

# AIRPORT DEVELOPMENT NEWS

## A service provided by ACI World in co-operation with Momberger Airport Information

### AFRICA

**Namibia: When the upgrading of Walvis Bay Airport is completed in October 2007, Namibia will inaugurate its second international airport.** Being able to accommodate the world's largest aircraft such as the Airbus A380 and Boeing B.747, even in harsh weather conditions, the airport is also expected to become a stopover and refuelling station for inter-continental flights. **The upgrade is part of a larger project funded by the Spanish government to the tune of more than US\$ 35 million.** Works, Transport & Communications Minister Joel Kaapanda said that the airport was set to become a strategic location for trans-Atlantic travellers and would open new doors to trade with Europe, especially for fresh fish products. He believes the 2010 FIFA World Cup in South Africa will also be a considerable boost.

**Mozambique:** President Armando Guebuza on 5 April 2007 laid the first stone in the project to modernize Maputo International Airport. The undertaking, budgeted at US\$ 75 million, will be carried out by the Chinese company An Hui Foreign Economic Construction Corporation (AFECC). "Within approximately 20 months there will be a powerful building standing here, an outstanding architectural reference point in our country," declared Guebuza, addressing dozens of guests and government officials, who took part in the event. Guebuza admitted that "modernizing and expanding the airport is not, in itself, synonymous with the development of Mozambique." Nonetheless, the airport had a great deal of potential to participate in development, as part of "a range of complementary, co-ordinated and synchronized activities." He noted that with the modernization of the airport, Mozambique would be in a better position to take advantage from the large number of tourists who will visit the region in 2010 because of the football World Cup to be held in South Africa. He hoped that visitors to Mozambique in 2010 would spread the news of the country as a tourism and investment destination. The airport, built about 45 years ago, is to be expanded to cater for 900,000 passengers a year, compared with the current 300,000, said ADM Chairman Diodino Cambaza. The new terminal will have five telescopic gates allowing direct access to aircraft: currently access is simply by walking across the tarmac. The existing domestic passenger terminal will be converted into a shopping area, a new VIP pavilion will be built, and the airport car park will be expanded.

### ASIA

**Georgia:** Britain's SPM plans to invest US\$ 35 million in a new cargo terminal in Tbilisi International Airport. SPM and the airport signed an agreement on the project on 15 March 2007. According to the document, the cargo terminal will be built at the airport within a year. SPM will own the terminal for 49 years. The company's local representative, Mr Kervalishvili, said the new terminal is of strategic significance as "it will make it possible to increase cargo turnover at Tbilisi Airport several times over. According to calculations by specialists, cargo transport through Georgia to Europe will be 20% to 22% cheaper than freight transportation which is currently carried out through Dubai," he said. Tbilisi International Airport acting General Director Temur Chkhaidze said that the British company would pay US\$ 100,000 rent for the terminal per year.

**United Arab Emirates: The on-going and dramatic expansion of Sharjah Airport will be supported by the creation of Sharjah Aviation Services, which will deliver a broad range of passenger, ramp and cargo handling services for airlines and their customers at the airport.** The announcement of the joint venture between the Sharjah Department of Civil Aviation and Air Arabia, the low-cost carrier based at the airport, was made in late January 2007 by Sheikh Abdullah bin Mohammed al-Thani, Chairman of the Sharjah Department of Civil Aviation. -- Passenger traffic through Sharjah increased more than 36% in 2006, with the airport processing more than 3 million passengers. Once the current US\$ 92 million expansion programme is complete, Sharjah will be able to handle up to 8 million passengers a year.

**India: The Central Government is considering the development of some 300 airfields and 35 non-metro airports with private participation to decongest the country's main airports.** The modernization of the Mumbai and Delhi airports and construction of greenfield airports at Bangalore and Hyderabad has started. -- India is a bright spot of opportunity, ranking among the top six fastest growing markets in the world. International passenger growth is forecast at 7.9% annually to 2010, while freight will expand even faster at 8.2%. India's growth in 2005/06 was three times the world average.

