

Summary of the report

Air freight:

the impacts

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Summary of the report which assesses the facts behind the UK air freight industry: its contribution to the economy; its impact on the environment and on local communities

Front cover by Stig www.shtig.net

Air freight has been overlooked during the last decade. Governments, campaign groups, the industry and much of the media have tended to focus on the growth in passenger traffic.

This report tries to rectify that situation. It looks at the way air freight has developed in recent years and assesses future growth projections. It outlines the environmental impact of air freight and questions whether its value to the economy is nearly as great as the aviation industry claims.

**The full report, and an airport by airport analysis, is on
<http://www.airportwatch.org.uk/airfreight.php>**

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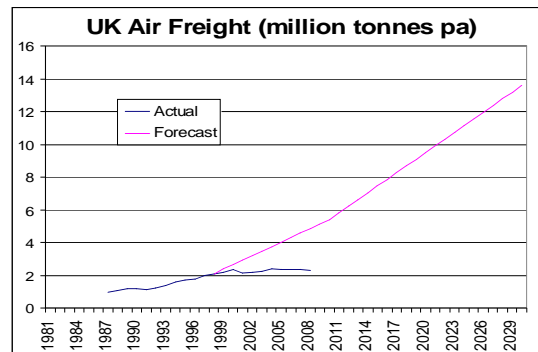
AirportWatch is an umbrella movement uniting the national environmental organisations, the airport community groups, and individuals opposed to unsustainable aviation expansion, and its damaging environmental effects, including climate change

Key Facts

UK Freight – growth has stabilised

- UK air freight grew rapidly from 1970 through the 1980's and doubled in the 1990's. It grew from 580,000 tonnes in 1970 to 2.2 million tonnes in 2002.
- In 2003, the Department for Transport forecast that freight growth would 'grow even more rapidly over the next decade. In reality, UK air freight has stabilised in the last ten years.

The divergence between forecast and actual air freight volumes is widening. It throws into doubt the Department for Transport's growth projections. And, although there is growth at some airports many Airport Master Plans seem to have seriously overestimated the growth of freight.



Global Freight is still growing

- While UK freight volumes have been stable for a decade, global air freight has maintained steady growth. Globally, air freight climbed to a high of 88.5 million tonnes in 2007. By value, this amounts to 35-40% of world trade. However, the recession is now having an impact on this growth.
- International express freight has grown at more than twice the rate of total air cargo traffic over the past decade, averaging 12.9 per cent annually.
- Global supply chains are frequently multimodal incorporating air, land and shipping legs and the different modes are interdependent. Multimodal supply chains and transshipment (goods loaded from one plane to another) means that the distance freight travels often far exceeds that between the starting point and destination.

The origins and destinations of UK freight

- Only 5% of air freight is domestic flights within the UK
- EU flights accounts for 10% of freight; the primary routes for UK air freight are the US and Asia
- Whilst the *volume* of air freight to non-EU countries is very small in comparison to road, rail and shipping, it amounts to 40 per cent by *value* of UK trade with these countries.

What freight is flying?

Air freight falls into two distinct categories. There is the freight which uses the bellyhold capacity of scheduled passenger flights and there is freight which comes in dedicated freighters on routes with high volumes. In the UK, the 2003 Air Transport White Paper suggested that specialist express carriers could account for over 50% of the air freight market by 2030. The amount of food air freighted into the UK more than trebled between 1992 and 2006.

Impact on Climate Change

While it is the case that the proportion of goods that are air freighted is small compared to other modes, the environmental impacts are disproportionate.

DEFRA has calculated the impact of dedicated freighters emissions per tonne kilometre as up to ten times those of road transport, and up to 43 times those of rail transport.

Aviation is an especially important issue for the UK's greenhouse gas reduction strategy as the Department for Transport estimated it accounts for 6.8 per cent of emissions. In order to meet the UK's carbon emission reduction targets by 2050, to offset aviation's rising emissions, all other sectors would have to reduce their emissions by 90 per cent instead of the already challenging target of 80 per cent.

Aviation industry bodies acknowledge that it is difficult to disaggregate cargo from passenger flights to assess the GHG emissions separately, especially when considering freight carried as bellyhold. But....

Professor Peter Morrell of Cranfield University estimated that air cargo accounts for approximately 25% of global use of aviation fuel.

Other industry sources say the figure is 20%.

