

AIRPORT DEVELOPMENT NEWS

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AFRICA

Ethiopia: Ethiopian Airports Enterprise has unveiled plans to begin a US\$ 27.9 million expansion project at Addis Ababa's Bole International Airport. The project will take two years to complete and also is intended to address air traffic congestion at the airport due to international traffic growth. Plans include increasing the airport's aircraft parking capacity from 18 to 43 stands. The airport has two terminals with a total of twelve gates and is one of the busiest in Africa with 3,497,847 passengers recorded in 2009. To ease congestion, regional flights are being moved to Terminal 1, formerly used as a domestic terminal by Ethiopian Airlines. The airport has renovated the domestic terminal at a cost of US\$ 7.7 million in preparation for the move. All long-haul and medium-range flights will continue to operate from Terminal 2.

Nigeria: The Nigerian Ministry of Aviation has begun a complete remodelling of five major airports in a bid to address rising concerns with infrastructure breakdown in the country. The Federal Airports Authority of Nigeria (FAAN) will carry out a comprehensive infrastructure development programme at airports in Lagos, Abuja, Port Harcourt, Kano, and Enugu. The new Minister of Aviation, Fidelia Njeze, said the remodelling designs for the five airports have been completed and the projects will be concluded in the next 12 to 24 months. Under the programme, six obsolete generators and transformers are being replaced at 'Murtala Muhammed International Airport', Lagos to prevent power outages. MMIA will also be provided with redundant power systems to serve as a backup when there is system failure, such as the blackout that plunged Lagos International Airport into darkness on 9 May 2010.

EUROPE

Austria: Maintenance work focusing primarily on the re-insulation of the roof to improve energy efficiency and on the roof structure will be carried out in Terminal 2 at Vienna International Airport presumably until the end of August 2011. There will be slight changes for passengers during this period, but operations in the area will generally proceed without limitation. Terminal 1, which houses the AUA check-in counters and the shopping arcade as well as the entire arrivals area will not be affected by this work. At the end of September 2010, a suspended ceiling was installed in the western section of Terminal 2, so work can be carried out without limiting passenger flows. This work will be relocated to the eastern section of Terminal 2 in early February 2011. Flughafen Wien AG will undertake all efforts to minimize the effects on passengers and to make the travel experience as pleasant as possible. Construction activities will be separated from passenger flows by full sight and dust-protection measures, and work on the suspended ceiling will not be visible to passengers. Travellers will be able to reach the check-in counters (4-43) at all times, and the passenger orientation system will be adjusted to reflect construction. In addition, preparatory work will also be carried out to allow for a direct link to the VIESkylink terminal expansion when operations start.

Poland: Work on Warsaw's second international airport at Modlin has already started and is due to end by mid-2012. Within eighteen months, the Modlin military airfield is to be transformed into a modern commercial airport. For this to happen, the 2500-m runway, the taxiway and aprons must be modernized, and new access roads and a passenger terminal built. Work began with the symbolic opening of the gate to let in the construction machines. "This is an important investment for Warsaw and the Mazowsze region. It will help our region to develop even faster," said Piotr Okienieczyk, Chairman of the Mazowiecki Port Lotniczy Warszawa-Modlin company.

Modlin Airport should handle at least 1.8 million passengers annually. According to Michal Marzec, General Director of 'Polish Airports' State Enterprise, the new airport will supplement the services at Warsaw's Chopin Airport. "It won't deprive Chopin Airport of passengers but will broaden the market," says Marzec. "The airlines which will operate here are ones which, for various reasons, cannot or do not want to land at Okecie. The overall number of passengers will rise."

The initial proposal to transform the airfield at Modlin into a civilian airport came from 'Polish Airports' State Enterprise, the operator of Warsaw Chopin Airport. The first studies and most of the business, design and technical documentation necessary for the investment to take off were financed by PPL, which has invested PLN 74 million (US\$ 25.5 million) in the project. In 2006, Mazowiecki Port Lotniczy Warszawa-Modlin sp. z o.o. company was set up. At the moment its shareholders are: the Military Property Agency (38.572% of shares), Mazovian Province (34.024%), 'Polish Airports' State Enterprise (25.743%), and the town of Nowy Dwór Mazowiecki (1.661%).

