

# AIRPORT DEVELOPMENT NEWS

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## AFRICA

**Morocco: Royal Air Maroc (RAM) and the Office National des Aéroports (ONDA) have signed an agreement for a new cargo terminal at Casablanca's Mohammed V Airport.** The agreement is for a multi-purpose platform covering a surface area of 30,000 m<sup>2</sup> on a 44,000-m<sup>2</sup> site, handed over to RAM by ONDA. The total cost of the project is estimated to be about MAD 120 million (US\$ 13 mn), including MAD 80 million for the cargo terminal proper which will be operational sometime during 2007. Provided with the very latest processing equipment and state-of-the-art computer systems, this terminal will entail many substantial improvements in terms of productivity and service quality. -- Air cargo at the airport in 2004 saw a jump in volume to 55,000 tonnes, i.e. an increase of 7.5% compared to 2003. The pace at which this activity is growing is expected to accelerate, given the rate of increase of Moroccan exports and external trade foreseen by 2010. For this purpose and given the role of Mohammed V Airport as a regional trading platform (handling 87% of the total cargo volume), Mohamed Berrada, President and General Manager of RAM and Abdelhanine Benallou, General Manager of ONDA, signed the agreement designed to match air cargo growth and improve the standards of quality, security and competitiveness.

**Nigeria: A comprehensive Master Plan to provide critical infrastructure and generally grow Nigeria's aviation industry in the next 25 years is to be drawn by the Federal Government.** A 12-member Committee on the Development of Civil Aviation (CAMP) chaired by Eng. A.I Ozoka, Director, Accident Investigation & Prevention Bureau in the Federal Ministry of Aviation has been constituted to carry out the assignment. The Master Plan will ensure that the nation's civil aviation sector was safe and efficient and that its operations were in conformity with standards and recommended practices of ICAO. -- ICAO is providing US\$ 120,000 out of the entire budget of US\$ 300,000 already drawn up by the Ministry, and the Nigerian Government - through the Ministry of Aviation - will provide the balance.

**The Federal Airports Authority of Nigeria (FAAN) is looking for partners to invest in the country's airports and has singled out a number of areas as part of its quest to improve the airport infrastructure.** The Authority is looking for help within the country and from foreign investors. Nigeria has 20 airports, four of them with international status. The FAAN hopes to upgrade its infrastructure with hotels, shopping and recreational facilities. It has circulated a flyer outlining the details and the non-refundable premiums required for various airport sites.

## ASIA

**UAE: Authorities in Dubai have announced the world's largest airport - Jebel Ali International (JXB) - to be built at a cost of AED 30 billion (US\$ 8.2 bn) to handle up to 120 million passengers per year.** The Department of Civil Aviation launched Jebel Ali Airport City (JAAC), a 140-km<sup>2</sup> development during the Dubai Air Show. The Dubai Civil Aviation Director for Engineering & Projects, Khalifa al-Zaffin, said the project is designed to serve Dubai's passenger and cargo air transportation needs until 2050 and beyond. It will have at least six parallel runways and concourses to handle more than 120 million passengers and more than 12 million tonnes of cargo per year. **The project will be completed in phases, and the first aircraft will land in the first quarter of 2007 on completion of Phase 1.** Grading work for the first 4500-m runway is already at an advanced stage and, when completed, it will cater for a significant portion of air cargo transported through Dubai. The project will be financed through internal resources and consortium banking.

At the core of JAAC, and scheduled to be the project's first component to launch operations at the end of 2007, is **Dubai Logistics City (DLC)**, a free zone for businesses which require or provide logistics and multi-modal transport services to the Gulf region, wider West Asia, India, Africa, South East Europe, and the CIS. The 25-km<sup>2</sup> DLC development will also feature office buildings, and will provide lands for industrial businesses, trading companies, distributors, logistics service providers and forwarders, shared facilities, such as warehouses and modern air-side cargo handling facilities. -- Other Jebel Ali Airport City developments include Commercial City, Aviation City, Residential City, a Golf Resort, a Science and Technology Park and Exhibition City.

