

ACI World AIRPORT DEVELOPMENT NEWS

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Editor & Publisher: Martin Lamprecht martin@mombergerairport.info / Founding Editor & Publisher: Manfred Momberger

EUROPE

Germany: The planned opening of Berlin's new airport on 3 June 2012 has been delayed until 17 March 2013 because completion and subsequent acceptance testing of certain safety-relevant installations (fire-security systems) was no longer possible before the planned opening date. During the discussions about the reasons for postponing the opening date, the decision was reached by the Berlin Airports Supervisory Board that **the Managing Director Operations/BBI, Dr Manfred Körtgen, will have to leave the company.** Until a new Managing Director Operations/BBI joins the company, the CEO Prof. Rainer Schwarz will be temporarily in charge of the department. At the same time **the Supervisory Board decided to terminate the contract with pg bbi. pg bbi, which is the project management company and in charge of site supervision,** comprising the consultancy firms J.S.K. International Architekten & Ingenieure GmbH and gmp Generalplanungsgesellschaft mbH.

The new airport with the BER three-letter code is intended to replace both Tegel (TXL) and Schönefeld (SXF). A major overnight operation was planned to move all the equipment between Tegel and BER's Brandenburg site after the closing of business at TXL on 2 June. Many passengers are likely to be inconvenienced by the postponement since they will have to use Tegel and Schönefeld for another nine months. This is of particular concern to the many thousands of passengers who have booked the new schedules which Air Berlin and Lufthansa had planned to operate from the new airport with effect from 3 June. **Lufthansa wanted to increase the number of destinations to which it flies nonstop from Berlin from currently 11 to 39** and thus fly to some 50 destinations Group-wide, expand its fleet stationed in Berlin from nine to 15 aircraft, and create some 500 additional jobs.

While Lufthansa will proceed with its expanded schedule from 3 June as planned and already is in discussions with Tegel to secure the necessary slots, **Air Berlin maintained that its planned expansion from 3 June cannot be sustained at Tegel.** Harmut Mehdorn, Air Berlin's CEO, said: "This rescheduling of flights [at Tegel] means we face a great challenge. It provides all parties with enormous logistical problems and significant additional costs." An Air Berlin spokesperson added: "Our new hub at Brandenburg is designed to handle six waves of connecting flights. This system is not feasible at Tegel."

Hungary: Budapest Airport moved all airline operations from Terminal 1 to Terminal 2 during the night of 29 to 30 May 2012. Since 30 May 2012, all EasyJet, Germanwings, Jet2.com, Norwegian, and Wizz Air passengers depart from Terminal 2B. Passengers flying on these airlines arrive at Terminal 2A (from Schengen countries) or at Terminal 2B (from non-Schengen countries). **Budapest Airport will close Terminal 1 for passenger operations on a temporary basis.** The loss of traffic in the wake of the collapse of national carrier Malev and additional tax burdens leave the airport no other choice but to reduce operating costs by combining operational areas and make the best use of the infrastructure at the more modern Terminal 2.

Ireland: The Irish Government recently announced that it intends to position Shannon Airport within a new entity, together with parts of Shannon Development, while maintaining Cork Airport within the Dublin Airport Authority (DAA). In accordance with its legislative mandate, DAA will work actively with the steering group that has been announced so that the Government's decision in relation to the separation of Shannon can be implemented. Finance Minister Michael Noonan expects "full and early discussions" with staff at Shannon Airport and Shannon Development on the implications of the Government's new direction for the airport. Under the plans announced in early May 2012, **Shannon Development is being dismantled to separate Shannon Airport from the DAA and establish a new commercial state company responsible for running the airport with a commercial mandate and developing surrounding land assets currently owned by Shannon Development.**

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The tourism functions and some 110 staff are to be transferred to the IDA, Enterprise Ireland, and Failte Ireland (the National Tourism Development Authority of Ireland), with some staff retained in the new airport company - which is to begin life free of net debt. This new organization will also be responsible for developing ancillary aviation industry on Shannon Development-owned lands. Also facing restructuring are over 200 staff at Shannon Airport. -- Consultants who reported to Transport Minister Leo Varadkar had warned that the airport's cost base was too high.

NORTH AMERICA

USA: Houston City Council has approved a deal with Southwest Airlines for a USD 100 million international terminal at 'William P. Hobby Airport' (HOU), the city's international airport until 1969. The airline, which has long operated from two concourses, will design and build five new gates and a Customs facility at the airport and will also begin operating flights to Mexico and the Caribbean in 2015 as part of the deal. Once complete, Houston City will own the terminal debt-free and will provide Southwest with preferential scheduling rights in return. The airline will also pay no rent on the use of four of the five new international gates and the Customs facility. The fifth additional gate and the Customs facility will be available for use by all other airlines operating at HOU who will pay rent. Construction is planned for spring 2013. In the interim, the City will work closely with Southwest and Washington to obtain the necessary Federal approvals as well as a commitment for an adequate number of Customs and Border Patrol agents at both of its airports.