Albania: The Government has convinced the German operators of Tirana's 'Mother Teresa Airport' to discuss revisions to the concession contract which expires in 2025. Parties have found a consensus in principle to amend points of the contract that gave Hochtief the right to block any other airport except Tirana-Rinas to operate in the country. **Parties may agree to give the 'green light' for operation of the airport in Kukes, and the start of construction of a new airport in Saranda.** With the passenger volume having exceeded 1.5 million, the Albanian government can allow flights not only from Tirana, but also from two other sites. Hochtief will take control of the two other airports and Albania will support the expansion of air transport, according to news reports.

Turkey: A build-operate-transfer (BOT) agreement for the construction of Zafer Airport, which will be the fourth largest in Turkey, was signed at a ceremony held in Ankara in the first week of 2011. IC Ictas was the winning bidder of the tender to build the airport with an annual capacity of 2 million passengers. It is expected to be built

in the central-western province of Kütahya's Altıntaş area in three years. IC Holding will operate the airport for nearly 30 years. Officials stressed how the airport will contribute to the economy of the region, famous for tile-making, weaving and thermal tourism. Transport Minister Binali Yıldırım noted that the Zafer Airport project is the first example of a completely new airport being built in Turkey using the BOT model. Previously the State has only used the BOT model to expand or modernize existing facilities.

LATIN AMERICA & CARIBBEAN

Ecuador: Plans for a new airport in Quito, now scheduled to open for business in November 2011, are set to revolutionize travel to South America. The new development, situated in the Puenbo area in Tababela district, about 20 km east of the city, will address concerns of high altitude and length of runway. It will also have the capacity to receive more than 4 million passengers annually. "Following the opening of our new airport, we expect to see business and leisure traffic to Quito and throughout the country grow substantially year-on-year," said Luz Elena Coloma, General Manager of Quito Turismo. Quito's existing 'Mariscal Sucre International Airport' limits aviation in the area with its high altitude and short runway. Located once on the outskirts of the city, it is now very much in a commercial and residential area. Present schemes include a plan to turn the 120-hectare site of the old airport into a park.

The new facility, built at a lower altitude, has been designed to allow for further expansion in 2020 and 2030 to meet growing demand. The new airport will extend to cover an area of 1500 hectares. The passenger terminals will covers 38,000 m², with the corresponding services established by IATA regulations. "Quito as a gateway city for the rest of Ecuador and indeed Latin America will further boost the local economy as the city's existing infrastructure is well adapted to capitalize on the business the new airport will generate. A new concession contract should be ready towards the end of 2010, allowing the project to move ahead more quickly, according to a spokesperson from concessionaire Quiport. In November 2010, the State Comptroller General reviewed the new contract, which was drawn up after a year of negotiations between Quiport and the municipal government. Quiport, made up of the Canadian firms Aecon Group and Airport Development Corporation (ADC), Brazil's contractor Andrade Gutierrez, and Texas-based HAS Development Corporation, was awarded a 35-year concession in 2005. **The airport, budgeted at some US\$ 640 million, will have a 4100-m runway – the longest in Latin America - and be able to receive more than 5 million passengers and 270,000 tonnes of cargo each year.** Quito's new airport has been selected by CIFAL, a branch of the United Nations, as the best practice on environmental sustainability in the Americas, which takes into account minimum impact on the environment; emissions and noise reduction; residual water treatment; flora and fauna protection and providing a positive economic impact in the community.

Costa Rica: 'Daniel Oduber Quiros International Airport' of Liberia (LIR) will be in private hands for the next 20 years following approval by the Contraloría General de la República (Comptroller's office) to give Consorcio Coriport the airport concession. Officials say that their plans for expansion of the airport can now be completed and construction can begin. The new terminal will be 23,000 m² on two levels and cost US\$ 34 million. The consortium that will take over the concession is made up of MMM Aviation Group, Cocobolo Inversiones, Emperador Pez Espada, Brad and Ted Corporation, and Houston Airport System (HAS). -- HAS also manages San José's 'Juan Santamaría International Airport', taking over from Alterra Partners. Transport Minister Karla González said she was pleased at the green light given by the Contraloría as Liberia Airport is showing a 20% increase in demand.