### EUROPE

**Turkey: A Fraport-led consortium has won the international bidding procedure for operating all of the passenger terminals at Antalya Airport (AYT).** The award is being contested by a second consortium consisting of Vienna International Airport and the local firm Celebi Ground Handling. If the courts do not rule otherwise, Fraport and IC Holding of Turkey will operate the domestic terminal as well as the first international terminal, which is currently managed by Fraport, from mid-September 2007. Then, in September 2009, the consortium will take over operations of AYT's second international terminal currently run by IC. An established Turkish construction company, IC has become a leading real-estate developer in recent years. In addition to owning AYT's Terminal 2, IC runs numerous hotels in Antalya and recently won a concession for harbour development in Istanbul.

**The concession for operating all three Antalya terminals runs until the year 2024.** The new operating company has agreed to make a total concession payment of about EUR 2.37 billion (US\$ 3.2 billion), of which 3% is due upon signing the contract. Following the take-over of terminal operations, the remaining sum will be paid by the operating company in instalments over the duration of the contract up to the year 2024. -- Welcoming some 14.8 million passengers in 2006, Antalya Airport is the most important tourist gateway to the Turkish Riviera. Since the inauguration of Fraport's BOT project (Build, Operate, Transfer) at AYT in 1998, passenger traffic has soared by 130% - or more than 12% per year.

**Bulgaria: Tishman International of the USA will invest up to EUR 250 million (US\$ 338 million) in a logistics centre located some 300 m away from Sofia Airport.** Construction of the 'Sofia Airport Centre' was launched at the beginning of 2007 and will be finished in five years, according to the Director of Tishman International Companies, Alan Levi. The logistics complex will have a built-up area of 256,000 m<sup>2</sup>. The office buildings will take up about 100,000 m<sup>2</sup>, while the logistics areas with multi-level underground parking lots will occupy 20,000 m<sup>2</sup>. Sofia Airport Center will have a first-class hotel with 250 rooms. Construction of an artificial lake and a park are also being planned. The first stage of the Sofia Airport Centre project is slated for completion by the end of 2008.

## **LATIN AMERICA/CARIBBEAN**

**Uruguay: Extension and remodelling work at Montevideo's Carrasco International Airport by concessionaire Puerta del Sur has been initiated** and is expected to be finished in 2009. The project includes a **new passenger terminal and a new runway** that will allow operations with widebody aircraft. With a total investment of US\$ 134 million, Carrasco International will get a modern terminal with enough capacity to meet an annual demand of 3 million passengers. **The new building will be designed by Architect Rafael Viñoly**, a well-known professional with offices in New York and London, who has won international bids. With a surface area of 39,500 m<sup>2</sup> on two levels, the new terminal, equipped with boarding bridges, 30 check-in counters, and 18 border control positions, will be one of the most modern worldwide, as well as one of the most important in South America. Furthermore, the plan foresees the future addition of another 100,000 m<sup>2</sup> for commercial developments. In addition, the project includes a new runway that will allow operating large aircraft and a parking area with capacity for 1200 cars.

**Paraguay: The Government is currently undertaking an ambitious US\$ 139 million modernization project at Asunción's 'Silvio Pettrossi International Airport' (SPIA)**, financed by the U.S. Trade & Development Agency (USTDA) and administered by the Inter-American Development Bank (IDB). To increase the competitiveness of SPIA, which handles about 800,000 passengers and 12,000 tonnes of cargo annually, IDB has commissioned the U.S. Berger Group to conduct a feasibility study for the rehabilitation and modernization of the facility. The team first evaluated future traffic demand and the condition of the airport's existing facilities. Berger then prepared an updated master plan for SPIA and its surrounding areas, including airside improvements, terminal upgrades and commercial facilities. Upgrade to ATC equipment, runways, taxiways, aircraft maintenance and cargo handling facilities and airport access roads were also proposed. Additionally, a community survey was conducted to determine the noise-related impacts from current airport use, and Berger experts proposed controlled development in the surrounding areas to reduce undesirable noise levels. Following the team's studies, a detailed final report was submitted to IDB, the Government of Paraguay, and airport officials, outlining Berger's findings and recommending improvements.