As an additional incentive for airlines who agree to a long-term lease at HOU, the agreement allows a rebate of airport charges for every additional passenger they bring to the airport above the base passenger levels in the year prior to the start of international service, with a cap of USD 3.9 million annually. This is based solely on an anticipated increase in concession sales inside the airport from additional passenger growth. The rebate is not automatic; if there is no increase in the number of passengers through the airport, there are no payments.

"This is a big win for Houston and the travelling public," said Mayor Annise Parker. **"Competition will lead to jobs, lower fares, and a positive economic impact for the city.** My goal is a strong international presence at Hobby and a continued strong international presence at Bush [International] Airport. We will also continue our commitment to ensuring there is adequate Customs and Immigration staffing at Bush (IAH) and at Hobby when international service begins there in 2015."

United Airlines has fiercely opposed the expansion as the carrier could lose 1300 jobs if the Southwest expansion at Hobby happens. Southwest claims the expansion would create more direct jobs at Hobby and have a trickle effect on support businesses in the area, but less than what a Houston Airport System study claims. United had said earlier it might cancel USD 700 million in improvements to Terminal B at IAH and might drop some service from Houston.

The New Tom Bradley International Terminal (TBIT) in Los Angeles - the largest construction project in LA's history - is close to its first opening phase in spring 2013 when both the Great Hall and the new west-side boarding gates will open. Phase 2 (East Gates) will be completed by the end of 2013. With 1.24 million square feet of new building area, the new Bradley West world-class terminal will double the size of the existing Tom Bradley International Terminal at a cost of USD 1.545 billion. The terminal is the centrepiece of a multi-billion dollar development programme that has already seen the completion of a USD 737 million renovation of TBIT that upgraded the facility with a new in-line baggage screening system and interior improvements to enhance service and convenience to the passengers and tenants. Designed to put the LA back into LAX, **the food, beverage and retail concessions have also been upgraded and now reflect the best of Los Angeles' diverse cuisine, culture and lifestyle.** The TBIT adds new gates to accommodate new-generation aircraft and

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a Great Hall for dining, retail and passenger amenities. Funded entirely by LAX operating revenues, capital improvement programme funds, fees from airlines, passenger facilities charges, and airport revenue bond proceeds, the development has not used any taxpayer money whatsoever.

The **terminal expansion** includes: ● 18 new and larger boarding gates, 9 of which can accommodate new generation aircraft such as the Airbus A380 and the Boeing 787 Dreamliner; ● Dual passenger loading bridges for speedier boarding; ● The Great Hall with 140 000 ft² for premier dining, shopping, amenities and club lounges;

● Upgraded customs and immigration areas for more efficient passenger processing (4000 passengers per hour versus the current 2800).

From an environmental perspective, working to the airports' strict Sustainable Design and Construction Guidelines, the Bradley West project will optimize the use of recycled building materials and minimize the amount of energy used in construction, i.e. equipment used on-site instead of trips to and from the site. In addition, the architecture and construction of the new facilities are designed to achieve a LEED (Leadership in Energy and Environmental Design) Silver certificate from the U.S. Green Building Council.

The total cost of the programme covering all nine LAX terminals is estimated at USD 613 million, with reimbursement expected to total USD 460 million from the Transportation Security Administration. ● Terminal 5 renovation (USD 229 million) will improve passenger service and security with a new in-line baggage screening system, expansion of the Federal passenger screening check points and international passenger processing facilities - completion is scheduled for 2015; ● Terminal 6 renovation/modernization (USD 271 million) will increase lobby space, replace traditional ticketing counters with new check-in kiosks, bag-check stations, and a behind-the-scenes in-line baggage-handling system - completion is scheduled for summer 2012; ● Runway Status Light Project (USD 7 million) helps increase airfield safety by using a series of lights embedded in the pavement to warn pilots if it is unsafe to cross or enter a runway, or to take off. A prototype system was installed in June 2009 with this full system scheduled for completion by 2015.

An unofficial and symbolic ground breaking for the third Chicago airport took place on 21 April 2012 at the site of the proposed airport in the southern suburb of Peotone, when Congressman Jesse Jackson, Jr. took a shovel in hand. The project has the support of Illinois Governor Pat Quinn who has been working to buy the land and gain approval from the FAA. But there continue to be questions about how the construction would be funded. **One proposal is that the USD 700 million project would be privately-funded by the Canadian developer SNC-Lavalin.** "Together we can and we will strengthen our common economic destiny," Jackson said. He was joined by supporters, who say a third airport could bring an economic windfall. "This project is bigger than just the start of a 12 000-ft runway and a five-gate terminal. This project has the capacity to transform the south land and give balanced economic growth to Chicago and to this region, for which we have for too long waited," Jackson said.

