

# ACI World AIRPORT DEVELOPMENT NEWS

A service provided by ACI World in cooperation with Momberger Airport Information [www.mombergerairport.info](http://www.mombergerairport.info)  
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## Focus on AFRICA

### EGYPT

Located at the crossroads of Africa, the Middle East, Europe and the Gulf, Cairo International Airport is qualified to become the gateway to Africa, the Middle East, and a regional hub for millions of visitors to Egypt. **The Civil Aviation Authority, the Egyptian Holding Company for Airports & Air Navigation, and the Cairo Airport Company have embarked on a long-term development plan to upgrade and modernize Cairo Airport’s facilities, increase its capacities, and set a new standard of service in the region.** The airport's mission is to become a passenger and cargo hub for the Middle East/North Africa region (MENA). The plan is to achieve the top levels of service by rising standards to global competitive levels and gradually applying air transport liberalization policies. Part of the airport's strategy includes working closely with EgyptAir, which joined the Star Alliance group, as well as its partner airlines. **Opening of the 211,000-m<sup>2</sup> Terminal 3 doubled the capacity of the current facilities to 22 million annual passengers.** The ambitious plan to upgrade Egypt’s civil aviation facilities started in 2002 at Terminal 1 with renovated facilities and VIP lounges. Terminal 2 was closed until 2013 for a complete renovation. After recommissioning, the facility is ready to host 8.5 million international passengers per year. Recently finished projects have included the EGP 235 million Runway 05R/23L and a new control tower to accommodate future traffic development. In addition, current projects, which are in their last stage of completion, include a seasonal terminal for 3.5 million passengers/year, a multi-storey parking garage with capacity for 3,000 cars, and an automated peplemover system for moving 2,000 passengers/hour within 10 minutes from T1 to T3. Further on-going developments include a 5-star hotel and an extended metro line linking Cairo Airport with Giza.

### TUNISIA

**The Government has laid out a guideline for its 2016-2020 National Development Plan that will pave the way for a wide array of mega economic projects, including airport expansion, railway and highway construction, wind and solar power plant construction, the establishment of logistical zones in different parts of the country, and development of numeric and digital schools, tourism, pharmaceutical and textile industries.** To support Tunisia’s endeavours to overcome its present economic hurdles and preserve the successful democratic transition model, outstanding world figures and high-ranking officials from the World Bank and European Bank for Reconstruction & Development have announced their participation. In fact, Tunisia, which has completed the thorny democratic transitional phase, during which a new and liberal constitution was promulgated and transparent legislative and presidential elections were organized, is ushering in a decisive era of economic reconstruction. This new and highly sensitive economic phase has far-reaching implications for the future of the only surviving and successful nation of what is known as the ‘Arab Spring’. Therefore, it deserves the active and unwavering support of the international community.

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The 2011 revolution, which ousted President Ben Ali, was not only an urgent call for democratization but also meant the removal of all restrictions that hampered freedom of speech and individual liberties. This has included a recently adopted investment code, granting important advantages and privileges notably in terms of taxation and re-exportation, as well as new legislation encouraging public-private partnerships (PPP), a highly qualified workforce, the geographical proximity of the European Union market, along with good links with Sub-Saharan Africa., and the existence of a developed transport infrastructure (highways, commercial ports and airports) facilitating export activities.

## GHANA

**The Government has asked Parliament to approve some USD 185 million in tax waiver of direct and indirect taxes for contractors working on various airport projects in the country.**

The amount is needed for both local project transactions and offshore transactions for imports to enable the GACL to meet its obligations with the various contractors. The amount to be granted will cover a five-year period as per the GACL's tax exemption obligations and is **expected to cover the Terminal 3 project at Kotoka International Airport which is under construction, the Ho Airport, the Wa airstrip, the Tamale and Kumasi airports.** The amount to be secured will cover the following construction companies Mapa Insaat ve Ticaret (contractor), Constutora Queiroz Galvão S.A (acting through its branch, Construtora Queiroz Galvão S.A, Sucursal Gana), PW Ghana (Mourne Ghana), Amandi Holding Company Ltd, Amalgamated Designs, and Bans Consults among others who have project agreement with the GACL. -- The GACL had secured a loan of USD 250 million for a new terminal (T3) at Kotoka International Airport from a consortium of banks led by Ecobank Capital. The company later also secured another USD 150 million in funds on the strength of its own balance sheet to fund the Ho Airport project, as well as the rehabilitation of Kumasi Airport. Part of the said amount is also being expended on rehabilitation of the Sunyani and Wa airports.

