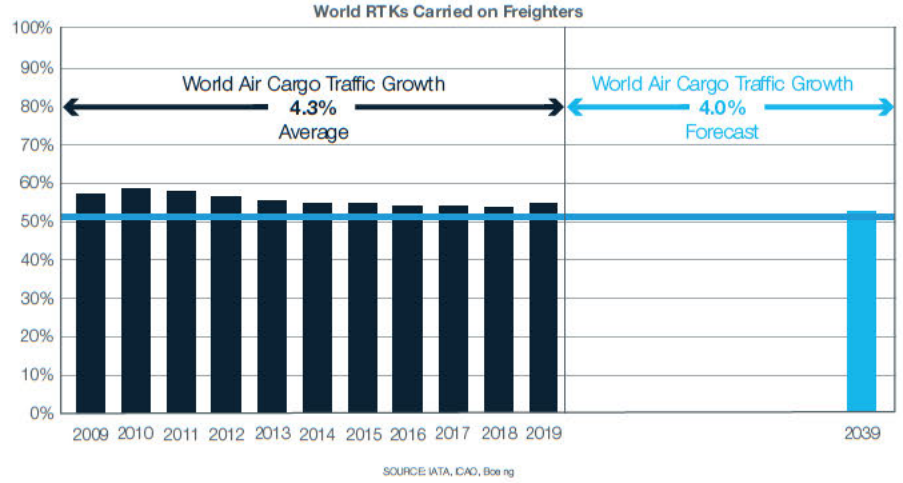
However, even prior to the COVID-19 pandemic, some shifting of supply chains was already occurring. China, the location of choice for many Western manufacturing companies during the past 20 years, had slowly lost its low-labor-cost advantage relative to other developing countries. As a consequence, some manufacturing has moved away from China to other Asia-Pacific countries in the past few years. However, the movement of supply chains, depending on the complexity of the product, can take years to implement. The magnitude of air cargo imports from China to the United States, for example, is nine times that of the next Asia-Pacific country. This further highlights the current dominance of China as a manufacturing source and supplier. Early indications show trends toward diversification of supply chains, rather than onshoring, to lessen risk.

Developments in other modes of freight transport may affect air cargo industry growth. The maritime industry, which transports almost 90% of world merchandise trade, has experienced significant market disruption over the past decade. Several years of overcapacity and weakening trade led to collapsing yields. Ultra-large containerships (those vessels with more than 15,000 20-foot equivalent units of capacity) introduced by the major shipping operators contributed to the overcapacity as trade slowed. In the past five years, the industry has seen consolidation of players, reduced capacity growth and firming yields. While normally the maritime sector is not a competitor to air cargo, the changing nature of container shipping may benefit the air cargo sector. Containership operator capacity discipline, plus manufacturers seeking to de-risk their supply base and disperse manufacturing sites into lower-cost Asia-Pacific regions, may lead to the increased use of air cargo.

## Importance of main deck freighters

In addition to the long-term trend of dedicated freighters carrying more than 50% of global air cargo traffic despite growing widebody passenger fleets, the COVID-19 pandemic has highlighted the importance of main-deck freighters in our global air transportation system. While increasingly capable passenger widebody airplanes have helped the air cargo industry grow during the past decade, dedicated freighters are anticipated to continue to comprise at least 50% of the world air cargo traffic carried. There are several key reasons for freighter preference in air cargo flows: 1) Most passenger belly capacity does not serve key cargo trade routes; 2) twin-aisle passenger schedules often do not meet shipper timing needs; 3) freight forwarders prefer palletized capacity, which is not available on single-aisle aircraft; 4) passenger bellies cannot serve hazardous materials and project cargo, a key sector in air cargo flows; and 5) payload-range considerations on passenger airplanes may limit cargo carriage, which decreases the likelihood that cargo will arrive at its destination on time.

**Freighters Will Continue to Carry Over 50% of World Air Cargo Traffic**

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## World air cargo traffic growth outlook

### World air cargo traffic is forecast to grow at 4.0% per year over the next 20 years.

In terms of revenue tonne-kilometer (RTK) growth, air freight, including express traffic, is projected to grow at 4.1% while airmail will grow at a slower pace, averaging 1.7% annual growth through 2039. Overall, world air cargo traffic will more than double over the next 20 years, expanding from 264 billion RTKs in 2019 to 578 billion RTKs in 2039.