Impact on Noise

Air freight leads to particular noise problems as older, less efficient noisier passenger planes are often converted to freighters. Freight at night is a particular problem. There is relentless pressure for more freight night flights, particular at airports such as East Midlands where noise is a major problem for the local communities. Night flights are often justified on the grounds that the goods are time-critical. Yet less than 20% of express freight is time-critical. This would suggest that, given the political will, the amount of freight delivered at night could be significantly reduced, bringing blessed relief to many communities.

Impact on the Economy

The negative environmental impacts of air freight are supposedly compensated for by economic benefits, but air freight's reputation as a driver for economic growth merits scrutiny. Proponents of expansion of air freight argue that it is a crucial driver of economic growth but there is a lack of in-depth analysis of the economic impacts. As UK air freight has flatlined for a decade, the case for a causal relationship, or even a correlation, between air freight growth and GDP growth appears to be weak.

Air freight's economic benefits also need to be balanced against tax breaks and subsidies. Air freight, as with aviation as a whole, benefits from tax breaks and is even more lightly taxed than passenger travel, as it does not pay the equivalent of Air Passenger Duty.

Government agencies also financially support freight-related expansion through subsidies for freight hangars, business parks, research and lobbying. There is a lack of accountability about these subsidies - considerable funding is channelled via unaccountable Regional Development Agencies (RDAs). Lax planning regulations on airport sites and around the Masterplan framework mean that expansion frequently takes place outside the process of democratic debate.

The UK is running a £20 billion annual trade deficit in air freighted goods with non-EU countries – the countries which account for 85% of our trade in air freight.

The UK is affected by air freight trade imbalances, with a significant air freight export deficit in trade with all world regions. This is particularly marked in air freight between the UK and non-EU countries, which accounts for 85 per cent of UK air freight. UK imports from outside the EU at 1,663,000 tonnes are over four times the weight of exports. There is also a gaping trade gap in UK air freight outside the EU in terms of value, at £20 billion. This highlights inefficient resource use, and casts doubt on the economic benefit to the UK in terms of export earnings and the purported job creation benefits of expansion. Air freight expansion could be enabling relocation of employment to lower cost locations, raising the question of whether air freight expansion is more effective at exporting jobs from the UK than goods.

Furthermore, there are indications that recently opened logistics facilities at airports are highly mechanised creating few jobs in relation to the scale of the developments, and are not being utilised as anticipated. The evidence base that businesses consider air freight to be of crucial importance to growth and investment is inadequate, and there are indications that the security and reliability of air freight, rather than speed, are deciding factors for this choice of mode of transport. The fallibility of the forecasts for, and purported benefits of, future air freight suggest it is time to reassess the future size and contribution of the industry.

The fallibility of air freight forecasts, and uncertainty about its purported economic benefits suggest it is time to reassess the claimed advantages of the anticipated growth of air freight.

What are the busiest freight airports?

1. Heathrow – 2008: 1,397.054 tonnes

Handles over 50 per cent of UK cargo, 94 per cent bellyhold; 86 per cent of all UK belly freight

2. East Midlands – 2008: 261,507 tonnes

The largest 'pure freight' airport in the UK, which means almost all dedicated freighter aircraft; also some bellyhold freight. Plans to quadruple freight volumes by 2016. East Midlands handled 34 per cent of all freight carried by dedicated freighter aircraft in 2008

3. Stansted - 2008: 197, 378 tonnes

99 per cent of Stansted cargo in dedicated freighters and this is projected to continue although greater diversity in passenger aircraft mix and more long haul services could increase bellyhold freight.

4. Gatwick – 2008: 107,702 tonnes

Currently has cargo centre covering 11 hectares with 23,000 m² of cargo shed floorspace. Freight volumes have been falling since a peak of 320,000 tonnes in 2001

5. Manchester - 2008: 141,781 tonnes

Manchester Airport's World Freight Centre is situated close to Junction 6 of the M56, about 100 freight forwarders and agents are located on the site. In February 2007, with the support of a government loan, Pangaeon opened a 743 sq metre temperature controlled or 'perishables' handling centre.

6. Belfast – 2008: 36,115 tonnes

Plans freight volumes of 109,000 tonnes by 2030, almost triple 2007 tonnage, with a high figure of 148,000.

**For more on the freight picture at airports see *Airport by Airport Outline*
<http://www.airportwatch.org.uk/airfreight.php>**

**This is a four page summary of *Air Freight: the facts*, the full report on air freight,
written and researched by Rose Bridger and published by AirportWatch.**

The full report is available: <http://www.airportwatch.org.uk/airfreight.php>

This summary has been compiled by John Stewart and Rose Bridger. Graph by Paul Grimley.

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