

AIRPORT DEVELOPMENT NEWS

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

AFRICA

Ghana: The Ghana Civil Aviation Authority (GCAA) has acquired 6516 hectares of land at Ankaase and Kwaman in the Ashanti Region to construct the country's second international airport. The project is to be financed by the private sector under a Build-Operate-Transfer (BOT) system and is expected to begin within the next six years. A public forum on the project's master plan studies was held in Kumasi in February 2006 to provide an opportunity for people to express their views and make suggestions on the project. The new airport has become necessary due to the inability to develop, extend or improve on the existing aerodrome in Kumasi as a result of the topography and urban structures within the vicinity. Speaking at the forum, Nii-Apai Adumansa-Baddoo, Acting Director General of the GCAA, said construction of the new international airport would be done in three phases. The first phase is development of the master plan, to be followed by the project designs before actual construction work begins. He said development of the second international airport in the Ashanti region was a commitment of the Government to promote ideals of sub-regional integration to ensure free movement of people, goods and services.

Botswana: A runway extension by 1,000 m and construction of a parallel taxiway are planned at Sir Seretse Khama International Airport, Gaborone. The terminal building will be expanded with more facilities added to the existing ones. The expansion project is expected to be complete in 2009, with construction scheduled to start in 2007. Several consultants, including Arup, have put in bids. **Plans are under way to also develop the Francistown and Ghanzi airports.**

ASIA

United Arab Emirates: In line with the Abu Dhabi Government's vision to increase the potential for private-sector participation in the drive for economic development in the Emirate, the Abu Dhabi Airports Company is in the process of putting its strategic plans into operation. The company, whose Board was recently appointed by decree of General Sheikh Mohammed bin Zayed al-Nahyan, Abu Dhabi Crown Prince, Deputy Supreme Commander of the UAE Armed Forces, and Chairman of the Abu Dhabi Executive Council, will be responsible for operating all airports within the Emirate as well as expanding aviation infrastructure to meet Abu Dhabi's rapid development plans. Merging all efforts and strengthening the mutual co-operation between all departments in the Emirate will lead to increased efficiency of government performance and offer added-value services. **The Abu Dhabi Government's formation of a committee to restructure its institutions is a first step to privatization of the public sector**, putting some government departments and joint-stock companies on a sound economic basis outside government control. The new company will be undertaking significant on-going research to assess the requirements of the airports in order to develop short, medium and long-term strategic plans.

Abu Dhabi has witnessed phenomenal growth in the last few years in all sectors, said Khalifa Mohammed al-Mazrouei, Chairman & Managing Director, Abu Dhabi Airports Company. This highlights the importance of privatization to meet the Government of Abu Dhabi's requirements. The Government recognizes that it needs the involvement of the private sector in the economic development process, added al-Mazrouei, and places full confidence in private enterprise to play a dynamic role in supporting the fast pace of development in Abu Dhabi. -- Abu Dhabi Airports Company will be a public joint stock company (JSC) with a paid up capital of AED 500 million, divided into 50 million shares, each with a nominal value of AED 10.

Yemen: The Arab Fund for Economic & Social Development will finance the expansion of Sana'a Airport. Among the plans are a new runway, new taxiways, a new terminal building, a control tower, a new 11-kV/380 V power transformation station, and a weather station. **Beirut-based consultants Dar al-Handasah already has finalized plans for the third terminal** as part of the USD 150 - 200 million expansion. The new facility will include eight departure lounges, an arrivals hall, and five boarding bridges. Initial work on the project will be helped by a USD 40 million funding by the Arab Monetary Fund.

India: The Cabinet approved a proposal mandating the Airport Authority of India modernize 35 airports in second-tier cities within the next two years. The modernization process will cost the Government between INR 70 - 80 billion (USD 1.5 - 1.75 billion), Civil Aviation Minister Praful Patel said after a recent Cabinet meeting. "The development of 35 non-metro airports will be done by Airport Authority of India. Work will start within one year and will be completed by 2008/09," Patel said, adding that **no final decision had been taken on modernizing or privatizing airports in two other major air hubs, Chennai and Kolkata.** The Government has now decided to modernize the smaller airports using public funds after consulting allies. -- India, Asia's third-largest economy, has embarked on a drive to upgrade its infrastructure of ports, roads and airports as it aims for double-digit GDP growth. Estimates suggest an investment of USD 150 to 200 billion may be needed to upgrade infrastructure to the levels of leading Asian nations.

