

AIRPORT DEVELOPMENT NEWS

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AFRICA

Ethiopia: The Ethiopian Airports Enterprise, established as independent organization two years ago, **has allocated ETB 60 million for equipping airports with modern technical instruments and improved airfield facilities**. Additional equipment will be used at Addis Ababa's Bole International Airport to make security checks more dependable. **New airports will be built in various towns, including Jijiga and Humara, and existing airports renovated**. The Enterprise has allocated over ETB 203 million (US\$ 23.3 million) for the purpose. The airports being constructed in Jijiga and Humara will have a significant contribution in enhancing the country's foreign trade. The Enterprise has planned to raise the standards of the airports in the country to international level in the next five years. It also plans to attract more international flights. Currently, eleven airlines are using Bole International Airport.

Sierra Leone: With stability returning to the country, the International Development Agency is granting funds for a major infrastructure development Project at Freetown International Airport, where the runway is to be repaired and extended, drinking water and sewage systems as well as the power supply need upgrading, and the fire service must be improved. The project is being managed by the Ministry of Finance.

South Africa: The Civil Aviation Authority has confirmed plans to redevelop and revive two airports in the Eastern Cape. The two airports - Bulembu near King William's Town and Mthatha in Transkei - fell into disuse some years ago when scheduled flights were discontinued due to a lack of demand. Flights used to operate between the two airports and Johannesburg International. Bulembu Airport was officially opened in 1987. A private company managed the airport for two years; thereafter the Ciskei government took over. Facilities at the airport were used to train pilots and to maintain aircraft. Now the airports generate virtually no income. The CAA now plans to change this and is calling on the private sector to get involved in funding and marketing the project.

ASIA

Bahrain: The Government has approved the first expansion phase of Bahrain International Airport. The US\$ 100 million project will raise the annual capacity of the airport to 12 - 15 million passengers per year from its present level of 10 million. However, the full three-phase, US\$ 212 million project will raise this figure to 45 million passengers per year. Phase 1 of the project includes expanding the eastern side of the terminal by 40,000 m² and adding eight more air bridges, which will raise the total number to 15. Two of the new positions will be designed to hold A380s, and they will be served by dedicated holding lounges and double-decked air bridges. The first phase also includes seven remote parking stands, new passenger facilities, and a carpark expansion. The US\$ 100 million second phase of the expansion project will develop the western side of the existing terminal, adding another five or six air bridges. It will begin immediately after the first stage is completed. Plans are also being drawn up to develop the airport's cargo facilities, which are already home to regional hubs of Gulf Air Cargo and DHL.

Saudi Arabia: There are positive signs that the Kingdom may be ready to embrace more private-sector involvement into its airports' infrastructure when Crown Prince Sultan, Deputy Premier and Minister of Defence & Aviation showed his support for such an initiative. Speaking on 4 January 2006 at the first meeting of the newly formed General Authority of Civil Aviation (GACA), an independent body empowered to operate on a commercial basis, Prince Sultan urged businessmen to make more use of the flexibility offered by the Kingdom's new Civil Aviation Law. He also emphasized the private sector's future role in developing the Kingdom's 27 domestic and international airports, which currently handle 33 million passengers a year. He said that private-sector involvement was important if the country's airports were to rival the facilities offered by competing foreign airports. Subjects discussed at the meeting included air transportation strategy, the **expansion of Jeddah's King Abdul Aziz International Airport**, the organizational structure of the GACA, licensing of airlines, the commercial operation of King Fahd International Airport in Dammam and a potential reduction in fees for airlines using the Kingdom's airports.

India: The GMR/IDF/Fraport/Niaga consortium, cleared by India's empowered Group of Ministers (e-GoM) led by E Sreedharan, has been given the contract to develop and operate Delhi Airport for a period of 30 years. After getting the best price from GMR/Fraport for Delhi, **the bidder for Mumbai Airport was chosen from the remaining three contenders and GVK/ACSA (South Africa) offered the best conditions**. The two winning consortia will acquire 74% of the respective airport companies, with the Airports Authority of India (AAI) retaining a 26% share. According to Government sources, the ministerial group had decided to broaden the criteria for the technical evaluation of bids. The two winning consortia outbid Reliance/ASA (Mexico) and DS Construction/Munich Airport who had remained in the competition. Bids by the Essel Group/TAV and the Sterlite-led consortium had not been considered.