Jamaica: The Government is overseeing the planned development of Vernamfield Air Base into a mega airport. Current plans for the former World War II U.S. airfield have the new airport operating as a trans-shipment hub for the largest cargo and passenger aircraft. The multi-stage US\$ 1 billion (JMD 89 billion) development will be largely private-sector driven, with the Government developing "the land and the airstrips in support of the commercial aspects of the development," says Reginald Allen, public relations officer of the Transport Ministry. The Port Authority of Jamaica (PAJ) will manage the project based on its expertise in international transport. The first stage of development involves work to accommodate the relocation of the Jamaica Defence Force Air Wing and the Caribbean Aerospace College. Vernamfield's existing runways have been dumped to prevent drug smuggling. It has the largest potential airspace in the island comprising 1189 hectares of land, which makes it larger than Manhattan in New York. Vernamfield's main airstrip is currently some 2000 m long. The Ministry said that it would cost up to US\$ 4 million to clear, extend and pave the runways. -- **Vernamfield could become the hub of the region in terms of the broad multi-modal (air, sea, rail, land) connection it will offer** in respect of Jamaica's almost unique geographical position globally. "Vernamfield has rail connection in the area; it will have a spur linking to the Highway 2000 network; it already has four airstrips, including the longest one in the island, capable of handling the heaviest planes in the world; and there are nearby connections via sea, such as Rocky Point," Allen explained. Arrangements for the relocation of settlements are now being finalized.

NORTH AMERICA

Canada: Manitoba is being eyed as a potential new international transportation route to North American markets. The over-the-pole route would see the Port of Churchill turned into a trade and economic development zone linked to Asia, Europe, Russia, and Nunavut. Winnipeg would also become a significant air cargo hub, taking advantage of CentrePort Canada, a nearly 8000-hectare inland hub currently under construction near the city's international airport. **CentrePort, expected to be operational in late 2012, will serve as an air, rail and road transportation hub for North American and overseas markets.** It will be linked to runways, railways and highways and build on Winnipeg's reputation as the geographic centre of North America. Diane Gray, Chief Executive of CentrePort, said China is looking for a

new route to the North American market and is extremely interested in the hub. "Alternatives to the existing West Coast ports are of interest to them and considering how that might connect into the Port of Churchill is part of it," she said at a recent conference on the project.

U.S.A.: The FAA has given the go-ahead in early January 2011 to a US\$ 5.2 billion expansion of Philadelphia International Airport (PHL), a project that will extend two runways, add a fifth and overhaul the general layout. The project will take 12 to 15 years and be financed through bonds, passenger facility charges and FAA grants. Construction is scheduled to start in 2013, after land acquisition is completed, permits and approvals are received, and engineering and design work is done. The project is scheduled for completion in 2025. -- The airport handled 30.7 million passengers in 2009, a figure that is expected to nearly double by 2030, said Mark Gale, CEO of the city-owned airport. He called the facility "chronically congested and delayed" and drastically in need of expansion. Also planned are upgrades and reconfigurations to the terminal complex, reconstructing two terminals, expanding two others, and constructing a new Terminal G and a commuter terminal.

WESTERN ASIA

Oman: The expansion of Muscat International Airport, designed to handle 12 million passengers annually, will be operational by March 2014. The airport is designed to scale up the terminal passenger handling capacity to 24 million at a later stage, said Said bin Khalfan al-Maskari, Director of Projects, Civil Aviation Affairs at the Ministry of Transport & Communications. He was talking on the sidelines of the recent second TransOman Conference. "The second-phase expansion for enhancing terminal capacity to 24 million passengers (per annum) will largely depend on the traffic flow," he added. The main facilities at Muscat Airport will be completed by the end of 2013, but there will be a trial and readiness testing period. Therefore, the passenger terminal building, northern runway, control tower, and air traffic management system will be opened by March 2014. Al-Maskari added that the main features of the expansion scheme include dual independent runway operation and a new fuel farm and fuel distribution network.