**Honduras: The country's Culture & Tourism Authorities have shown UNESCO the project of building an airport in Copán in Río Amarillo that will not affect 'Copán Ruinas' Archaeological Park.** Moreover, they have also proved they already have US\$ 10 million available for its construction. Guillermo Seaman, Director of the Civil Aviation Authority, ensured the construction of the airport in Río Amarillo would boost tourism in the region near the archaeological park. "We will begin this project with capacity to handle small aircraft only using a contribution of 10 million dollars the Secretariat of Tourism has available," the official confirmed. Different environmentalist groups and the local citizens in general consider the idea of building an airport in Río Amarillo a threat for the archaeological park, which is a world heritage for Maya culture. -- In the meantime, the President of Honduras, Manuel Zelaya, announced that a new place was chosen to build the airport with a 1800-m runway for accessing the Copan Ruins. The new site is in the Concepción area. With the new airport, tourists will be able to arrive directly when they come to visit the Copan Ruins. In the past, they had to travel by car from Guatemala. Tourists coming from San Pedro Sula and Islas de la Bahía will also benefit since they can board their return flight in the Copán area when they leave the country.

## **NORTH AMERICA**

**Canada: The Conservative government plans to inject small airports across Canada with CAD 33 million (US\$ 29 million) to fund safety upgrades** in an effort to address the chronic under-funding of regional airports. Transport Minister Lawrence Cannon said the Government will invest in 28 new projects in 2007- 2008 to boost safety at mainly small and regional airports. The capital funding will go toward a range of upgrades, such as CAD 2 million for the purchase of fire-fighting vehicles at the Abbotsford Airport, B.C. and CAD 382,185 for a replacement snowblower at the airport in Sioux Lookout, Ont. "These projects will improve airport safety and protect Canadians. They will also boost the economic potential of the airports and surrounding communities," Mr Cannon said. **The funding is part of a five-year project under Transport Canada's Airports Capital Assistance Programme to distribute CAD 190 million to airports in need by 2010.** The money is typically reserved for safety improvements at smaller airports that have year-round regularly scheduled passenger service.

**U.S.A.: Goldman Sachs, Deutsche Bank, Australian infrastructure specialist Macquarie, and Spanish airport operator Ferrovial have all expressed interest in the proposed privatization of Chicago Midway Airport (MDW).** Up until now, only one U.S. airport, Stewart International in Newburgh, NY, has been allowed to go private under a decade-old FAA pilot programme that calls for up to five U.S. airports to privatize, just one of which can be a large hub airport. A deal for MDW could generate up to US\$ 3 billion. But the sale faces several obstacles, foremost being the issue of foreign ownership. Another major hurdle is that 65% of the carriers serving MDW have to approve the deal. These airlines may push for a cap on landing fees, while the bidders will likely call for a fee schedule to make the acquisition profitable. Airlines fear that

privatization will raise their operation costs, an issue that cost Macquarie a court case filed by Virgin Blue over anticompetitive practices at Sydney Airport.

## **PACIFIC**

**Malaysia: Malaysia Airports Holdings Bhd is spending about MYR 180 million (US\$ 52.3 million) to upgrade facilities and services at Kuala Lumpur International Airport (KLIA) to accommodate the Airbus A380.** The upgrading works include expanding the second runway, taxiway and lounges. The runway shoulder width has been increased by 15 m on both sides. Three mezzanine gate holdrooms – C17, C27 and C37 – in the satellite building are being upgraded and will get new boarding bridges for upper-deck passengers and work should be completed by the end of May 2007. -- In its first eight years since commissioning in 1998, KLIA handled over 138 million passengers. In 2006, it was voted as the 'World's Best Airport in the 15-25 million passengers/year category' in the AETRA 2005 survey. It also bagged the third place for both 'Best Airport Worldwide' and 'Best Airport in Asia Pacific' categories.

**Vietnam: A new Hanoi-Hai Phong international airport has been suggested by planners as necessary to meet the increasing demand for air travel in the country's northern region.** The proposed airport would be located in the province of Hai Duong because of its location between the cities of Hanoi and Hai Phong and its greater proximity to major tourist, mining and production centres in Quang Ninh Province than the current Hanoi Airport. At a recent meeting in Hai Duong Province, Nguyen The Ba, Chairman of the Vietnam Association of Urban Development & Planning, said construction of a new international airport would enhance the country's economic development by making the northern economic region more accessible to air transportation. "Many foreign investors and enterprises have expressed interest in investing in northern Vietnam if it has a large-scale international airport in the region," said Ba. **To meet future air traffic demand, planners said the new airport would need to have a capacity of 60 to 80 million passengers and 1.5 to 5 million tonnes of cargo per year.** It would need to be built on an area of about 3,000 to 4,000 hectares and would require a capital investment of about US\$ 4 - 5 billion, said Pham Vu Nghi, a former director of the Institute of Airports and Aviation Projects Design. Ba explained that it would take about 10-20 years to implement the proposal. Opening the new airport during 2015-20 would coincide with the growth in demand and development expected by that time, he suggested.