Construction has started on a major project at Baltimore/Washington International's 'Thurgood Marshall Airport' that is designed to modernize facilities and provide new services for customers. In a release, BWI stated that the USD 100 million project will expand security checkpoints at Concourses A through C and create a secure connector between Concourses B and C. It will also build an airside connector between the 40 affected airline gates, renovate passenger hold areas, and increase post-security food and retail space. Maryland Governor Martin O'Malley praised the new project as a necessary investment to continue current levels of passenger growth. However, contractors in Maryland lost out on the BWI project. Bethesda's Clark Construction Group and Baltimore-based

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Whiting-Turner Construction were outbid by Colorado-based Hensel Phelps Construction Co. The B/C Concourse Connector and Security Checkpoint project continues Hensel Phelps' successful partnership with the Maryland Aviation Administration (MAA) at BWI, including construction and early delivery of the 550 000-ft² Terminal A/B Expansion project in May of 2005. The new project is scheduled for completion by summer 2013 and will be funded using Passenger Facility Charges. To accommodate construction, the BWI Marshall Observation Gallery will be closed until spring of 2013.

Canada: Vancouver International Airport (YVR) is committed to years of construction and is investing CAD 1.8 billion to improve the facility. Speaking at a meeting of the Vancouver Regional Construction Association on 6 June 2012, John Lenahan, Director Engineering Projects with YVR, said: "The main aim of the ten-year strategy is to retain our current position and grow." He said that after 80 years of operation, YVR still wants to be the gateway to the Orient and outlined the construction projects in the Vancouver Airport's strategy. Lenahan said that being the closest major terminal to Asia on the west coast of North America is no longer a competitive advantage. New technology and the collapse of the Soviet Union, allow aircraft to pass over the polar region on their way to China. This has increased competition from other airports like Calgary, Edmonton, Seattle, San Francisco, Los Angeles, and Chicago. "The most important construction projects currently under way at the airport are an expedited baggage system in combination with secure corridors," said Lenahan, adding: "This will fuel the implementation of new regulations that will allow passengers to transfer planes without having to claim their bags."

The Capital Plan allocates funding over a ten-year span and identifies what infrastructure will be built and when. The plan includes upgrades to the original areas of the 1968 domestic terminal, runway safety enhancements, new high-speed baggage systems, enhanced safety and security, as well as more than 700 metres of secure corridors and moving walkways to reduce connection times for passengers. The strategy allocates CAD 286.4 million for airside projects, including runways and taxiways, while CAD 488.7 million will be invested on the domestic terminal upgrades. International terminal upgrades will cost about CAD 408 million, and another CAD 559.8 million for Sea Island and airport infrastructure upgrades, such as bridges, roads and dikes. These projects are needed to cut the time passengers need to transfer flights from 90 minutes to less than an hour. Other factors that are critical for improving the airport's competitiveness are minimizing costs to the airlines, as well as preserving and enhancing the passenger experience.

Calgary International Airport Authority is currently undertaking the single largest expansion of Calgary International Airport in its history. Part of that expansion is a CAD 620 million runway development programme, which includes a new 14 000-ft runway - the longest in Canada -, an aircraft parking apron, taxiways, a central de-icing facility, and other associated infrastructure. All told, the runway expansion represents more than a million square metres of paving. The construction management contract is being undertaken by a joint venture consisting of PCL Construction Management Inc., Parsons Canada Ltd, and Dufferin Construction Company. Dufferin will be handling the paving portion of the contract as part of an 'own forces' arrangement. The work started in April 2011 and site preparation is well under way.

The need for longer runways at Calgary is related to the airport's elevation. The new runway will measure 14 000 ft long by 200 ft wide and run parallel to the airport's other north-south runways. Plans for the runway were initiated in the 1970s with the land reserved and airport zoning secured for the project at that time. City planning has likewise already recognized height and land use restrictions in anticipation of the project. Rough grading of the site was carried out by North American Rock & Dirt Inc. (Broda Construction Group). Excavation work in preparation for construction involves the removal of 7.5 million cubic metres of earth, now almost complete. The overall structure of the runway is 46 inches deep

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and includes a surface course of 18 inches of Portland cement and 27 inches of gravel and granular sub-base, including eight inches of cement-stabilized base, a lean concrete mix that provides a solid surface for the pavement structure and adds to its strength. All told, the runway project will require 525 000 m³ of granular material and 260 000 m³ of concrete. The runway is scheduled to open to air traffic in May 2014.

LATIN AMERICA & CARIBBEAN

Brazil: Infraero, Brazil's national airport authority, expects to see big improvements to the country's airports in 2012 through some BRL 2 billion (USD 1.17 billion) in public spending, according to its President, Gustavo do Vale. In early February 2012, the Federal Government had raised BRL 24.5 billion through the auction of the São Paulo-Guarulhos, Viracopos-Campinas, and Brasília airports to private investors. Bids for the airports were far higher than expected, and the winners will invest a total BRL 16.1 billion in the three hubs. Despite the upcoming influx of private investment, the Government is still planning to spend heavily on airport upgrades in 2012. Do Vale said: "At BRL 1.15 billion, our 2011 investment was the highest in our history. However, with tender launches and concessions processes, we are expecting a jump in works in 2012 as well as over the next few years," adding: "This will help us to comfortably meet demand."

For 2012, Infraero will provide BRL 1.12 billion for airport works, plus BRL 853 million from national aeronautical authority Ataero and BRL 30 million from the Federal growth acceleration plan (PAC). Work includes various restoration, modernization and expansion projects. Most of the work is taking place at airports in or near the twelve host cities for the 2014 World Cup; however, smaller airports are also set to benefit. -- Airport infrastructure in Brazil has failed to keep up with the boom in passenger traffic, which has more than doubled over the past decade. The country's 66 Infraero-run airports handled 179 million passengers in 2011, but 1 in 20 flights was cancelled and around 12% were delayed.