## NIGERIA

**ICAO Council President Dr Olumuyiwa Aliu says Nigeria can be the regional leader of aviation business in Africa through a good airport management system.** Aliu made the statement when he led his team on a courtesy visit to the Minister of State for Aviation, Hadi Sirika, in Abuja. He was on the visit in company with the Second Vice-President of the Council, Nuhu Musa, and Mrs Iyobo Sosina, Secretary General, African Civil Aviation Commission (AFCAC). Also, on the team was Mam Sait Jallow, ICAO's Regional Director for West and Central Africa. Aliu said the visit was to afford them the opportunity to take a look at issues of air navigation safety, airport security, infrastructure development, and capacity building. He said ICAO - through its regional office in Africa - would continue to engage the Government in order to follow up on all the issues. According to him, **the effort is aimed at looking at privatization and ensure that the sector is properly restructured and the analysis required to establish a good airport management plan.** He said an effort was being made to ensure the successful certification of Nigerian airports by the Nigerian Civil Aviation Authority (NCAA) and in addition improve security and safety of the airports. He added that the Government had decided to concession the airports and that a transaction adviser had been appointed for the establishment of a private-sector national carrier.

\* **Stakeholders have expressed support for Federal Government's plan to concession some airports.** They have described the plan as an urgent intervention in efficient airport management. Speaking at a one-day stakeholders forum in Lagos, industry players said concession is the way to go in making the airports run efficiently. Airline operators have resolved to support the airport concession initiative if it will bring about good and efficient services which are not available in Nigeria at present. Concessioning will also help address the deficit in airport infrastructure. A private/public partnership (PPP) expert, Dr Chukwuma Katchy, however, attributed failure of previous concession projects to a lack of proper knowledge on how such agreements work.

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## **Political interference, lack of funding and bureaucracy have impinged on the performance of the Federal Airports Authority of Nigeria, leaving the nation's airports in a deplorable state.**

One of the reasons cited by some of the foreign airlines that left Nigeria was the poor airport infrastructure. Both the airlines still operating in Nigeria and the ones that have left, had expressed concern about the runway at Abuja's 'Nnamdi Azikiwe International Airport', rehabilitated in the meantime. On 4 December 2013, a Saudi Arabian freighter damaged its landing gear in a major incident on the Abuja runway, which led to the closure of the airport for several hours. This resulted in flight disruptions and huge revenue losses for both domestic and international airlines. There was also another major incident involving a South Africa Airways flight that was damaged when it landed on the same Abuja runway in early August 2016, which forced the airline to cancel the flight and lodged the passengers in hotels for four days. Only recently, reports indicated that an Emirates aircraft was also damaged when it landed on the same runway.

## **While many put the blame on the incompetence of the FAAN management, others blame it on Government interferences and not allowing the agency to have breathing space to do its job.**

In 2009, the then Vice-President of Nigeria and later President Goodluck Ebele Jonathan had signed a contract for building a 4,000-m runway at 'Nnamdi Azikiwe International Airport' in Abuja. The cost of the project was put at NGN 65.5 billion by Julius Berger Ltd, which was to handle the project. However, when the contract was taken to the National Assembly for debate and approval, it became mired in controversy, as the legislators said the cost of the project was outrageous. Although the contract was a FAAN project, the Agency did not have much to say and neither protected nor defended the project. It was the same when the concession to rebuild the domestic terminal at 'Murtala Muhammed International Airport' (MMIA in Lagos) was undertaken. The old terminal was gutted by fire. The concession was literally snatched from the Royal Sanderton Group to Bi-Courtney Aviation Services Ltd by the Government when the former was unable to start the project at the stipulated time. Directives were said to have come from the Presidency to FAAN to allow the second company to start work. This shows that Government always interferes with the affairs of FAAN and so it does with the other agencies.