**China - Macao:** In order to accommodate the rapid changes generated by the local economic environment and regional competition, a series of on-going and completed **infrastructure projects** have been carried out at **Macao International Airport**. The **South Apron expansion** is close to completion and will be in service very soon. The expansion adds an area of 65,000 m<sup>2</sup> with five aircraft parking stands, enabling the airport to accommodate up to and including Boeing 777-300ER type aircraft. The **cargo terminal expansion** project will also be completed soon, doubling the current capacity for cargo handled. It is equipped with advanced loading/unloading and inspection facilities to help solve current problems with the existing terminal. Problems, such as congestion, insufficient truck parking space and areas for loading/unloading, will then be a thing of the past. **Additional office space** will be set up for the convenience of logistics companies and freight forwarders in handling daily operations. In addition to the new infrastructure constructions, the airport has carried out improvements to existing facilities as well. They include: a drinking-water filtering system, a security check station at Gate No.2, new smoking lounges, carpet replacement in the airport and VIP lounge, the purchase of new fire fighting engines, the provision of multi-language signage, and the design phase of a new commercial project for the passenger terminal building. With the approval of Macao SAR, CAM has signed a Letter of Intent for **MIA Communication, Navigations and Surveillance (CNS) upgrade project** with CAAC North Regional Administration as the main contractor. This project will ensure that MIA's systems are in line with those of the CAAC and Hong Kong Airport air traffic control towers. The Central and the Macao SAR governments place a great deal of focus on the civil air transport development of Macao. Four key development plans have been undertaken by CAM: enhancing external co-operation for development; reinforcing human resources to optimize efficiency; integrating supply chain values to raise competitiveness; and the promotion of strong communication ties with government authorities for airport development. The airport also engaged an airport consultancy company - NACO - to work out a **five-year development plan** for the airport covering its future development direction.

**Philippines: The Government is set to complete eight airport projects worth some PHP 15.5 billion (US\$ 323 million) in 2007 to promote tourism and transportation services in five 'super' regions,** defined by President Arroyo in her State of the Nation Address (SONA) on 24 July 2006. The five regions are the North Luzon Agribusiness Quadrangle, Metro Luzon Urban Beltway, Central Philippines Mega-Region, Mindanao Mega-Region, and the Cyber Corridor, which will serve as the cyber link between the four regions. Presidential Management Staff (PMS) Director General Cerge Remonde said the eight airport projects are in Casiguran, Bulan, Kalibo, New Iloilo, New Bacolod, Siargao, Ozamis, and Cotabato. Four are due to be finished in the first half of the year (the Casiguran, Kalibo, New Iloilo, and Ozamis airports), while the rest are expected to be completed before the year ends. **The eight are among 31 priority airport projects costing PHP 94.37 billion, targeted for completion by 2011 under the Medium-Term Public Investment Program (MTPIP).**

**Papua New Guinea: The Government has committed PGK 30 million (US\$ 9.9 million) for the extension and redevelopment of Tokua Airport in East New Britain (ENB) to international standard.** Once completed, Tokua will have the capability to cater for larger aircraft direct from overseas. The Government has already released PGK 3 million for work to begin. ENB is a part of the PNG Tourism Promotion Authority's Model Province concept which has identified four provinces for development as stand-alone tourism destinations. Scoping studies for the four provinces - Madang, Milne Bay, ENB/Kavieng & Eastern Highlands - have been completed and PNGTPA will hand the final reports to the respective provincial governments soon. These will take ownership of the projects identified for development and drive them with the assistance of the national government through PNG TPA.

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*Approx. U.S. dollar exchange rates as of 13 April 2007 (Yahoo Currency Converter)*

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