

The Case for UK Airport Expansion - The Freight Industry's Perspective

Most of the headlines around UK airport expansion have been dominated by the political battles about where new runways should be built and the impact this will have on the environment and local communities.

What gets lost in these arguments is the reasons for wanting to expand airport capacity in the first place, and especially from the freight industry's perspective. The position put to the general public is that it is all about passenger numbers, boosting the domestic tourist industry and making it easier for us all to jet off on holiday.

But the future of UK commerce and industry as a whole has a huge stake in the development of a modern, efficient aviation infrastructure fit for purpose in the 21st Century. The movement of goods, both import and export, is vital to the economy. But with present airport capacity under severe pressure, the ability of the freight industry to provide those crucial trade links is hampered.

Rising demand

Demand is rising, driven especially by the boom in e-commerce and way the internet has opened up global retail.

The challenge for e-commerce is matching delivery to the point-of-sale experience. Consumers are now able to browse and buy goods from anywhere in the world online, and they want receipt of those goods to be just as efficient and pain free. Using Amazon to buy goods from China, the US or anywhere else in the world, consumers are increasingly expecting delivery within a few days, matching the time it would take to receive goods domestically. That is pushing up demand for air freight.

The same applies to exports. [Government figures](#) from 2013 showed UK online retail was worth £32 billion to the economy, and £4.2 billion of that was overseas trade. Anticipating the overall value of e-commerce to double by 2018, UK Trade & Investment has pushed hard to increase opportunities for major UK brands to export more goods through online sales.

Again, this creates additional demands on air freight, demands which need to be met to meet key strategic economic goals. Greater airport capacity would allow for more competition and choice in air freight, driving down prices and providing better service to importers and exporters alike.

The Brexit factor

The decision to leave the EU has only increased the urgency with which we need to address airport capacity. Before the results of the referendum on the UK's EU membership, it was

taken for granted that should demand finally outstrip capacity at our the major UK airports, then Europe's major airports could be utilised as the fall-back position.

For example goods from outside the EU could be flown into Paris Charles de Gaulle or Amsterdam Schipol, and then transported by road or rail into the UK.

With the UK voting to withdraw from the EU, this has rendered the fall-back position somewhat redundant, if not more costly and is looking certain to increase the transit time of any imports/exports routed via continental European airports. With Britain outside the EU, bringing goods overland through mainland Europe Would potentially require both import and export customs procedures and possible tax and duty levels to be paid over again once they reached the UK border. Plus, the tightening of border controls at UK ferry ports is expected to play havoc with road haulage, potentially leading to huge bottlenecks and waiting times.

The UK's freight industry can play a major role in helping to return the economy to strong growth post-Brexit. It can help to realise the full potential of global e-commerce, meeting consumer demands on receipt of goods, and helping the UK readjust its trade focus by embracing new opportunities beyond the EU.

But to achieve that, the industry must be able to meet the increased in demand. As such it must have the airport infrastructure which allows it to do so.

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