EUROPE

Great Britain: London-Stansted has become the latest airport to unveil its master plan with predictions of 50 million passengers by 2013 and 76 million by 2030. A second runway could be operational by 2013. The new facilities would include 42 more aircraft stands, a passenger terminal building, and a road connection from the M11 into the new terminal area. The public consultation period runs until March 2006. BAA says the initial cost is GBP 1.7 billion (US\$ 3 billion), which is disputed by the airlines who also ask where the funding is coming from. -- Other than a passing reference,

there is no mention of the rail link, at present a branch line off the Liverpool Street - Cambridge service with at least two stops and a journey time of 45 minutes.

Russia: Moscow's Vnukovo International Airport is currently going through a new stage in its development. The Government of Moscow has been implementing an ambitious modernization and development plan for the airport with the strategic goal for Vnukovo Airport to become a modern and vibrant air transport hub of international significance meeting the most stringent of international standards and requirements. **By the end of 2007, the new US\$ 200 million terminal at Vnukovo should be completed and the capacity doubled.** The airport has a share of about 12% of Moscow's total air traffic. -- In August 2005, Vnukovo opened a **new railway station**, making the airport accessible by train. The new service to Vnukovo, located 11 km southwest of Moscow, runs from Kievsky Station. The trip from the city centre takes 35 minutes. Facilities at Kievsky Station have been upgraded, allowing passengers to check in baggage at the station. Vnukovo, controlled by Moscow City Hall, hopes the service will help boost passenger numbers as it competes with Sheremetyevo and Domodedovo airports. The new railway terminal is part of the development plan for Vnukovo, which aims to boost capacity to 20 million passengers per year by 2015.

Spain: Under its 'Plan Canarias' released on 9 January 2006, the Infrastructure Ministry will spend EUR 2.9 billion (US\$ 3.5 billion) between now and 2020 on upgrading the Canary Islands airports. Work will be carried out at all eight airports of the archipelago, which is particularly popular with German, British and Scandinavian tourists. The Plan includes terminal extensions, new runways, and extra apron parking space. **Gran Canaria Airport (Las Palmas) will be upgraded at a cost of EUR 1.1 billion** with a second runway built from 2011 onwards for commissioning in 2015, **while EUR 936.3 million have been earmarked for Tenerife South** for a new runway and taxiways scheduled for completion by 2014, EUR 176.2 million for Tenerife North, EUR 249.6 million for Fuerteventura, EUR 165.8 million for La Palma, almost EUR 162 million for Lanzarote, EUR 16.3 million for El Hierro, and EUR 3.7 million for La Gomera. The ATC services of the Canary Islands will get EUR 83.5 million. -- The annual outlay for the air transport system of the Canary Islands under 'Plan Canarias' is between EUR 193 and 195 million.

LATIN AMERICA/CARIBBEAN

Bahamas: After several months of negotiations, Vancouver Airport Services (YVRAS) has been awarded a ten-year Operations and Management Agreement for operating and developing Nassau International Airport in the Bahamas. At a signing ceremony in Nassau Bahamas, the Prime Minister Perry Christie stated he was very pleased that YVRAS would be a strategic partner in advising the Government on airport development and project financing. The Prime Minister expressed the view that with the significant investment in tourism and the airport, the Bahamas would become the best island destination in the world.

Nassau International Airport is the fourth busiest airport in the Caribbean, handling some 3.2 million passengers annually. **YVRAS will be responsible for introducing best practices, managing the US\$ 225 million construction programme, enhancing commercial venues at the airport, and improving the U.S. Pre-Clearance facilities and services.** The contract also involves the application of YVRAS' branding philosophy to facilitate a change at the airport from its current state with the objective of becoming one of the best airports in the Caribbean.