The Asia-Pacific region will continue to lead the world in average annual air cargo growth, with domestic China and intra–East Asia and Oceania markets expanding 5.8% and 4.9% per year, respectively. Supported by faster-growing economies and growing middle classes, the East Asia–North America and Europe–East Asia markets will grow slightly faster than the world average growth rate. In the more established and mature trade flow between North America and Europe, growth will be below the world average growth rate.

**World Air Cargo Traffic Will Grow 4.0% Per Year Over the Next 20 Years**


**Air Cargo Growth Rates Vary by Region**

| Region | History 2009–2019 | 2019 | Forecast 2020–2039 |
|---|---|---|---|
| World | 4.3% | –3.0% | 4.0% |
| East Asia–North America | 3.1% | –7.5% | 4.3% |
| Europe–East Asia | 4.2% | –3.2% | 4.4% |
| Intra–East Asia and Oceania | 5.2% | –5.4% | 4.9% |
| Europe–North America | 3.4% | –4.7% | 2.3% |
| North America | 3.3% | 3.2% | 2.6% |
| Domestic China | 4.9% | 3.5% | 5.8% |
| Latin America–Europe | 3.9% | –1.2% | 4.1% |
| Latin America–North America | 2.1% | –3.6% | 2.6% |
| Africa–Europe | 2.8% | 4.0% | 3.3% |
| South Asia–Europe | 4.1% | 3.7% | 4.3% |
| Middle East–Europe | 4.8% | 10.6% | 2.4% |
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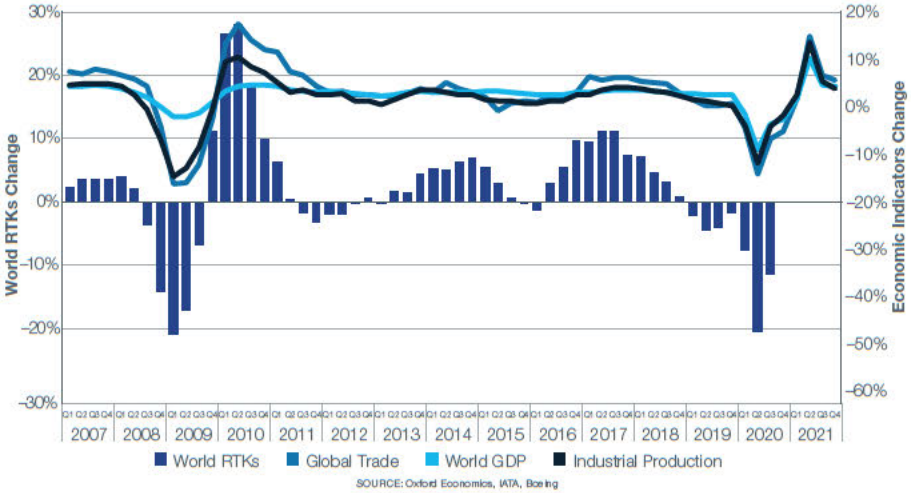


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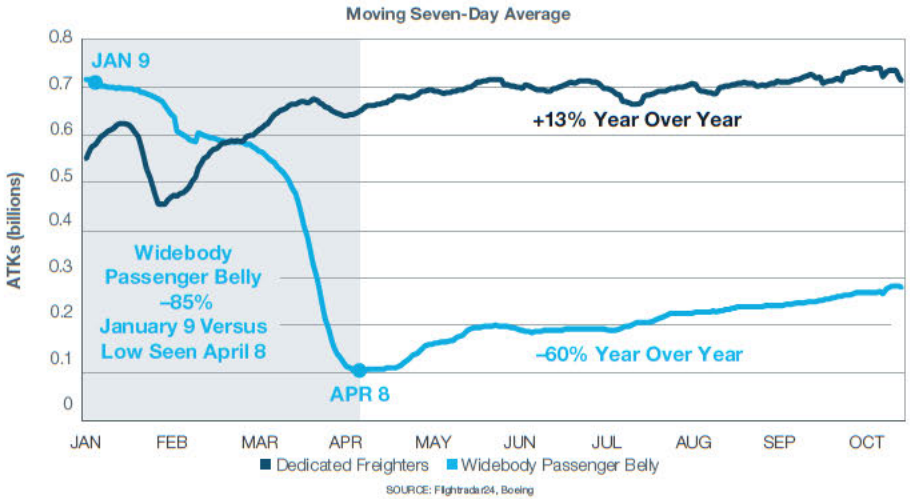


