

Key Findings of York Aviation Report

Is a Nationally Significant Air Freight Hub a realistic prospect at Manston?



York Aviation

York Aviation is a highly experienced specialist air transport consultancy offering a range of services to airports, airlines, governments, economic development organisations, investors and other parties.

We were appointed by SHP in September 2017 to undertake an independent review of the evidence presented by RiverOak Strategic Partners (RSP) in connection with its proposal to redevelop and re-open Manston as a hub for international freight services. A summary of our report's findings is provided here (the full report is available on the Stone Hill Park website:

<http://www.stonehillpark.co.uk/images/uploads/documents/SHP-York-Aviation-Summary-Report-Final.pdf>)

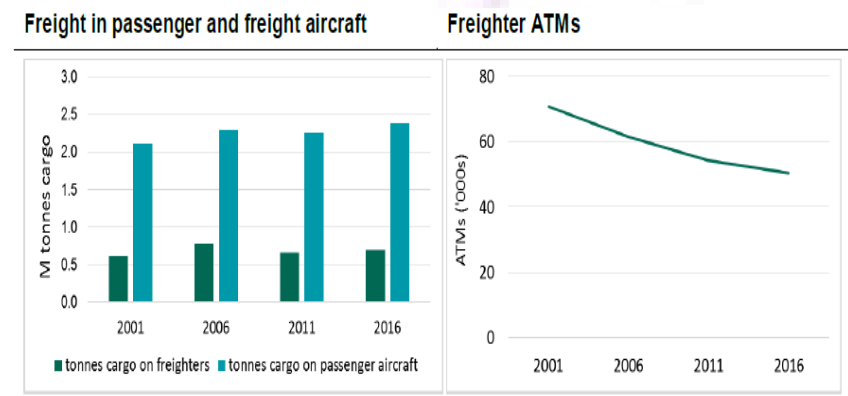


Figure 4.5 Historic freight carried at all modelled airports

Key Findings:

LACK OF UNDERSTANDING OF THE AIR FREIGHT MARKET:

- RSP rely on analysis by Azimuth Aviation of the need for more airport capacity in the South East of England. This analysis relates to the need for more passenger flights offering capacity for passengers and bellyhold freight. It does not relate to the need for more flights by freighter aircraft.
- The only freight forecasts upon which Azimuth seek to rely are those produced by York Aviation for Transport for London and the Freight Trade Association. These have been completely misinterpreted by Azimuth and do not support RSP's case for the re-opening of Manston as a freight hub.

THERE IS NO NEED FOR MORE FREIGHTER FLIGHTS TO/FROM THE UK:

- RSP is targeting the pure freighter market. In the UK, this is a niche and declining market with shippers clearly preferring bellyhold (combined passenger and freight flights) over pure freighters because of cost, flexibility and access to global route networks, even where some trucking is required as part of the journey.
- The official figures show the number of freighter flights to/from the UK has declined by over 20% over the last 15 years (see graphs on the left) and the latest Government (DfT) forecasts (October 2017) project no growth in pure freighter aircraft movements across the UK to 2050. This means that Manston would have to compete with established freight airports, such as East Midlands and Stansted, to attract any traffic at all in what is a declining market.

THE WRONG PLACE FOR A CARGO AIRPORT:

- Manston is in the wrong location to serve the freight market in any event, being located at the far south east at the end of a peninsula, away from the main centres of population and distribution in the UK.
- The key freight forwarders are all heavily concentrated around Heathrow and the main freight distribution hubs are in the Midlands.

SIGNIFICANT SPARE CAPACITY ELSEWHERE:

- There are much more efficient alternatives elsewhere for any air freight that may be displaced due to specific capacity constraints at Heathrow both now and in the future.
- There is also ample spare capacity at East Midlands, Stansted and other airports to accommodate future pure freighter activity. There is no rationale for part of the freight industry to relocate operations to Manston from better located and more efficient alternatives.

RSP'S DEMAND PROJECTIONS ARE NOT TRANSPARENT OR CREDIBLE:

- The demand projections for Manston lack any transparency there can be no confidence that they can be delivered. In the absence of any hard evidence of the need for Manston, the projections are based on information gained from a very small sample of interviewees, dominated mainly by local stakeholders with only ONE cargo airline included.
- It is simply not credible that Manston would be the 3rd busiest airport in the UK for pure freighter activity within 1 year of opening.

LACK OF VIABILITY:

- Airport operations at Manston were never viable despite investment by previous owners (including Wiggins and Infratil). More realistic forecasts of usage are that Manston might re-capture its previous niche perishables and specialist cargo business and might reach up to 2,000 such aircraft movements by 2040 (compared to the >17,000 forecast by RSP) but even growth to this level would mean regular night flights most days of the week. On any realistic projection of demand, Manston Airport is unlikely to ever be viable and would certainly not qualify for the threshold to be a DCO.

LACK OF UNDERSTANDING ON HOW SOCIO-ECONOMIC BENEFITS SHOULD CALCULATED:

- RSP's plans massively overstate the economic benefits for the area, even going so far as including in the calculations global employment where the aeroplanes are made as well as other effects arising well outside Kent or even the UK.
- Even on its own forecasts of cargo and passenger activity (which are neither robust nor credible), Manston is realistically only likely to support around 16% of the employment claimed by RSP. If the airport is not viable then the jobs supported would be zero.

CONCLUSION:

- Like Thanet District Council's own consultants, Aviasolutions, we agree that there is no realistic prospect of the re-opening of Manston Airport being a commercially viable proposition. We do not consider that the case that the re-opening of Manston Airport would constitute a Nationally Significant Infrastructure Project has been robustly made or substantiated.
- RSP's forecasts for the use of Manston lack credibility and the likely outcome would be a repeat of the previous failed attempts to establish viable airport operations.