EUROPE

Faroe Islands/Denmark: At a meeting in Denmark on the 27 June 2006, the Danish Prime Minister Anders Fogh Rasmussen and the Faroe Prime Minister Jóannes Eidesgaard have issued a joint communiqué stating the taking over of Vagar Airport. The communiqué states, among other things, that the Danish part of the airport will be transferred to Faroe authorities to administer and operate. This is in full accordance with the legislation governing issues and issue areas, which permits the Faroe authorities to take over these issues and areas. The communiqué also states that **the Faroe government has decided to lengthen the existing runway by 350 m to 1600 m in difficult terrain and to expand the air-**

port terminal by another 5700 m². The updating of the airport is likely to be financed by a reduction of Government equity in the investment fund. -- In the first half of 2006, the airport handled 88 952 passengers (+10.0%).

Ireland: A total of almost 10 million passengers (+15%) travelled through Dublin Airport during the first six months of 2006, according to figures released by the Dublin Airport Authority. This increase represents an additional 1.3 million passengers in just six months and traffic forecasts indicate that end of year passenger figures will surpass 21 million. Catering for this phenomenal growth in passenger traffic with **no extra terminal capacity** is a real challenge for the airport. In this regard **a number of short-term initiatives have taken place in the terminal building** and elsewhere, such as the removal of non-essential services from the Departures Floor to improve the overall flow of passengers in the terminal building, and the addition of eight new temporary boarding gates. The main focus now is on gaining more capacity in the medium term with a new Check-In Area 14, providing 24 additional check-in desks, due for completion in December 2006 and Pier D, comprising 14 boarding gates, due for completion in October 2007. **Longer-term capacity needs will only be achieved through a second terminal and a planning application for T2 will be submitted to the local planning authority before the end of the summer.** -- Meanwhile, Ryanair has confirmed plans **to build a new check-in area at Dublin Airport**, which will have capacity for 4 million passengers a year.

LATIN AMERICA/CARIBBEAN

Cayman Islands: Owen Roberts International Airport is earmarked for a CID 50 million (USD 58.6 million) expansion, which will see it triple its size and passenger capacity, according to Brian Tomlinson, Senior Manager of Engineering & Projects of the Cayman Islands Airport Authority (CIAA). **The terminal and carpark at Grand Cayman's main airport will undergo major development in the next two years** by increasing the terminal building's surface area from 85,000 ft² to 244,000 ft² to include separate international and domestic arrival and departure areas. The project has planning permission from the Central Planning Authority since January 2006.

With an anticipated 1.225 million users annually, the authorities have divided the structure to allow for international travellers on the first floor while domestic travellers will be on the ground floor. A third level will be added to the facility for the purpose of international visitor arrival and to accommodate six aircraft boarding bridges - a first for the Island. Several preliminary designs were considered along the Island's traditions but the pavilion type proved to be the popular choice, according to Tomlinson. **The departure lounge, which currently holds about 350, will have four times that capacity in the new phase that is expected to start in 2007.** Conveyor belts will move up to three, as over 800 passengers per hour are expected to traverse the area en route to six aircraft arriving and six departing during peak hours. Other internal improvements slated are expanded baggage claim areas will jump from one to three in the international arrival lounge. Improvements to the facility in Grand Cayman will include larger spaces for operators, shops, restaurants, public waiting areas and other amenities. Interior design of the airport to create a top-notch international facility is still on the drawing board as part of a **20-year plan for the airport's development.** Externally, large carparks and curb-side drop off and pick up will become available in the project scheduled to last until the end of 2009. -- Mr Tomlinson said the authorities had delayed a full reconstruction of the airport following the ravages of Hurricane Ivan in 2004. The storm inflicted CID 15 million of damage to the airport's buildings. Two reasons were offered for the delay - insufficient insurance settlement and the need to focus on a well-thought out expansion.

Peru: According to some studies, awarding concessions for nine of Peru's regional airports would result in investments of approximately USD 120 million in the first five years. The airports are Huaraz (Ancash), Cajamarca, Chachapoyas (Amazonas), Iquitos (Loreto), Tumbes, Pucallpa (Ucayali), Talara (Piura), Tarapoto (San Martín) and Trujillo (La Libertad). Meanwhile, the Air Force authorization is still pending to add Piura, Pisco (Ica), and Chiclayo (Lambayeque) airports. They all feature different physical characteristics and they currently have an average between two and eight apron positions, as well as capacity to accommodate aircraft going from the Fokker 28 to the Boeing 747. Future investments will be used to enhance facilities, security, and parking areas at the airports. **The country's first package of regional airports was awarded to GBH-Swissport** - formed by GBH Investments and Swiss partner Swissport International - the sole bidder of two pre-qualified firms.

Peru's Transport & Communications Ministry (MTC) will launch the concession process for the country's second package of regional airports in 2007. The second package will include the airports Madre de Dios; Juliaca (in Puno department); Tacna; Arequipa; Ayacucho; Andahuaylas (in Apurímac); and Nazca (in Ica). MTC is also evaluating including Cuzco airport in the package.