Argentina: Aeropuertos Argentina 2000 (AA2000) will invest ARP 850 million in 2012 at the main airports across the country through a Federal Plan of Investment. This will be the company's largest investment since it took over the concession to operate 33 airports in 1998. The announcement was made by Ernesto Gutiérrez, President of AA2000, during the formal opening of the Bariloche and Esquel airports in the south of the country on 4 April 2012. The company invested a total of ARP 88 million under the work plan for 2012 (ARP 66 million at Bariloche for complete runway rehabilitation; ARP 22 million at Esquel for runway and airfield lighting upgrades to Cat. 1).

The projects scheduled for the year 2012 include:

Buenos Aires-Ezeiza ARP 360 million for Phase 1b of the new passenger terminal, for reconditioning Runway 17/35 and the commercial apron, the control tower, and the ACC.

Buenos Aires-Aeroparque ARP 160 million for Buildings III and IV of the new passenger terminal,

Córdoba Airport ARP 107 million for refurbishing the passenger terminal and building a new control tower
 Projects at different domestic airports ARP 80 million for the new terminals of San Juan and Santiago del Estero (Phase 2); the refurbishment of the terminal in Puerto Madryn; and the vertical circulation core at Salta Airport

Airside works ARP 134 million for Esquel (reconditioning of the runway, taxiways, apron, and markers); San Fernando (runway repaving, lengthening and apron extension); Posadas (runway, taxiway and apron repaving and new markers); Comodoro Rivadavia (repairs on the runway and new markers).

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Bolivia: Since the current Sucre airport, known as 'Juana Azurduy de Padilla Airport' (SRE), is hardly befitting the legal capital of **Bolivia**, **President Evo Morales announced plans in May 2011 to build a new, more modern airport for the rapidly growing city.** It will be located in the area of Alcantarí in Chuquisaca department. The Government expects it will take about three years to build the new airport and intends to invest over BOB 380 million (about USD 54 million) to build it. Morales also spoke of possibly constructing another airport in Monteagudo, also in the Chuquisaca, although this would need congressional approval.

Ecuador: After several delays, the new Quito International Airport is expected to be operational by October 2012. A legal dispute connected to USD 660 million in financing triggered an 18 month renegotiation process among investors, lenders, and the Government. In July 2009, the Constitutional Court ruled that the airport tariffs were state property. The circumstances interrupted construction and the subsequent negotiations involved, among other things, efforts to reconcile the new legal regime in Ecuador with the project and its financing requirements. The 18-month process culminated in a strategic alliance agreement with many ancillary contracts and investment protection agreements and the resolution of certain disputes. President Correa, the Mayor of Quito, and other key leaders participated in a ceremony celebrating the agreement and the deal subsequently closed on 4 February 2011. Construction of the new airport by the Quiport consortium has resumed, bringing at least 2500 jobs for contractors, subcontractors and skilled workers. The result holds important ramifications for foreign investment in Ecuador and bilateral relations between Ecuador and each of Canada, Brazil, and the United States, where the Quiport partners are based. The project has a positive impact on Ecuador's local and national economy and development. However, within the hemisphere, Ecuador faces strong competition from larger regional economies that offer attractive business opportunities, easier access, and a conventional disciplined policy mix where the rules of the game are perceived as more stable than what has been the recent experience in Ecuador.

Chile: In Chile, the Foreign Investment Committee under the Ministry of Economy, Development & Tourism has announced a number of substantial foreign investment projects in the infrastructure sector. These projects are understood to include the re-tendering of 'Arturo Merino Benítez International Airport' in Santiago on a Build, Operate and Transfer (BOT) basis. The airport currently covers about 823 000 m² (passenger terminal, aprons, asphalt runways, freight terminal, and carparks) and some additional 375 500 m² are required (for remodelling and expanding the terminal building and aprons) with an estimated investment of USD 500 million and the capacity to handle over 29 million passengers by 2030. The tender will take place during 2013, the second concession must begin in mid-2015, and the facilities must be ready to operate in 2017.

El Tepual Airport (PMC) at Puerto Montt is also up for re-tendering, but details remain unconfirmed at present. The concession contract for Antofagasta's Cerro Moreno Airport is also to be re-tendered. The current terminal area of 2000 m² is to be increased to 9500 m².