The FAAN is currently operating at 55% of its full potential but Government interference cannot be solely blamed for the lackluster performance of the Agency. A former Chief Operating Officer of Bi-Courtney Aviation Services Ltd (BASL), Christophe Penninck, in a recent presentation said Nigeria needs well developed airports, noting that airports must develop for airlines to grow. He remarked that major airlines in Africa have well developed airports and these include South Africa Airways, Air Seychelles, Air Mauritius, Ethiopia Airlines, Kenya Airways, TAAG Angola Airlines, and Mango. Penninck said the challenge in Nigeria is that the country lacks both strong airlines and good airports. "The airports are beset with many problems, which include no constant electricity, legal issues hampering development, high taxes on importation of equipment and spares, unavailability of foreign currency and too many airports," he said. But he noted that Nigeria has a great future in aviation development because the country has a huge population, so domestic travel is important and - as the largest economy in Africa - there is a lot of economic activities with a large diaspora population. Penninck believes that with successful concession the country should aim to have a private-sector airport management with constant electricity, landing and navigational equipment upgraded and that the fiscal environment must change and that domestic airlines must get some level of protection, adding that agricultural goods must be transported by air to boost aviation and also to improve food distribution in the country. But many Nigerians doubt that Government can carry out successful concession without controversies, and there is the question of how the workers of the Agency would be settled. Therefore, there are no concrete plans to effectively carry out concession plan that will benefit the country and also amicably settle the interest of the workers. What Government should do is to commercialize FAAN, just as Ghana and South Africa have done their airport management agencies.

## **NAMIBIA**

### **The Namibian Airports Company (NAC) will continue to execute its major infrastructure projects across the country's international and local airports to attain internationally**

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**accepted standards.** This comes at a time when the Government, through the National Development Plans, singled out the transport and logistics sector as one of the key sectors in driving the economy and also creating jobs. In the past two years, the NAC has completed upgrading key infrastructure at the Windhoek-Eros, Ondangwa, and Walvis Bay airports in line with the Government's dream of making Namibia a transport and logistics hub. In a recent interview, NAC's Chief Executive Officer Tamer El-Kallawi underscored the importance of internationally acclaimed infrastructure in sprucing up the image of a country and also creating appeal to international and local tourists. "At Eros, we introduced a modern rescue and fire station that meets the national and international requirements for the level of operational activities at that airport. We also enlarged and reinforced the capacity of the runway at Ondangwa to be able to receive medium-size aircraft. At Walvis Bay, we have a brand-new passenger terminal capable of meeting the requirements of our customers," El-Kallawi said. He added that the NAC is also working to streamline its operations in line with national and international obligations. "NAC's role is about developing, maintaining and operating the airport facilities to support the transport objectives. To that end, **we will continue to engage Government to ensure that the key airport infrastructure projects are included in the national plan for a transport logistics hub.** This includes the expansion of the national flagship airport, Windhoek's 'Hosea Kutako International', to meet the needs of the modern travellers and capitalize on the interests of international airlines to serve Namibia. We will also be looking at public-private partnership opportunities to harvest the benefits of the new facilities opened at Ondangwa and Walvis Bay in terms of cargo operations and other transport means," he said. El-Kallawi reiterated that **the decision by Government to open the airspace to other international airlines including Qatar Airways and Ethiopian Airways is a step in the right direction in mobilizing future revenue for the company.** Although the NAC boss is optimistic about the future, he emphasized that their operations have not been without challenges in the past because of its ageing infrastructure and capacity limitations. In some instances, the capacity is not sufficient to accommodate the traffic flow, in particular at Hosea Kutako International Airport. He also added that the need to spruce up the image of the airport infrastructure will also stimulate the tourism industry which has been touted as an economic driver and serious employment creator in the future. According to the NAC, Namibia has done tremendously well to maintain a high level of safety and security at the airports, in line with the international regulators' guidelines. El-Kallawi says his target is to see NAC reaching its goals in terms of service delivery and providing world-class infrastructure in the next three years. "The arrival of new airlines is testimony of keen interest that the international air transport industry has for Namibia. When we meet other international airlines at different forums, they also reiterate their interest for including Namibia for their passengers. It is important that we continue putting the necessary infrastructure in place to be able to keep the interest of the current and future airlines," he said.