Bahrain: On 28 December 2011, the Kingdom pledged to speed up the revamp of its airport to better reflect the country's development. Technical standards and services to passengers and airlines must be further enhanced, with equal investment opportunities for the private sector, Crown Prince Salman bin Hamad al-Khalifa, who is also the Economic Development Board Chairman, said. A world-class Bahrain International Airport is crucial as it offers the first impression of the kingdom to visitors, he said and directed officials to speed up the airport development project after he was briefed on its progress. He ordered the **formation of an audit committee to review all existing contracts** for their transparency and commitment to competitiveness and national interest. The project to further develop the airport aims to strengthen Bahrain's position in the aviation sector and is consistent with the Kingdom's Economic Vision 2030.

United Arab Emirates: Sharjah International Airport has been given the go-ahead to start construction of a new 4000-m, US\$ 130 million Cat. 3 runway. Work is expected to be completed within 18 to 24 months after which the existing runway will be renovated. Peripheral projects include holding areas, a boarding bridge, and additional parking, with the possibility of new feeder roads to the airport currently under discussion.

ASIA-PACIFIC

India: The Airports Authority of India (AAI) is interested in partnering the recently cleared INR 100 billion (US\$ 2.2 billion) Navi Mumbai international airport project, if the Maharashtra Government approaches it with a proposal. The airports operator is willing to "hand-hold" through equity participation if required, but bidding for the project might not be possible at this stage as the authority has "enough work at hand", an AAI official said. Nevertheless, if AAI shows reluctance to invest in the airport project, the Maharashtra Government is willing to step in and pick up 13% equity, said a senior official at the City and Industrial Development Corporation of Maharashtra (CIDCO). CIDCO is the lead developer of the project, and by February 2011 it hopes to get remaining environment-related clearances and call for bids on a public-private partnership basis for the project. Private investors will have to invest 74% equity in the project, the CIDCO official said. The responsibility of constructing and running the airport for the concession period will also rest with the private partner. "We want AAI in the project as they have long experience in constructing and managing airport projects. Their role would be crucial in setting up air traffic control systems," the CIDCO official said. However, CIDCO is clear that the value of the stake to be given to AAI would be based on commercial considerations. "They will not get the stake at a discounted price. The price of the land would be incorporated in the stake sale."

Private players expected to bid for the Navi Mumbai airport project include GVK and GMR. The GVK-led consortium modernizing the Chhatrapati Shivaji International Airport in Mumbai has the first right of refusal for developing another airport coming up within 150 km of the existing airport. However, according to a clause in the Operations Management Development Agreement signed between the Government and GVK-consortium in 2006, GVK's bid cannot be less than 10% of the highest bid, which means there is no guarantee that GVK will be the ultimate bidder.

Malaysia: The Federal Government wants to make Penang the preferred economic hub of the northern region. Prime Minister Datuk Seri Najib Razak said several development projects and strategies had been designed to stimulate the economy and provide jobs. "Ten major infrastructure projects have been identified, including the expansion of the Penang International Airport, Penang Port, upgrading of Penang Bridge, construction of the second bridge, and the creation of a Multimedia Super Corridor in Penang. These initiatives will not only facilitate economic activity but also support our

national objective to increase tourism revenue from MYR 53 billion in 2009 to MYR 168 billion by 2020. I believe Penang has unique advantages for it to become a hub for the Northern Corridor Economic Region (NCER) and Growth Triangle comprising Indonesia, Malaysia, and Thailand," he said in his speech at the **ground-breaking ceremony for the airport's MYR 250 million (US\$ 81.6 million) expansion project, expected to be completed by June 2012**. Najib said Penang already had the highest economic density and the shortest distance to the market for a city in the Growth Triangle, adding that the airport's expansion would further enhance the island's infrastructure and transport connectivity. Equipping terminals with modern public facilities and delivering high-level customer service were key to portraying a favourable image of the country to travellers. Therefore, the airport's new terminal will have a modern and contemporary concept with more retail and food & beverage outlets of renowned international brands and high quality local names. Transport Minister Datuk Seri Kong Cho Ha said between January and November, the number of passengers at the airport had increased by more than 26% to 3.7 million and cargo traffic by 12% to 139,200 tonnes. Penang is the fourth busiest of Malaysia's 39 airports.