Mexico: Construction of a second airport for Mexico City should have top priority in a USD 38 billion revamp of the nation's transport infrastructure, according to Jorge de la Madrid of the national college of civil engineers (CICM). He made the call for a second gateway for Mexico's capital city and another in Guaymas in Sonora state in the north-west of the country when outlining the organization's proposed national infrastructure plan for the 2013-2018 period. He insists that the big spend is necessary over the next six years to enhance capacity at Mexico's airports, railways, seaports, and highways. "Over the next 37 years, transport infrastructure will require an annual MXN 90 billion (USD 6.5 billion) if Mexico is to build a long-term, sustainable and integrated transport system, capable of

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driving the economy and competition,” says de la Madrid. He claims that the main priority for airport infrastructure should be a second international airport for Mexico City in Texcoco, Mexico state. “Over the next six years, we must invest MXN 75 billion (USD 5.4 billion) in the construction of the second airport in Mexico City and a new airport in Guaymas, Sonora.” -- Mexico’s President Felipe Calderón has called for Congress to make a decision on the country’s proposed public-private partnership (PPP) law, aimed at increasing investment in infrastructure, and de la Madrid admits that “the difficult economic climate” would make it hard for the Government to act alone. Private investment should be increased not only directly through concessions, but through the creation of new financing schemes using both public and private resources,” said de la Madrid.

Antigua: Construction of the new multi-million dollar terminal at Antigua’s ‘VC Bird International Airport’ is expected to begin shortly and is scheduled for completion by December 2013.

The project has been delayed by land acquisition issues and the Government is still negotiating for the acquisition of just over six acres of land owned by R. Allen Stanford, a convicted fraudster, near the new airport. Stanford purchased the land for just over XCD 1 a square foot but the price put on the table now ranges from XCD 18 to 22. The non-resident Ambassador to China, David Shoul, who negotiated the USD 47 million loan from the Chinese government for the project, is optimistic that the foundation of the state-of-the art facility will be completed soon. The ambassador described the setback as an “inconvenience” but said officials are “working around” the issue thanks to some “good ideas and planning” from those at the Antigua & Barbuda Airport Authority. Reliable government sources had said the cash-strapped administration has agreed in principle with the Stanford Development Company (SDC) to take over its debt to Antigua Public Utilities Authority (APUA) in exchange for immediate title ownership of the six acres in question.

Panama: Tocumen International Airport, the ‘Hub of the Americas’, and the Panama Canal make Panama a prime destination for entrepreneurs or multi-nationals looking to expand within the region. Tocumen, with two active runways of 10 007 ft and 8799 ft, is located 15 miles from downtown Panama City via a toll road. In 2011, the airport handled 5.84 million passengers (+15.9%) and 110 946 tonnes (+12.6%) of cargo, averaging double-digit growth rates for the past five years. Passenger and cargo traffic are both forecast to double in the next five years. **Since 2003 the airport has been operated by Aeropuerto Internacional de Tocumen S.A., a private company whose shares are 100% owned by the Panamanian government.** The company started significant airport expansion and modernization projects in 2006, which continue to this day.

The first phase has involved expanding the main passenger terminal by 21 000 m². Fourteen old boarding gates were replaced with 28 modern ones, including six remote positions. At the same time, terminal facilities were substantially upgraded and new baggage-handling and flight information systems introduced. This initial phase also involved redesigning and renovating the original cargo terminal. New cargo buildings were built, as well.

The second phase, started in 2008, involves construction of a **new North Pier** and related infrastructure, which will add 12 gates, bringing Tocumen’s total to 40 and increasing its annual capacity to 10 million passengers. This new terminal extension will house 15 000 ft² commercial space, supplementing a wide variety of retail outlets in the main terminal. All are duty free. Once the new North Pier is operational, work will start on a **new South Pier** which will provide 20 further gates along with supporting aeronautical and commercial infrastructure. The USD 300 million South Pier will add a further 30 000 ft² to Tocumen’s commercial space.

There will also be a **cargo facility** constructed nearby to facilitate more efficient transfer of cargo and express packages from passenger aircraft.

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A team of consultants from ICAO is preparing a 30-year master plan for Tocumen Airport. In addition to addressing future aeronautical infrastructure and facility needs, including significant upgrades to Tocumen's cargo area, special attention is being given to planning an airport city that will be developed on 300 acres near the main runway (see above). The objective of the ICAO master plan is to not only make Tocumen a world-class passenger and air logistics hub, but also position its airport city as a central component of a greater Panama Aerotropolis.

ASIA-PACIFIC

Thailand: On 30 April 2012, Airports of Thailand Plc signed a consulting and management contract for the THB 62.5 billion second-phase development of Bangkok's Suvarnabhumi Airport. AoT President Aniruth Thanomkulabutr said after the contract signing with the EPM Consortium that upon completion in 2017, the expanded airport will be able to accommodate 15 million more passengers per year for a total of 60 million annually. In 2011, the airport, which was opened in 2006, catered to 48 million passengers, although its maximum capacity is only 45 million. Aniruth said that the number of passengers is expected to rise to 51 million in 2012, and there is no end in sight. Hence the expansion is overdue and will certainly be insufficient to accommodate future growth.

EPM Consortium's contract is worth THB 809.9 million for Suvarnabhumi's Phase 2 expansion in fiscal years 2011 to 2017. **The Phase 2 project will cover four main areas:** ● It entails a secondary concourse with 216 000 m² in usable space, equipped with 28 near-terminal parking bays and 960 000 m² of remote parking space. This will also encompass a southern tunnel and passenger transportation system. ● Construction of a new passenger terminal on the east side of the airport, an airline office building, and a parking garage. ● Design and construction of an infrastructure system. ● Project management. "EPM Consortium is primarily tasked to manage the project, which includes the finalizing of project details, the selection of a design team, and the oversight on designing and construction," Aniruth said. Under the 70-month contract, EPM started its job on 1 June 2012. EPM Consortium already was involved in the Suvarnabhumi Phase 1 development project.