**Iran: Qeshm International Airport is to be developed along the proposals of a Master Plan** prepared by Airways International Ltd - Leading Edge Aviation Planning Professionals (LEAPP) to handle 1 million passengers by the year 2015. Serving the largest of Iran's three island free-trade zones, the airport currently handles some 180,000 passengers annually. The 4230-m runway and all technical facilities need upgrading. -- Contrary to Kish Island, Qeshm is mainly an industrial zone. So far more than 70 industrial companies have started operations in Qeshm, mainly in the areas of chemicals, home appliances, electronics, textile, woodworks and agricultural machinery.

**India: IATA has taken the unusual step of warning India that it needs to quickly increase capacity and improve air traffic control at the country's two major airports - New Delhi and Bombay - to ensure safety and sustain the country's air travel boom.** IATA Director General and Chief Executive Giovanni Bisignani said the Association expects air travel in India to expand by about 15% annually over the next four years, but growth could falter if the country's airport infrastructure doesn't catch up. "There is an emergency situation. I really believe the Government has to act very quickly, within the next one year," Bisignani said. The airports in New Delhi and Bombay handle 63% of India's air traffic, and flights are often forced to circle in the air while waiting for a landing slot. Also, about one-third of all aircraft must wait at least 15 to 20 minutes after landing before approval is given to head to the terminal.

Air travel is booming in India. Several budget carriers launched in the past year are attracting first-time flyers, and officials expect there to be 50 million passengers in India by 2010 from 14 million now. With an outdated, short-staffed air traffic

control system, the worst fear is that a signal mix-up could lead to a mid-air collision. "I am not saying the airports in Bombay and New Delhi are not safe. But six months into the next year, you could start having safety problems," Bisignani said.

## EUROPE

**Denmark: Copenhagen Airport will be spending the next few years working to turn the airport into an international centre for all cargo transport: a hub where cargo can be consolidated and sent on by road, rail, air, and sea.** The starting point for planning future activities in real estate and rental is the customers' need for efficiency. This has led to the idea of **developing a certain part of the airport into a so-called Airport Business Park.** When the fixed link across the Øresund was built, the airport company bought 420,000 m<sup>2</sup> of reclaimed land to the east of the airfield on the sound. This is where the airport plans to develop an international cargo centre. The plan is to build on the property or to rent land to companies interested in a central location in Scandinavia and northern Europe. The airport is planning to build railway tracks leading to the area, which could be developed into a smaller goods train terminal. The close access to harbours in Copenhagen and Malmö in Sweden also provides opportunities for linking traffic further. The area also can accommodate office, warehouse, distribution and production facilities. Companies such as DHL, LSG Sky Chefs, Post Danmark, SAS Commuter, SAS Cargo, SAS Component, Wilson Logistic, and the Danish customs and tax authority are already located there. The first step towards further development of the Airport Business Park was taken in 2004 when CPH took over the former Gate Gourmet catering unit on Kystvejen road with a floor area of roughly 20,000 m<sup>2</sup>. The purchase was made to meet the needs of new lessees for more space for logistics and workshop facilities. The rebuilding of this large complex began in the autumn, and the new lessees started their activities there at the beginning of 2005. This was the first actual result of CPH's marketing of the opportunities presented by the Airport Business Park. Currently, work has begun on a new 7000-m<sup>2</sup> cargo terminal to be used by French-owned WFS (Worldwide Flight Services) who plan to begin operations sometime around March 2006.

**Russia: Moscow-Domodedovo Airport revealed its 'Building for the Future' development programme, representing an investment of around US\$ 500 million over the next five years.** The programme calls for a doubling of the passenger terminal area, certification of all runways in accordance with the ICAO Cat. 3 requirements, extension of the parking facilities, and the installation of a new baggage system with a higher level of aviation security. In 2006, the airport will open a 'minihotel' for transfer passengers and inaugurate a trade and entertainment centre called Domodedovo Plaza, including a cinema complex and roof-top café. **The development programme also calls for an upgrade of the cargo terminal and construction of a non-aviation airport complex with a new four-star hotel, logistic centres and a new educational and training centre.** The airport also has obtained certification from Russia's Federal Air Transport Agency to handle the A300 and ATR 42, opening the door for services by UTair, which plans to begin operating the ATR 42 from the airport. Domodedovo said it successfully completed a four-month test of the GK-1 access control system and will begin installation of the voice-analysis system developed by Israel's Newesysco, which will be used in passenger security screening at all customs and border control locations.