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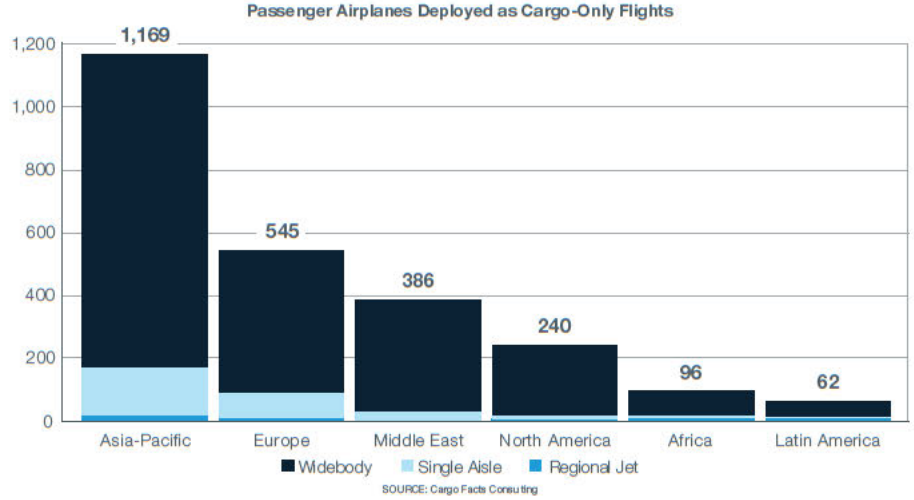


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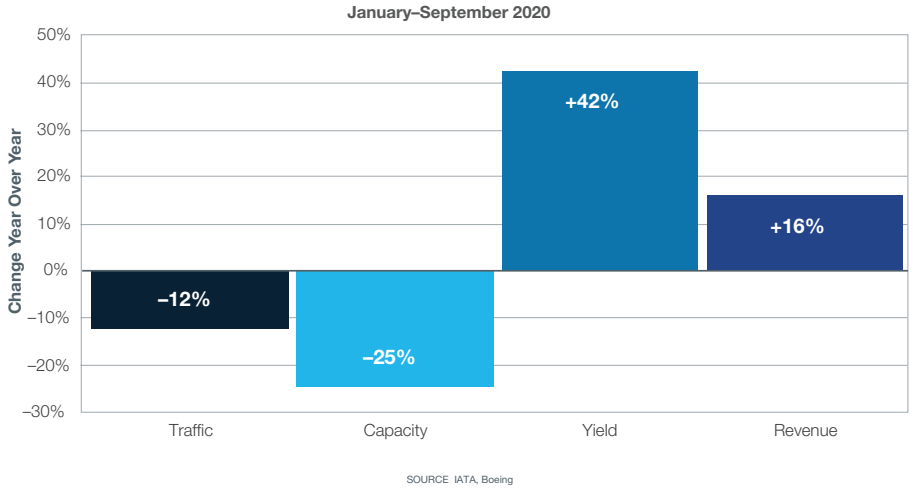


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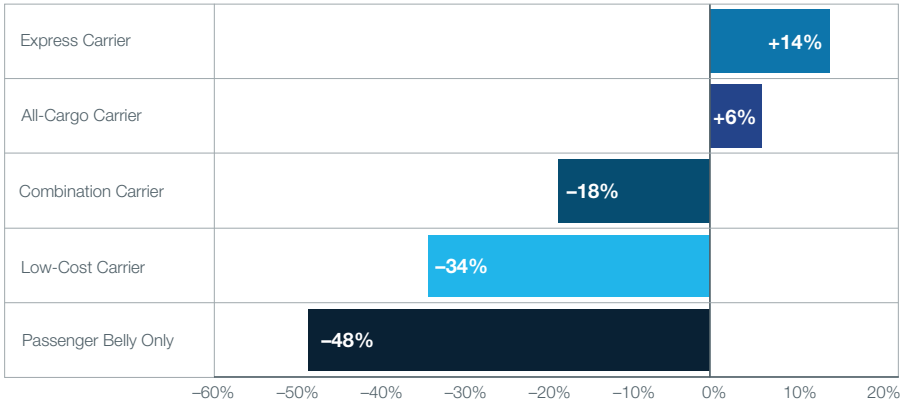