The EPM Consortium consisting of three Thai firms (PCBK International, Chotichinda Mouchel Consultants, and Epsilon) and a Japanese concern (Oriental Consultants) was formed to manage giant construction projects. It will essentially play a supervisory role in all phases involved in the expansion, ranging from design to construction, over the 70-month period.

Many of the Oriental Consultants working team were involved in a similar task for the original construction of Suvarnabhumi Airport, which became operational in 2006. Now that the project-management contract has been officially signed, Chaisak Sripadungtham, President of PCBK International, the leading company within the EPM Consortium, said the first step would be to undertake a study with various models to set up the overall framework, including the design criteria. Then tenders will be issued to select designers and contractors. **Construction is expected to start by mid-2013** and the expansion is scheduled to open by mid-2017.

* **AoT is trying to persuade some ten airlines, particularly low-cost carriers and those providing point-to-point flights, to shift to Don Mueang Airport across the city to take some of the strain off Suvarnabhumi.** President Aniruth expects some airlines to begin moving operations to Don Mueang in July 2012, as the airport strives to fill the capacity of Terminal 1 (T1), which can handle 14.5 million passengers a year. T1 is one of three passenger terminals at Don Mueang. It was the only one revived after the airport was ravaged by floods in 2011.

Indonesia: The Indonesian Transport Ministry is preparing to build and relocate a total of 45 airports over the next decade in order to support the development of Indonesia's aviation

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industry, Herry Bakti S. Gumay, the Director General of Air Transportation at the Ministry, said on 9 June 2012. The move was to address the rapid development of the aviation industry, not only in terms of passengers carried but also the expansion of routes and fleets in Indonesia. **“In the first phase, we will build 24 new airports until 2017, and then the rest will be built gradually up to 2022,”** he said. The first phase has already begun and eight airports have achieved good performances, including Muara Bungo Airport in Jambi, Tual Baru Airport in Maluku, Waisai Raja Ampat Airport in Papua, Enggano Airport in Bengkulu, Sumarorong second phase airport in Mamasa, West Sulawesi, the Waghete Baru and Kamanap Baru airports, both in Papua, and Pekoserai Airport in Lampung. These eight airports, he said, had runways between 900 and 1400 m long and 30 m wide, enough to accommodate ATR-42/-72, DHC-7, Casa C-212 and Hercules C-130 aircraft. “For the construction, a minimum of IDR 200 billion (USD 21.2 million) for one airport is needed.” The Ministry has an IDR 3 trillion allotment for infrastructure construction in 2012 and has already disbursed IDR 205.34 billion in funds for Muaro Bungo Airport in Jambi which is now 100% completed. The airport will be operated by the Bungo district authorities.

India: The development of Navi Mumbai Airport seems to be picking up pace with the Civil Aviation Ministry saying on 29 May 2012 that it has approached the Planning Commission to work out the modalities of developing the new airport and all other related work. Civil Aviation Minister Ajit Singh met the Deputy Chairman of the Planning Commission, Montek Singh Ahluwalia, and Planning Commission advisor, Gajendra Haldea, to discuss the development of the airport under a Public Private Partnership (PPP) model. Dr Nasim Zaidi, Secretary of the Ministry of Civil Aviation, was also present at the meeting. “It was decided to consider the development of new airports like Navi Mumbai, city-side development, and maintenance of the Chennai and Kolkata airports, work out various modalities and seek approval by the Cabinet Committee on Infrastructure,” the Ministry said in a statement. Apart from the Navi Mumbai Airport, other upcoming airport projects under the PPP model at Goa, Itanagar in Arunachal Pradesh, and Kannur in Kerala were also discussed in the meeting.

The Airports Authority of India (AAI) is developing airports at Chennai and Kolkata at costs of INR 21 billion and INR 23.5 billion, respectively. The two projects have experienced long delays. Chennai Airport was expected to be operational by June while the one in Kolkata is likely to open by October 2012. The AAI recently asked all the state government to prepare and submit plans of the airports, helipads and even unused strips that they want to develop or upgrade. **The AAI has drawn up a plan to ‘operationalize’ 225 airports across the country by 2020.** India has 456 airports and airstrips, with many of them built before or during World War II. Developing these non-metro airports to enhance air connectivity in the hinterland is part of AAI’s plan to reactivate, upgrade and modernize at least 225 airports by 2020.

Malaysia: Malaysia has offered to invest USD 5 to 6 billion for building the proposed Bangabandhu International Airport in Bangladesh near the capital Dhaka. The visiting Malaysian team, led by the Malaysian Prime Minister’s special envoy for South Asia, Dato S Samy Vellu, came up with the investment proposal during a meeting with Civil Aviation and Tourism Minister Col. (ret) Faruk Khan on 30 May 2012. According to Faruk Khan, the Government has chosen seven sites for constructing the international airport. “If Char Janaza or Char Bilashpur in the vicinity of the Padma River is selected, it’ll be better. But there’s no doubt that the proposed airport will be built in and around the Padma Bridge.” The Minister said the Malaysian team also expressed its interest to invest in Bangladesh’s tourism sector, especially Kuakata, Cox’s Bazar, and the Sundarbans. **The delegation also expressed their willingness to invest for the development of Dhaka’s ‘Hazrat Shahjalal International Airport’,** if needed, under Public Private Partnership (PPP) or government-to-government agreement.