**Portugal: Plans have been unveiled for a new EUR 3 billion (US\$ 3.6 bn) international airport at Ota, about 50 km north of Lisbon.** Public Works Minister Mario Lino said the Government had made a decision to go ahead, although he cited a long-term timetable for construction to get under way. He said a public tender would be launched to build the airport and that work should start before 2010. -- The building of a new international airport has been discussed for at least a decade. A decision to go ahead has been repeatedly delayed because of a lack of cross-party political agreement and the high cost. **The new airport, which could be operational by 2017, would create 50,000 new direct and indirect jobs,** Lino said. The project will also require a rail link to Lisbon and new roads. Lino said that under this Government's plan, Lisbon's Portela Airport would be decommissioned altogether. Some analysts have criticized the project, saying Portugal can not afford it. Portugal, the poorest country in Western Europe, has the widest budget deficit in the euro currency zone.

## LATIN AMERICA/CARIBBEAN

**Venezuela:** In the wake of a letter of intent signed between Venezuela and Argentina for two agreements of international co-operation, **Corporación América, which controls airport operator Aeropuertos Argentina 2000 (AA2000), is to carry out works at La Fría Airport in San Cristóbal, capital of Venezuela's Táchira state.** The development and modernization of the cargo and passenger terminals at La Fría Airport, in the extreme west of Venezuela, will begin at the start of 2006 and the airport will be in operation by the second half of the year, with a joint venture formed by Corporación América and the Táchira state government running the facility. **This project is to be the first in a series of Corporación América airport activities in Venezuela,** according to AA2000's President Ernesto Gutiérrez. The firm is working on a similar plan in Venezuela's Valencia province and is also offering consultancy services to authorities responsible for the modernization of Caracas Airport.

**St Kitts & Nevis:** During a recent visit of the Taiwanese President, Chen Shui-Bian, the assurance was given by that country that **a request for assistance in the financing of the expansion of 'Robert Llewellyn Bradshaw International Airport' has been approved by the Taiwanese Cabinet.** The airport expansion is going to cost in the region of US\$ 18 million and will provide employment for persons in the construction industry, thus bringing more economic activity and benefits to the people in St. Kitts & Nevis. -- The apron at 'Robert Bradshaw Airport' can presently only accommodate one and a half widebody jets and is to be expanded to accommodate six widebody jets and a larger number of private corporate aircraft. The expansion should be done and completed before World Cup Cricket in March 2007. According to the Chairman of the St. Christopher Air and Sea Ports Authority, Linkon Maynard, the general contract for the expansion works has been awarded to Jamaica-based Surrey Paving & Aggregate Ltd.

## NORTH AMERICA

**U.S.A.:** In July 2005, officials marked the **start of construction on a new midfield passenger terminal at Indianapolis International Airport, more than three decades after the project was first conceived.** The Airport Board had voted on 9 May 2005 to approve the letting of the first six construction packages for the midfield terminal worth about US\$ 70 million. The terminal itself will cost US\$ 300 million, with a total project cost of US\$ 974 million when design, roadways and related infrastructure, including a new control tower, are included. **Midfield is the bulk of a US\$ 1.5 billion capital improvement plan at Indianapolis International.** Most of that will be paid for with bond debt, including US\$ 218 million of bonds issued late in 2004 and US\$ 655 million the Authority plans to issue in 2006-2008.

The new terminal, expected to be complete by 2008, will feature 40 gates, a 7100-space parking garage, and the latest ticketing and baggage technology. Significantly, this will be one of the first terminals built from the ground up since the terrorist attacks of 9/11. The ambitious expansion plans for Indianapolis Airport had been pushed back a year because of the drop off in traffic caused by these events. A new US\$ 310 million passenger terminal, nearly double the size of the current 673,000-ft<sup>2</sup> facility, was originally scheduled to open in 2007, but will now open in 2008. Major airlines at Indianapolis have welcomed the move although they will be required to contribute around US\$ 580 million to the project once the airport is up and running.