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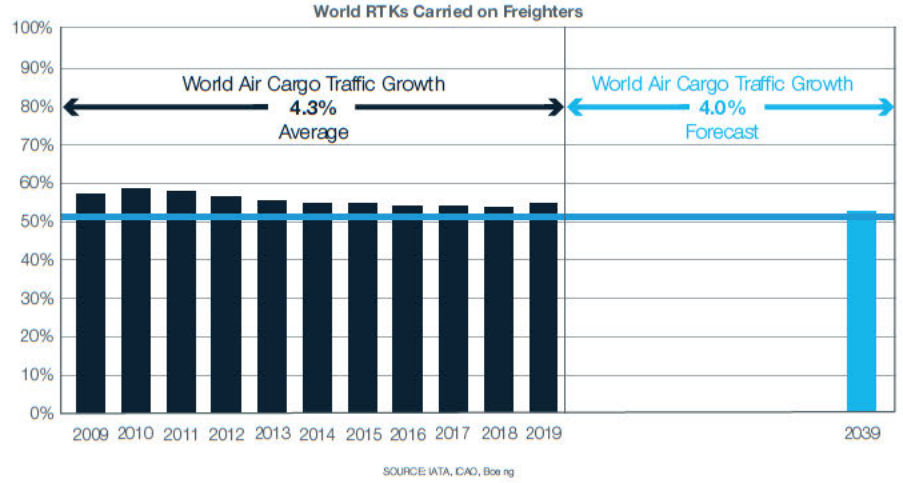


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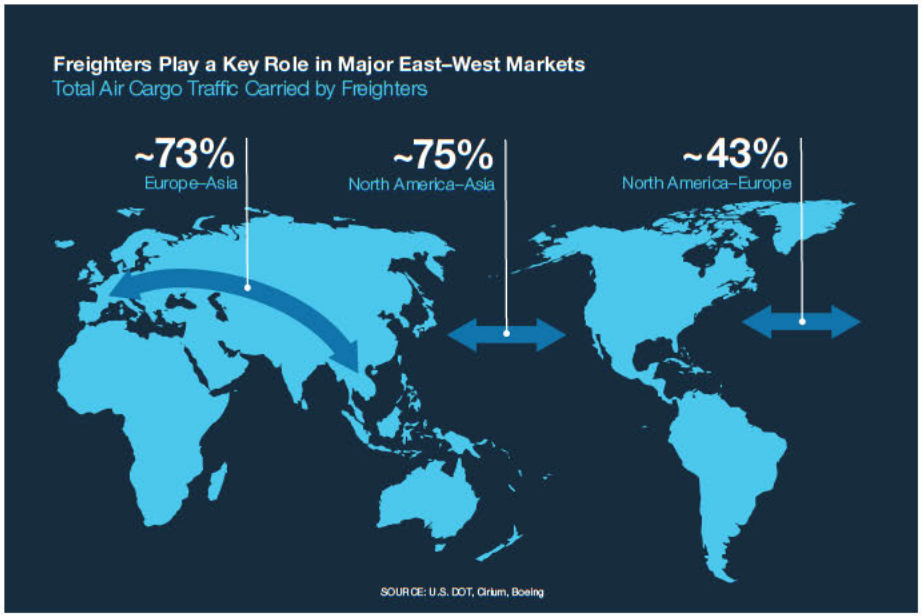
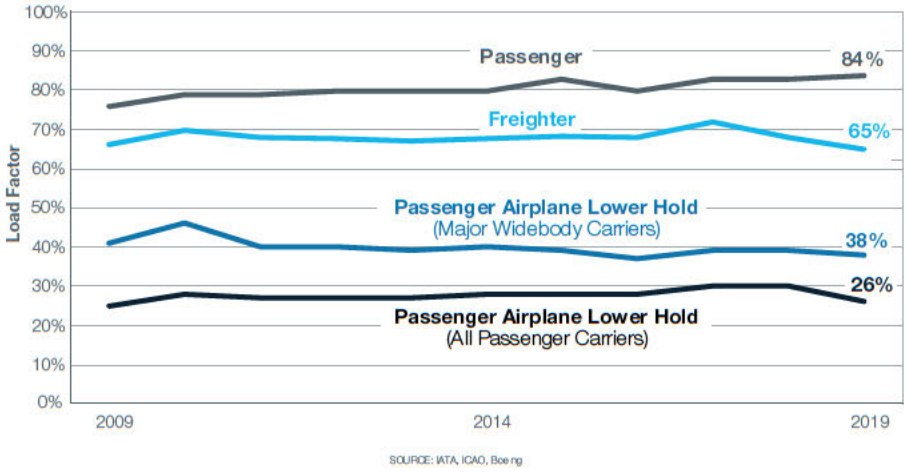
## Freighters and passenger lower-hold dynamics