ACI World AIRPORT DEVELOPMENT NEWS

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China: IATA has encouraged China to continue to develop its air transport sector by ensuring sufficient capacity based on global standards and best practices. Air transport plays a critical role in China's economic development. The country is looking to increase its share of world trade from 10.4% to 15%. Aviation connectivity will be critical to making that happen. Already it is prioritizing investments in airport and air navigation infrastructure. The challenge is to keep pace with rapidly growing demand, based on the global standards which underpin safe and efficient global connectivity, said Tony Tyler, IATA's Director General & CEO at the China Civil Aviation Development Forum 2012 in Beijing.

Tyler noted that **China already ranks highly for the size of its air transport industry: second in the world for domestic passengers, seventh for international, and fourth for international cargo.** But this is only the beginning. Of the 877 million additional global air travellers expected to fly in 2015, compared with 2010, more than 212 million will be on journeys within, or connected to, China.

Tyler noted two areas for infrastructure capacity development and commented on Global Standards:

■ **Air navigation infrastructure must keep pace with demand and growing airport capacity.**

IATA has worked very successfully with China to open new entry points to Chinese airspace and create more flexibility in co-operation with the military. However, the challenge is growing daily as travel demand increases, leading to frustration and delays for airline passengers.

■ **Planning for hub capacity in Beijing continues to be a priority.** Tyler praised the Chinese authorities for already looking for development options when the current infrastructure at Beijing Capital International Airport reaches its design capacity. It has risen to become the world's second busiest airport when measured in passenger numbers. The best solution would be expansion on the same geographic site. Consolidating traffic in one airport creates the most options for connectivity and keeps costs low. But if it is decided that development at a second location is necessary, then a transparent and clear system for allocating operations between the two airports will be required in consultation with the airlines.

Global Standards: They are at the heart of aviation as they enable airlines to connect the planet safely and efficiently. Tyler cited specifically the role of global safety standards in **making China one of the safest places to fly.** He noted that IATA is in a dialogue with the Civil Aviation Administration of China (CAAC) to align China's charges for infrastructure with global standards. The goal is to arrive at a charges structure that is competitive and in line with global best practices and ICAO standards. Today, China's air navigation service charges are among the highest in the world. The price of fuel is also among the highest. It is estimated that airlines pay a premium of over USD 400 million annually to refuel at Chinese airports. Bringing those costs in line with global levels will benefit Chinese carriers more than any others and will thereby help to make them more competitive. The differential in charges between Chinese and foreign carriers is unacceptable under ICAO policies and should be eliminated. This move will also help Chinese carriers improve their competitiveness by forcing them to compete on a more level playing field, said Tyler.

He concluded by saying: "I am confident about China's aviation future. There is tremendous growth potential and an industry working with the Government to achieve it. ... Working alongside the Chinese industry and the Chinese government, I see IATA's relationship with China as a partnership navigating through the challenges and building tomorrow."

Australia: Melbourne Airport has released a draft development plan for the first stage of its AUD 1 billion redevelopment that could create up to 400 construction jobs. It includes construction of a new domestic terminal designed to cater for up to 20 million passengers each year. There will also be improvements to the airport road network and the carpark. The airport's Chief Executive Officer (CEO)

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Chris Woodruff says the Southern Precinct project will be a significant boost to the Victorian economy during its construction and operation. "While domestic aviation has been through a challenging period, this investment is a significant vote of confidence in the future of Melbourne Airport as Victoria's gateway," he said. "In addition to the economic and employment benefits created during the construction period, this project will deliver on-going benefits to Melbourne and Victoria, by facilitating the growth of airlines, including the basing of additional aircraft in Melbourne and the introduction of new services."

-- Phase 1 of the project has an estimated cost of up of to AUD 300 million. If approved, construction is proposed to start in October 2012. The new terminal facility will be open by July 2014.

New Zealand: Auckland International Airport is planning to increase its international capacity and upgrade its domestic terminal. Its CEO Simon Moutter reportedly told company shareholders at the airport's annual general meeting that upgrades were needed to the domestic terminal, which he described as "under pressure". "The domestic terminal today has run its course and is in need of significant replacing activity. We will be trying to use that opportunity to create a genuine airport of the future," Moutter said. According to press reports, the introduction of direct flights from China in 2011 and an increasing number of flights between Auckland and Singapore had increased passenger numbers to 13.8 million in 2011. The airport is now said to be placing more emphasis on growth outside the traditional airport revenue of passenger and freight transfer by introducing new technologies to enhance the passenger's journey. Moutter said implementing new technologies such as the time-saving SmartGate electronic passport processing and a service to address any problems with restrooms by summoning a cleaner or plumber had been well received.

