Aviation Strategy – Transport Scotland

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About Logistics UK
Logistics UK is one of Britain's largest business groups and the only one providing a voice for the entirety of the UK's logistics sector. Our role, on behalf of over 19,000 members, is to enhance the safety, efficiency and sustainability of freight movement throughout the supply chain, across all transport modes. Logistics UK members operate over 200,000 goods vehicles - almost half the UK fleet - and some one million liveried vans. In addition, they consign over 90 per cent of the freight moved by rail and over 70 per cent of sea and air freight.

Transition to low and zero emission aviation
1 What more, if anything, should the Scottish Government and industry do to accelerate the transition to low/ zero emission aviation?
Work is already underway with airlines continuously upgrading their fleets. New planes are much more fuel efficient and have quieter engines. The use of biofuels or jet fuel created from energy from waste is increasing and ground operations are moving quickly towards becoming carbon neutral. The industry is constantly addressing environmental concerns and using innovative solutions to decrease waiting times for planes through digital platforms, making operations more efficient. Logistics UK would support any Scottish Government incentives to develop sustainable aviation fuels (SAFs) and zero emission flights. SAFs are cost-prohibitive and any advances that can be made to reduce production costs would increase the market use and ultimately reduce emissions sooner rather than later. There have been significant advances made in electric aviation, with test flights operating between the Scottish islands. Any further support the Scottish Government could give to testing would not only benefit the advancement of electric flights but also local economies where the test sites are located. There may be scope to provide additional incentives to encourage more operators to use these locations for testing.
2 What can the Scottish Government do to help increase the use of sustainable aviation fuels (SAF)?
Within the Scottish Government's economic powers, there is scope to provide financial incentives via, for example, non-domestic rates, to incentivise the use of sustainable aviation fuels (SAFs). Other options could include grant funding for purchase of SAFs. As the cost of SAF comes down, use should also increase. It is therefore important to support research and development of SAFs, as per question 1.
Freight
22. What more, if anything, do you think the Scottish Government can do to help promote efficient and sustainable airfreight transport?
Scotland's economy faces the challenge of geographical peripherality, and it is therefore vital that its freight transport and logistics links are organised and structured to prevent this geographical peripherality becoming an economic challenge. Scotland is a net exporter (unlike the UK as a whole) mainly due to its food and whisky exports to global markets. Much of Scotland's air freight is trucked to, and flown out of, Heathrow or East Midlands. It may seem counterintuitive, but to ensure air freight is efficient and sustainable, a holistic all modes approach should be taken. Road: There are key routes within Scotland's road network that need continuous improvements. The M8/M80/M74 corridor is of great strategic importance to Scotland, as are the A9 and A96, A82 and A1, providing cross-border as well as internal regional links within Scotland. There is also the key route of the A75 linking the key ports of Cairnryan and Stranraer to the main infrastructure networks.

Logistics UK continues to feed into the Strategic Transport Projects Review which feeds into the National Transport Strategy. Whilst supporting Scotland's ambitions to reach Net Zero by 2045, it is important to recognise the importance of maintaining and improving Scotland's trunk road network, to ensure connectivity with the rest of the UK and beyond.

Nearly 90% of Scotland's freight is moved by road, and at some point most freight will rely on the road network within its journey. This picture is not going to change drastically in the future even if we make a further success of rail and water freight. Therefore, it is vital to the Scottish economy that the road infrastructure continues to be invested in, to keep pace after the years of under-investment since 2008 (as per Transport Scotland's "road asset management plan").

Sea:

In Scotland, private ports predominate and, as well as being modes for transfer of goods from land to water, they support a large range of related industries and functions, ranging from full scale manufacturing and processing to storage and consolidation of cargo in transit.

Most international freight arrives or leaves the UK by sea and the Scottish share of UK port traffic was just over 14% at 71.4 million tonnes (in 2014). The three major ports (Clydeport, Forth Ports and Aberdeen) carry the bulk of all Scottish throughput.

A huge proportion of the goods leaving Scotland for non- UK destinations are moved by ships and planes which leave from England.

The most significant airport for the Scottish supply chain is Heathrow, and the most significant ports are the English southern ports (Felixstowe, London Gateway, Southampton, and Dover).

It is important that the Government and MSPs understand this relationship and the trend in international shipping and aviation to hub out of key central locations in northern Europe.

With Scotland too far north to be a main port of call, it is therefore reliant on quality road and rail links to these hubs. Improving Scotland's aviation and shipping supply chain is not exclusively about airports and ports in Scotland.

Other aims

23. What else do you think the Aviation Strategy should try to achieve?

Logistics UK would take this opportunity to highlight the importance that any infrastructure/supply chain strategy is looked at alongside any relevant UK Government strategy. Scotland's infrastructure is very much a part of the wider UK infrastructure and it is important that no elements are looked at in isolation, which in turn could potentially hamper the fluidity of the supply chains that provide Scotland with the goods that it needs.

As mentioned above, Scotland's economy faces the challenge of geographical peripherality, therefore, there is no point in developing Scotland's road or rail networks without ensuring suitable and efficient cross-border links which are vital to Scotland's supply chain are also in place.

Freight costs are a cost to UK and Scottish society – a friction cost on the economy. Anything that reduces freight costs reduces the cost of living, and of doing business, in Scotland. Anything that adds costs marginally disadvantages the UK's and Scotland's international competitiveness.

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