Indonesia: Nine Chinese companies are interested in building seaports and airports in Papua and West Papua. "Chinese ambassadors brought nine Chinese companies to Papua and West Papua on 5 January 2011 to see directly what kind of transportation investments would be feasible there," Indonesian Transport Minister Freddy Numberi said, adding that the governors of Papua and West Papua would also present investment opportunities in the provinces. According to Freddy, the companies have shown interest in the Sorong, Biak, and Jayapura seaports, with the port in Jayapura likely to only handle containers. "This is in line with the need of investment in Papua and West Papua," he said. He added that some Chinese investors might refurbish airports in Manokwari, Timika, Biak, and Sorong. "We plan to upgrade those airports to become international ones," Freddy said.

China: On 11 January 2011, the Chinese press reported that the Central Government has approved construction of a second international airport for Beijing within the next five years to alleviate pressure on Beijing Capital International Airport, the world's second busiest hub with 73.9 million passengers in 2010. State media said the second airport was expected to handle 60 million passengers a year. -- Beijing already has two commercial airports: the international airport in the northeast and a smaller domestic airfield in the south. Construction of the new airport is likely to start in 2011 and the total investment would be at least CNY 100 billion (US\$ 15 billion). CAAC plans to invest CNY 55 billion building eleven airports around the country in 2011, including the one in Beijing, as well as expanding existing facilities to meet mushrooming demand for air travel. The total number of airline passengers in China is expected to jump to 300 million in 2011, up from 267 million the year before.

Tianjin-Binhai International Airport will begin an expansion project shortly to expand its passenger-handling capacity. A new terminal will be constructed to handle 24 million passengers a year and meet growing air traffic needs in the future. The airport's first and only terminal, which can handle 10 million passengers a year, will reach saturation in 2011. It is estimated that the airport will meet its objective of handling 7 million passengers in 2010 ahead of time. -- Binhai Airport handled nearly 5.5 million passengers in the first three quarters of 2010, an increase of 30% over the same 2009 period.

Australia: Westralia Airports Corporation (WAC), the owner and operator of Perth Airport, expects to invest up to AUD 500 million (US\$ 494 million) over the next three years to deliver new and expanded passenger terminals, expanded aircraft parking areas, and expanded public access infrastructure. Continuing growth in passenger numbers at 7.5% for FY 09/10 to a record of 10.4 million passenger movements has contributed to the announcement. Perth Airport CEO Brad Geatches said that a number of key drivers continued to underpin the higher growth in air service demand in Western Australia, compared to other states. "Demand for airport services continues to grow primarily due to population growth, relatively high disposable income and employment levels in Western Australia and our State's reliance on air travel for both business and leisure. We have been working closely with our airline partners over the past 18 months to agree on the key features of the airport redevelopment. With 23 airlines servicing more than 75 intra-state, interstate and international ports, extensive consultation has been required and we have made good progress," Mr Geatches said. "The discussions with airlines and the detailed design has proceeded to a point where we decided it was important to release updated information on the major redevelopment we plan to undertake, commencing next year," he continued.

In order to ensure WAC makes effective use of the existing assets, delivers expanded capacity, and optimizes the customer experience, Perth Airport's redevelopment plans are based on making a phased transition to a consolidated airport precinct over the next decade. The first stage of the redevelopment will start in early 2011 and will include: • Significant expansion of the International Terminal, including facilities for the A380 aircraft, which is currently in the fleet of three of Perth Airport's airline customers (Emirates, Qantas, and Singapore Airlines). • Adding a shared domestic/international pier to the current International Terminal, making greater use of the existing terminal assets and allowing airlines to swing aircraft between domestic and international markets. • A new terminal designed to meet the needs of the growing Western Australian regional market, including the resource sector. • Expanded aircraft parking and taxiways. • Further investments in roads and car parking, including better access to and from the airport. The capacity created by this redevelopment programme is expected to meet projected demand for the next eight to ten years, at which time further consolidation developments will proceed. The expansion of Perth Airport is underpinned by delivering a safe and efficient road network to allow greater access to and from the estate. WAC is working closely with the Western Australian Government to plan for a major upgrade to the arterial road network around Perth Airport as part of the 'Gateway WA' project, which is expected to see a major investment in the arterial roads in the vicinity of the airport.

Approx. U.S. dollar exchange rates as of 17 January 2011 (Yahoo Currency Converter)

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