**Canada:** Not even two years after opening a new terminal with capacity to serve passengers for the next 10 to 15 years, **the Ottawa International Airport Authority is proceeding with the design of a CAD 95 million (US\$ 82 mn) expansion that would add 13 aircraft gates.** A final decision on when to start construction will not be made until spring 2006, once the design phase is completed. But if economic conditions look good, construction could begin immediately, with completion targeted for late 2008. Strong growth in passenger traffic, which increased by 11% to a record 3.6 million in 2004, is one reason the airport is moving ahead with the design phase now, said Paul Benoit, President & Chief Executive of the Airport Authority. The other reason is that the old terminal, still used to provide extra gates during peak periods, is expensive to maintain. Its roof leaks and it has lost part of its cooling system. Rather than pour money into the old building, officials would rather move ahead with the next phase of expansion if possible, Mr Benoit said. If construction does go ahead in 2006, it would be one year earlier than expected. Second-phase expansion is part of a master plan developed for the airport before the new terminal was started in 1999. It won't include any new passenger facilities, but the new gates will expand gate capacity to 27.

## PACIFIC

**China:** **The European Investment Bank (EIB) is providing a EUR 500 million (US\$ 585 mn) loan to the People's Republic of China for the expansion of Beijing's Capital International Airport.** The project includes building a third runway as well as a new passenger terminal and the associated infrastructure. It almost doubles the airport's capacity from 35 million passengers a year to 60 million and is scheduled for completion in 2008. The EIB loan will cover about 20% of the total investment cost. Its term will be 25 years and it will include a five-year grace period. -- Beijing Capital International Airport Company Ltd (BCIA), a Sino-foreign joint-stock company, owns and operates the airport. Aéroports de Paris, operator of several airports in the Paris region, owns 7% of BCIA. The lead shareholder is Capital Airports Holding Company, a state-owned company under the direct authority of the Civil Aviation Administration of China.

**Indonesia:** During the '**Indonesia Infrastructure Summit**' in early 2005, the following **airport infrastructure improvement projects were presented to an international audience:** The new Medan International Airport; redevelopment of Terminal I at Jakarta's Soekarno-Hatta Airport; the integrated cargo processing area and industrial bonded zone at Soekarno-Hatta Airport; the Makassar Airport Development Project; and the new Lombok International Airport. **Project milestones for the US\$ 138.9 million Lombok project (Phase 1)** are: Review of the 1993 Master Plan in 2005; detailed design 2005-2006; investment bidding 2005-2007; construction bidding 2007; implementation 2008-2011; operation from 2011 onwards. -- The expansion of Lombok's existing Selaparang Airport, located 1 km south of Mataram, the capital city of west Nusa Tenggara Province, is restricted by the close proximity of hills. The current state of urban development is major constraint to an expansion. Therefore, the development of the new Lombok Airport will enhance the development of Mataram city.

**New Zealand:** **Christchurch Airport plans to spend NZD 200 million (US\$ 183 mn) on a new domestic terminal and integrated international terminal facilities.** Airport Chairman Syd Bradley said it would be the largest capital investment seen at the airport in more than twenty years. The development is expected to begin in early 2006, and be completed by 2009. The project includes a new carpark building, a new combined domestic and international check-in hall, new domestic terminal, new international/domestic 'swing' gates, new control tower, modern efficient baggage handling systems, and a large combined retail precinct for international and domestic travellers.

**Solomon Islands:** **Work on re-strengthening the Honiara International Airport runway under a US\$ 9 million project funded by the Japanese Government started in August 2005.** Resident engineer of Japan's Pacific Consultants International, Yutaka Yamasaki, said the work would take nine months and would be ready in April 2006. "The current rehabilitation work will include the laying of 10 cm of asphalt cement on the current runway which is very old and deteriorating and is not safe landing and taking off aircraft," said Mr Yamasaki. The contractors will re-strengthen more than 90,000 m<sup>2</sup> of runway, which is 2000 m long and more than 45 m wide. The work will also include repairing and installing new airport lighting system and approaching lights for aircraft.

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*Approximate Dollar exchange rates as of 5 December 2005 (Financial Times Guide to World Currencies)*

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