There are two options for air cargo transport — dedicated freighters and passenger aircraft lower holds (also referred to as passenger belly capacity) — and each offers unique advantages. Freighters are particularly well suited for transporting high-value goods because they provide highly controlled transport, direct routing, reliability and unique capacity considerations (volume, weight, hazardous materials and dimensions). These distinct advantages allow freighter operators to offer a higher value of service and generate nearly 90% of the total air cargo industry revenue. With the introduction of a new generation of widebody passenger airplanes with larger lower-hold capacity, more airlines are combining cargo transport with passenger operation to capitalize on additional revenue opportunities. Belly cargo space offers unique value on non-cargo routes by feeding dedicated freighter networks and providing new business opportunities for integrators. However, while lower-hold capacity in widebody airplanes serving long-haul missions has increased in recent years, several parameters can limit the cargo operations in passenger aircraft. The reduced height of the lower deck can limit volumes. Different security standards and regulations may restrict commodities that can be shipped in passenger airplane lower holds. From a network standpoint, freighter routes are highly concentrated on relatively few trade lanes, especially in the world's two largest trade routes, East Asia–North America and Europe–East Asia.

In contrast, passenger networks are much broader and often include destinations where cargo demand is minimal. This difference in passenger and cargo traffic distribution explains the considerable load factor difference in belly space and freighters, which average approximately 30% and 75%, respectively over the last decade. In addition, range restrictions on fully loaded passenger aircraft and limited passenger service to major cargo airports make freighter operations essential. For these structural reasons, freighters are forecast to carry more than half of the world's air cargo for the next 20 years.




**Freighter Cargo Load Factors Double That of Passenger Lower Holds**

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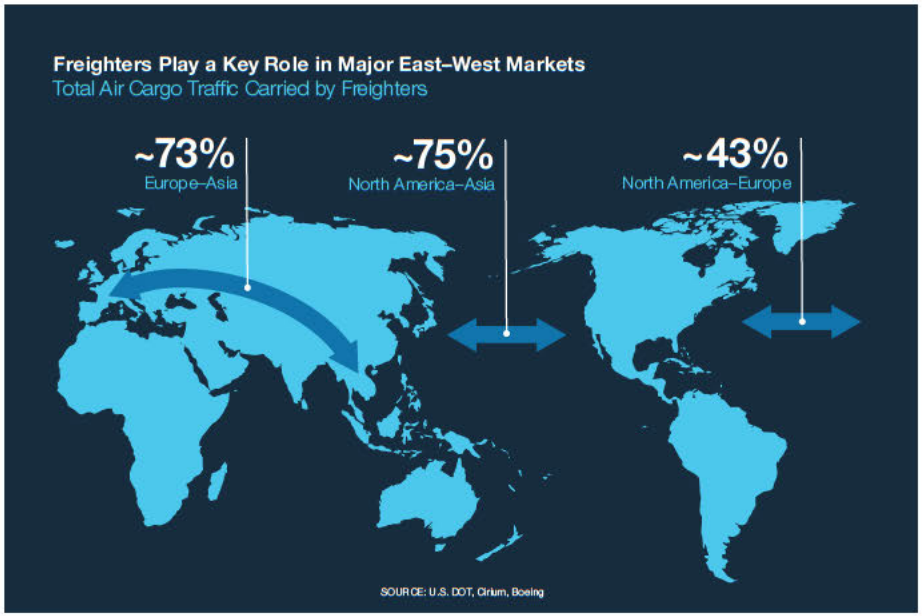