WESTERN ASIA

Kuwait: The Government of Kuwait will spend USD 6 billion to almost double the number of passengers its international airport is able to handle by the end of 2016, the head of the country's aviation regulator said. Work will begin in 2012 on adding a terminal and renovating infrastructure to raise capacity to 13 million passengers, according to Civil Aviation President Fawaz Abdul-Aziz al-Farah. The airport, built to handle 7 million travellers a year, received 8.5 million in 2011, and the figure may exceed 9 million this year. Kuwait International Airport's capacity may be expanded to 25 million passengers by 2025 and 50 million by 2035, Al-Farah said. The Emirate's main carriers are Jazeera Airways, a low-cost operator, and state-owned Kuwait Airways. -- **The expansion is part of Kuwait's USD 111 billion four-year development plan announced in February 2010** to build a subway and rail network, expand the airport, and construct power stations, hospitals, roads, and a port for the nation of 3.7 million people.

Saudi Arabia: Construction work to triple capacity at Riyadh's 'King Khaled International Airport' is expected to start in November 2012, and the project is to be completed by 2015, according to the General Authority for Civil Aviation (GACA). "The expansion will include construction of a new terminal, Terminal 5, which will start within six months and is expected to be complete by November 2013 and an expansion and upgrade of existing Terminals 3 and 4, which are currently in the design phase," spokesman Khalid al-Khaibary said. GACA has issued a request for proposals for the design and project management packages on T3 and T4, with proposals expected by mid-June 2012. Construction on those terminals is expected to start in 2013 and be completed by the end of 2015, Al Khaibary added.

The Government is planning multi-billion dollar projects to expand capacity in the face of rising demand at 27 airports, including Riyadh. Traffic through the capital's airport, which was designed to process 9 million passengers a year, has reached around 15 million passengers annually.

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Saudi Arabia is also planning a SAR 27 billion (USD 7.2 billion) expansion of Jeddah's 'King Abdulaziz International Airport', which it will finance through Islamic bonds (sukuk) to raise its capacity from 17 million to 30 million passengers annually from 2014. Industrial conglomerate Saudi Binladin Group won the contracts to develop the first phase of that project.

AFRICA

South Sudan: The newly independent country plans to mark its emergence onto the world stage as an oil producer by completing a new airport terminal in the capital Juba in June 2012. Money for the prestige project has now been secured, after funding problems and other snags prevented its completion in time for independence celebrations in July 2011. The Government is confident it will also obtain funds to extend the airport runway and build a new taxiway within two years. The current passenger terminal was built by Sudan to serve a few flights between Khartoum and the south. It consists of two small halls where airlines check in passengers without computers or proper baggage weighing. Security checks are minimal because of frequent power outages.

Some 22 airlines serve Juba International Airport, mostly from African neighbours such as Kenya and Ethiopia. The city of Juba has long wanted to replace its dated airport building, with its poor security and a long bench instead of a luggage carousel. The new terminal will show the modern face of South Sudan to the rising number of foreign executives looking for high-risk, high-return business opportunities in the central African state. Land-locked **South Sudan also hopes to secure funding from private investors or international organizations to build three new airports** in the longer term, one in the Tali area to serve Ramciel, where the Government plans to move its capital, and one in Bentiu in oil-producing Unity state. Oil exports make up 98% of state revenues.

South Africa: Barely two years since its official opening, Durban's 'King Shaka International Airport' (KSIA) is to undergo renovations. Construction work has started on the arrivals pick-up area and the area will be closed until 31 May 2012. ACSA says the reason behind the decision is that the arrivals pick-up zone has posed operational constraints and frustration for customers due to its poor design and restricted access. The area will be re-engineered to alleviate peak-time traffic congestion. Bongwiwe Pityi, Assistant General Manager of Airport Operations, says: "On completion, the redesigned arrivals pick-up zone will alleviate congestion and offer a prime parking facility for our customers." He added that ACSA was mindful of the inconvenience factor during the construction phase and to this end was offering a free 30-minute parking benefit to all customers in the multi-storey parkade. Directional signage will be placed in strategic locations via the main entrance of the multi-storey parkade for customer convenience. -- The construction of King Shaka has been fraught with controversy from the start and has done little to boost tourism in KwaZulu Natal. In a statement to the press in May 2011, IATA CEO Giovanni Bisignani had said: "Airlines are being made to foot the bill for poor performance and an airport in Durban that we did not need. This is no way to build a more successful tourism industry."

Publisher's note: The articles in this special report, compiled for **ACI World**, are edited samples from the biweekly **Momberger Airport Information** newsletter, published since 1973. The newsletter is an advertising-free, global airport news service that consists of 8 modules and allows subscribers to customize their own newsletter package. The items in this **ACI World** report represent only a small sample of the main module (Airport Development) of **Momberger Airport Information**. Additional modules that subscribers can select include: Airport Operations (OPS), Ground Support Equipment (GSE), Air Traffic Services (ATC), Consultant & Contractor (CON), Airport Information Technology (AIT) and Maintenance Base (MRO). An extensive Calendar of Events (CAL) is part of every subscription.

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