Mexico: A ceremony marking the start of construction of Terminal 3 and a second runway at Cancún International Airport took place on 6 December 2005 - only six weeks after Hurricane Wilma had hit the airport in late October 2005. ASUR President Fernando Chico Pardo, announcing the start of the expansion project, said that an estimated US\$ 200 million would be invested to double the airport's handling capacity. The future terminal with a surface area of 40,000 m² will be equipped with 84 check-in desks and eleven boarding gates with passenger bridges, plus four gates serving remote stands. The second runway will be 2400 m long and 45 m wide. The distance to the existing runway is 1500 m, allowing simultaneous operation of the two runways. -- In 2005, Cancún Airport handled almost 10 million passengers.

During the inauguration of the extended Terminal 1 at Mexico City's 'Benito Juarez International Airport', President Vicente Fox announced a US\$ 400 million syndicated loan to airport operator ASA for works on Terminal 2. The credit operation by national bank Nacional Financiera (Nafin) is the largest syndicated loan ever granted in Mexico. It is repayable over 10.5 years and the interest will be equal to the Libor rate plus one point. The loan includes the participation of Citigroup-Banamex, Bancomer, Inbursa, and HSBC. **The funds will be used exclusively for building the airport's Terminal 2, including the APM light-rail transport system linking the two terminals,** the terminal building itself, two parking areas for 4500 vehicles, a 350-room hotel and other works. The new terminal will have parking positions for 23 aircraft and be able to handle 12 million passengers a year. Mexican construction and engineering firm ICA is building a train to connect the two terminals. The debt service, which is estimated at US\$ 120 million, will be covered partly with the TUA (airport usage tax) levied by the airport, without threatening the cash flows required to maintain adequate operations of the air terminal.

NORTH AMERICA

U.S.A.: The Port Authority of New York & New Jersey Board of Commissioners has approved a US\$ 5 billion 2006 budget that provides for record investments in security at its airports, seaports, bridges, tunnels, and rapid-transit system. The budget includes capital funds to begin the **modernization of Terminal B at Newark Liberty Airport; build a new passenger terminal at JFK International (Terminal 5) for JetBlue,** continue work on the World Trade Centre Transportation Hub; and continue construction of 340 new PATH rail cars. The budget also includes studies to modernize Terminal A at Newark and the Central Terminal Building at LaGuardia. The Board also approved 'The Port Authority Strategic Plan: Transportation for Regional Prosperity', which identifies critical regional transportation needs, and outlines a ten-year

programme for the Port Authority to address them, together with its public and private partners. The Plan affirms the agency's commitment to providing the region with world-class transportation facilities and services, and effectively managing its existing transportation systems. The document also contains a list of potential capital projects that may be included in future budgets. -- The 2006 budget calls for US\$ 616 million in security spending, a new annual record and a 163% increase over security spending in 2000.

Building a regional airport for San Diego in California from the ground up could cost at least US\$ 17 billion, according to estimates provided to the San Diego County Regional Airport Authority. The estimated cost is for building an airport either at a location in eastern San Diego County or in the neighbouring Imperial County desert. The figures were prepared by a consulting company working for the airport authority. Costs include acquiring the property, building runways and terminals, and creating a transportation system so passengers could reach the airport in a reasonable amount of time. For the San Diego County location, about 50 miles east of the current airport at Lindbergh Field, half the cost would come from building a high-speed magnetic levitation transit system. It would cost US\$ 2.7 billion alone to punch through granite hillsides and level the terrain for the levitating train. A 100-mile maglev train route to the Imperial County site, sandwiched between Interstate 8 and Highway 98, would cost more than US\$ 10.6 billion, according to a previous cost estimate report given to the Airport Authority. The new regional airport at either site would have a pair of 12,000-ft runways on 3000 acres. -- In July 2005, the Airport Authority voted to concentrate on sites in Boulevard, the Imperial County desert, and a second runway at Lindbergh Field. In November 2005, they added several military bases to the list of candidates, including Marine Corps Air Station Miramar, Naval Air Station North Island, and Camp Pendleton. Pentagon officials, however, have no plans to relinquish or share the sites. The Airport Authority is charged with putting a recommendation for a new airport site on the countywide ballot in November 2006.