Argentina: Terminal de Cargas Argentina (TCA) is set to invest ARP 26.5 million (USD 9 million) in new buildings and systems for customs inspection, airline services and freight forwarders. The company operates cargo terminals at Buenos Aires-Ezeiza International, Buenos Aires-Aeroparque (domestic), Córdoba, Mendoza, and Mar del Plata. TCA is jointly owned by the Government and Aeropuertos Argentina 2000 SA, the private airports concessionaire. It runs 55,000 m² of warehouse space. **One of the new projects is a 9,300-m² courier terminal building**, and other projects include additional import and export warehouse space and infrastructure improvements in the areas of transit, cold storage, hazardous materials and valuables.

NORTH AMERICA

U.S.A.: The U.S. Senate has rejected a proposal by the Bush Administration to cut Federal funding for U.S. airports by USD 765 million, in favour of providing just USD 5.5 million more for construction improvements for runways at various U.S. airports. Under legislation rubber-stamped by the Transportation Panel of the Senate Appropriations Committee, **funding for the nation's airports has now been approved and set at USD 3.52 billion for the year beginning on 1 October 2006.** As expected, it rejected Bush's proposed 22% cut in funding to USD 2.75 billion for airport projects. This is the second time the Bush administration has tried to cut Federal funding. In the last fiscal year, it proposed cutting airport

grants by 14%, but Congress rejected that and instead boosted aid by 1.4%. -- These Government funds are very important to U.S. airports since they underwrite many capital projects, and airports have to be careful how they conduct their business if they are to qualify for funding.

FAA has issued a Record of Decision (ROD) that favours two additional runways and other improvements at Washington-Dulles Airport to improve safety, increase capacity and reduce delays. The airport's proposal includes constructing an additional north-south and east-west runway, parallel and connector taxiways, Tier 3 concourse development, and navigational aids. The FAA also evaluated two runway alternatives and a 'no-build' (or no-action) alternative in its Final Environmental Impact Statement (FEIS). The proposed increases in Dulles airfield capacity, coupled with a new passenger terminal and more aircraft gates, will enable the airport system to accommodate the forecasted demand of 30 million passengers and 568,000 aircraft operations by 2010.

Canada: Vancouver International Airport Authority has established YVR Project Management, a wholly owned subsidiary to oversee major expansion projects at Vancouver International Airport (YVR). The Airport Authority is undertaking a CAD 1.4 billion (USD 1.25 billion) capital programme that will ensure the airport meets the growing demand for air travel, and continues to be developed as a premier global gateway and economic generator for British Columbia. The programme's projects are designed to accommodate the 21 million passengers projected at YVR by 2010, as well as handle the newer, larger aircraft of the future. The primary project the new company will be responsible for delivering is the CAD 420 million expansion to the International Terminal Building, which will add nine new gates in two phases. The first phase, scheduled for completion in 2007, will provide four widebody gates, two of which will be able to accommodate the new Airbus A380. This phase will also include the addition of a narrow-body gate to the existing east wing of the terminal. Phase two will add five new gates. -- **The new company will be governed by a Board of Directors whose Chair is Bob Cowan, Senior Vice President, Engineering, Vancouver International Airport Authority.** The President is Ray Zibrik, an experienced construction manager and engineer who has managed construction projects at YVR, including the international terminal building, since 1992.

PACIFIC

Cambodia: Plans for an international airport in the coastal city of Sihanoukville have been approved. The initiative is being part of plans to propel tourism. Like other Cambodia's smaller airports that were once part of an extensive domestic network, the facility in Sihanoukville is closed. The Government hopes to reopen it to domestic flights by the end of 2006 and later introduce international routes. Soy Sokhan, an official with the Civil Aviation Department, said that the rebuilt airport would facilitate direct flights from neighbouring countries, allowing visitors to head for the country's beaches and have a quick link to the Angkor temple town of Siem Reap. **There are also plans to reopen the airport in the north-eastern town of Kratie,** near a stretch of the Mekong river home to endangered Irrawaddy dolphins that Cambodia hopes to preserve as a tourist attraction. Almost 1.5 million tourist arrivals were recorded in 2005, mostly from Asian countries, and the hope is for three million annually by 2010.

Vietnam: The World Trade & Tourism Council expects Vietnam to be among the ten most dynamic nations in the next decade. The country has an ambitious plan to develop new airports and upgrade existing ones to meet the strong growth of the civil aviation market in the future. **Under a draft plan for air transport to 2015, Vietnam will make heavy investment in developing a system of 18 domestic and six international airports.** The cost of achieving the plan, which has been drawn up by the Civil Aviation Administration of Vietnam (CAAV), is estimated at VND 115 trillion (about USD 7.2 billion). The draft is an updated version of the plan approved by the Government in 1997, which has become obsolete due to the fast development of the aviation market, changes in the investment capacity, and the demand for global economic integration of Vietnam.