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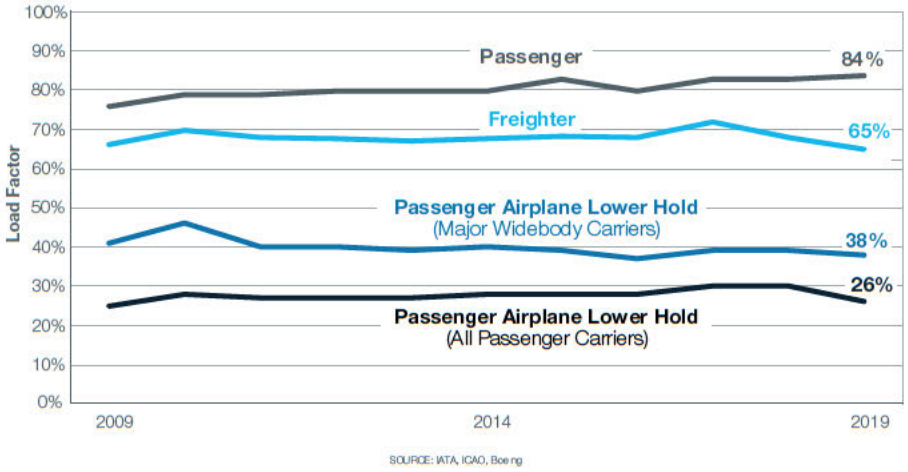


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| | |
|---|---|
| | offsetting, are exempted from the offsetting requirements of the CORSIA, while retaining simplified reporting requirements. The requirement to monitor, report and verify $CO_2$ emissions from international aviation is thus independent from the offsetting requirement.<br><br>The data reported by States will be used for the calculation of the CORSIA baseline (see question 2.17 for more details on CORSIA's baseline) as well as for the calculation of the aeroplane operators' offsetting requirements, where applicable. |
| 2.11 | Can an aeroplane operator have offsetting requirements, even if its State of registration does not participate in CORSIA offsetting? |
| | Yes. Because of the CORSIA's route-based approach, an operator operating on routes between participating States would be subject to the offsetting requirements under the CORSIA, no matter whether its State of registration participates in CORSIA offsetting or not. |
| 2.12 | What would happen to the CORSIA emissions coverage if an operator of a non-participating State flies on the routes between participating States (e.g. fifth-freedom traffic right)? |
| | Because of the CORSIA's route-based approach, these routes between participating States would be subject to the coverage of emissions offsetting requirements under the CORSIA. Thus, an operator of a non-participating State would be subject to offsetting requirements if it had a flight between two participating States, and emissions from such flights would be added to the coverage of CORSIA's offsetting requirements. |
| 2.13 | What would happen to the CORSIA emissions coverage if a State without an operator undertaking international flights decides to participate in the CORSIA offsetting? |
| | States without an operator flying international flights are encouraged to participate in all phases of the CORSIA. If such a State decides to participate, international flights to and from that State to other participating States are additionally included for the CORSIA's offsetting requirements, due to the route-based approach. The total international emissions covered by CORSIA offsetting would ultimately increase. |
| | **Key design element 3: CORSIA offsetting requirements and eligible emissions units** |
| 2.14 | What is offsetting and how does it work, in general? |
| | In general, offsetting is done through the purchase and cancellation of emissions units (see question 4.20), arising from different sources of emissions reductions achieved through mechanisms, programmes or projects. The buying and selling of eligible emissions units happens through the carbon market. The price of the emissions units in the carbon market is influenced by the law of supply (availability of emissions units) and demand (level of offsetting requirements).<br><br>"Cancelling" means the permanent removal and single use of an emissions unit so that the same emissions unit cannot be used more than once. This is done after an aeroplane operator has purchased emissions units from the carbon market.<br><br>For CORSIA, an aeroplane operator is required to meet its offsetting requirements by cancelling CORSIA Eligible Emissions Units in a quantity equal to its total final offsetting requirements for a given compliance period. CORSIA Eligible Emissions Units are to be determined by the ICAO Council, and up-to-date information on eligible units is made available on the ICAO CORSIA website (see question 4.21). |
| 2.15 | How are an aeroplane operator's offsetting requirements calculated? |
| | Paragraph 11 of the Assembly Resolution A40-19 addresses the distribution of the total amount of $CO_2$ emissions to be offset in a given year among individual aeroplane operators. This is accomplished by introducing a dynamic approach for the distribution |