Canada: The Winnipeg Airports Authority (WAA) has broken ground on an airport redevelopment programme that will initiate a bold new era of transportation for Manitoba and beyond. The CAD 560 million (US\$ 488 million) airport redevelopment programme includes a new terminal, a four-level parkade, and surrounding roadways, taxiways and aprons. "The airport redevelopment will not only be a source of pride for our community, it will also set a new standard of excellence in the way airports are operated in Canada," stated WAA President & CEO Barry Rempel. Construction on the four-level parkade is under way, with construction of the 51,000-m² terminal building starting in the fall of 2006. The entire development is expected to be complete by 2009. The economic impact of the project will involve 7,300 person years of employment, wages of CAD 311 million and GDP of CAD 391 million. -- The architectural and engineering firms Cesar Pelli & Associates and Stantec Architecture are responsible for the project. The new terminal reflects the wide open spaces of the prairie landscape with clear sightlines throughout the facility and provide scenic viewpoints of Winnipeg's skyline.

PACIFIC

China - Hong Kong: Hong Kong International Airport (HKIA) is looking forward to the opening of its 35,000-m² aviation-themed SkyPlaza mall in the third quarter of 2006. The airport management says that SkyPlaza offers customers a wide variety of activities from all walks of life, including many Hong Kong "firsts" in retail, catering and entertainment. It is currently expected to feature 110 retail outlets, 20 catering outlets and four entertainment zones. At the same time, HKIA points to on-going improvements in the airport's logistics facilities and the expansion in retail as well as food and beverage as crucial contributors to the year's success. Advertising sales for full year 2005 have also achieved a 20% increase compared with the same period in 2004.

Vietnam: There are plans to build a US\$ 158 million international airport on the country's southernmost island in 2006 to boost tourism, according to Vietnamese state media. The airport would be built on Phu Quoc Island off Kien Giang province to handle 2.5 million passengers annually when operational in 2008. A cruise ship port would also be constructed on Phu Quoc in 2007. While Vietnam still maintains a heavy military presence on the northern part of the island, around 100,000 tourists, including 40,000 foreigners, go there each year.

South Korea: In his first interview since being appointed President & CEO of **Incheon International Airport Corporation**, JaeHee Lee, stated that **IIAC is considering preparing to attract low-cost carriers by constructing an LCC terminal and providing incentive schemes, subject to market demand.** Mr Lee said: "Although the LCC market in Korea, China and Japan has not yet been developed, it has a huge potential for growth. Depending on the success of LCCs in this region, the LCC industry will achieve significant growth in the market". -- **IIAC is also targeting after 2008 for privatization,** "when the environment for investment is ripe" and the second-phase construction project has been completed, according to Mr Lee.

Australia: Melbourne Airport, which welcomed more than 20 million passengers in a single year for the first time ever in 2004/2005, is now preparing for the future, investing in infrastructure development to ensure it is ready to meet passenger demand as Victorian aviation and tourism continue to grow. "This year, Melbourne Airport undertook works to expand its apron, runway, terminal and car park facilities as part of an AUD 220 million (US\$ 163 million) development programme," said Chris Barlow, CEO of Melbourne Airport. "I am pleased to announce that we now plan to extend this capital works schedule and deliver a **five-year development programme worth over half a billion dollars** to expand and upgrade Melbourne Airport." Included in the half-billion Australian dollar development programme will be improvements to taxiways, more public car parking, new cafes and food areas, more international gates, more baggage handling facilities and more automated security facilities.

Approximate Dollar exchange rates as of 6 February 2006 (Financial Times Guide to World Currencies)

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