Vu Pham Nguyen Tung, Deputy Director of the CAAV's Airport Management Department, says **the draft is based on four main ideas:** The airport system must be in line with the geographical conditions and different regions of Vietnam, especially major economic centres. It must also fit in with planning for other transport networks (waterways, road and railway) and include the possibility of combined operations of the different means of transport. The third idea is that development must be carried out in phases in proportion to the investment capital needed, the needs of, or for, individual airports, and the efficiency of the whole system. The planned system must also be able to meet the demand of developing commercial and non-aviation services so as to increase earnings from these sources to 50% of the revenue generated at airports. In particular, any monopoly of services at airports must be controlled so that businesses from all economic sectors can join in.

Under the draft, Vietnam will have 24 commercial airports by 2015, with six international airports (Hanoi-Noi Bai, Cat Bi, HCM City-Tan Son Nhat, Long Thanh, Danang, and Chu Lai) and 18 domestic airports (Dien Bien, Na San, Gia Lam, Vinh, Phu Bai, Dong Hoi, Phu Cat, Tuy Hoa, Cam Ranh, Pleiku, Buon Ma Thuot, Lien Khuong, Vung Tau, Can Tho, Rach Gia, Ca Mau, Phu Quoc and Con Dao). At present, some airports are being upgraded or built, namely Na San, Dong Hoi and Can Tho.

The CAAV expected to start work on Long Thanh International Airport in Dong Nai province after 2015, but the Government has urged it to begin earlier because, by 2012, Ho Chi Minh City's Tan Son Nhat International Airport is forecast to be congested. In its first phase, **the new airport will accommodate 25 million passengers a year.** At present, its detailed development plan is being considered. The airport is to be developed in four phases with an investment capital of USD 3 billion for the first phase. Upon completion, it will be able to handle 100 million passengers a year and have cost up to USD 8 billion. A more cost-effective alternative would be to extend Tan Son Nhat Airport, which now covers 600 hectares, as there are 1200 hectares managed by the Ministry of Defence in the area. If the Ministry agrees to transfer the whole or part of the land to the aviation administration, the airport could be expanded and upgraded to serve 50 to 60 million passengers a year. This would cost less than building a new airport.

In the 2015-2025 period, two new domestic airports will be built, namely Quang Ninh and Lao Cai, serving two pro-

vincial capitals. Quang Ninh will have to handle large aircraft like the A320; Lao Cai is for light aircraft like the Fokker. The total investment capital for this period is estimated at VND 70 trillion.

Tung says that **airport planning is based on the 'hub and spoke' principle**, taking in Vietnam's geography as a long country. Three pairs of international airports will be located in the three regions of the country and within the three focal economic zones of the regions. Domestic airports are planned within a reasonable distance around these pairs of international airports. Under this plan, airports are expected to achieve efficient operations, and each international airport will have a standby airport should there be any emergency. Domestic airports will serve as transit points for passengers to travel to other localities, and promote the development of domestic air operations, commercial and support services, intra-regional travel and tourism. In addition, in case of necessity, some airports will be converted into international facilities to serve demand, such as the Cam Ranh, Phu Bai, and Lien Khuong.

Tung says **the State will cover investment capital to develop the infrastructure of the airports (runways, taxiways, aircraft parking aprons) by mobilizing funds from the national budget, Government bonds, development assistance credits and official development aid.** Airport authorities will seek capital for other facilities and services like terminals and ground service facilities, which may be sourced from their own funds, commercial credits, and other sources. However, investment plans will be based on the development needs of each region and each airport. By the CAAV's calculation, if this plan is developed successfully and the market grows as expected, Vietnam's aviation market could surpass that of the Philippines to rank fifth in ASEAN after 2020, with a size estimated at 84 million passengers per year. According to international aviation organizations, Vietnam's aviation market has a growth rate nearly double the average rate of the world and the Asia-Pacific region.

Australia: To increase efficiencies, notably catering and cargo and to add a new carpark, Westralia Airports Corp. the owner of Perth Airport is considering a move that would combine the domestic and international terminals, placed on opposite sides of the runway. Westralia is working with consultants of Airbiz to look into combining the two terminals. More efficient swing gates at Perth could make catering operations more efficient says airport manager Rick Gates. Similar use of swing gates helped operations in the AUD 260 million (USD 197 million) revamping of Adelaide Airport, he adds. Planners still need the approval of Qantas Airways, and carrier officials are said to be receptive to the concept.

Approximate Dollar exchange rates as of 21 August 2006 (Financial Times Guide to World Currencies)

Compiled by Momberger Airport Information - www.momberger.com