## ST HELENA

**The GBP 285 million airport, located on a windy hilltop, is finally going to get a scheduled flight,** but no-one knows when, nor how much flights will cost. The airport was built at U.K. taxpayers' expense to provide a lifeline for the remote South Atlantic community with a population of 4,100. Despite warnings about tricky weather conditions, the runway was constructed to allow passenger jets such as the Boeing 737 and Airbus A320 to land. After a series of construction delays, plans were announced for a regular scheduled service in British Airways colours from Johannesburg in South Africa, carrying around 170 passengers. But shortly before the planned royal opening in May 2016, a test flight revealed severe windshear. The scheduled flights were abandoned, and the planned retirement of the Royal Mail Ship St Helena was postponed, so the island's sea link would continue. The airport has since been used for a number of medical evacuation flights, and on 3 May 2017, a passenger test flight was successfully handled. The island's government has now announced that a South African carrier, Airlink, will fly from Johannesburg via Windhoek in Namibia to St Helena each Saturday. On the second Saturday of each month, the flight will continue on from St Helena for a further 800 miles to Ascension Island, where it will remain overnight. But no start date has been announced, and neither have fares for the subsidized service been revealed. The U.K. Government will subsidise the operation with up to GBP 1.9 million in the

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first year of operation, representing over GBP 36,000 per return flight - or nearly GBP 500 per available seat. Because of safety limitations, a maximum of 76 of the 99 seats on the Brazilian-built Embraer jet will be occupied. The lower weight will allow it to use a shorter stretch of runway, avoiding the portion where rapidly changing winds are most common. -- The remote island – a British overseas territory 2,300 km north-west of Walvis Bay, was previously only accessible by ship, the RMS St Helena, in a journey that takes four to five days from South Africa. The overall flight time from Johannesburg will be over six hours, more than an hour longer than the originally planned non-stop service. The new airport was built to boost tourism to the island and to make the island less dependent on aid.

## SOUTH AFRICA

### **The country's two busiest airports, Cape Town International and Johannesburg's 'OR Tambo International', are headed for major upgrades and facelifts that will cost billions of rands.**

This is according to Transport Minister Dipuo Peters, saying that the capital investment programmes across ACSA were defined primarily to address refurbishment and replacement requirements of existing infrastructure and also to provide new or additional capacity. The first intervention, Mrs Peters says, is to ensure the realization of the full benefit of the existing infrastructure and assets over their entire useful lives as well as ensuring compliance with applicable legislation, standards, and best practices. "The second is to introduce new or additional capacity to ensure that the ACSA network of airports can support the growth in air transport demand in a sustainable manner," she said. In the wake of ACSA's announcement to drop airport tariffs by 35%, concerns were raised as to whether planned developments had been jeopardized. According to OR Tambo General Manager Bongwiwe Pityi, however, the budgets for the developments "were drawn up some time ago in the knowledge that regulated tariffs would be reduced".

These are the **expansions that can be expected at South Africa's two major airports in the coming years:** At **Cape Town International** Airport, the most prominent upgrade is a new, realigned runway and associated taxiways. The upgrade will amount to ZAR 3.18 billion. Preliminary work on the project started seven years ago in 2008, Peters said in reply to a written Parliamentary question. A preliminary design has been accepted and an environmental impact assessment approval is being awaited. Work was scheduled to start in July 2017, and the project is due to be completed by December 2021. The building of a new domestic arrivals terminal has been on hold since April 2012 because of regulator-related issues, Peters says. "With the recent approval of permissions, it has been restarted and will be prepped for tender stage." Construction is due to start in March 2018 and the project is scheduled to be finished by April 2020. Terminal 2 at Cape Town International "will be redeveloped at a hefty price tag," she says. The project was due to kick off in February 2017, while construction is scheduled to start in March 2019. This project is expected to be completed by September 2022. New boarding gates and an international departure lounge will be added in a ZAR 100 million building project due to begin in March 2018 and ending in June 2019, Peters says.

**OR Tambo International Airport** will be upgraded to accommodate larger aircraft. The most costly project planned will be construction of what the Transport Ministry calls 'remote apron stands', aimed at housing additional requirements for larger aircraft, like the Airbus A380, as well as providing a space for passengers who need to be bussed from the aircraft. Construction of these remote apron stands will amount to ZAR 1.584 billion, the Department of Transport says, while enablement work for the stands will cost ZAR 159 million. The planned completion date is June 2023. At OR Tambo, the ZAR 448 million refurbishment and redevelopment of Terminal A is projected to begin in February 2018, and will be completed by October 2020. An additional baggage carousel will also be built at Terminal A, of which construction is geared to start in January 2018 and should be completed by the following June. In addition to these structural upgrades, the Department of Home Affairs in January 2017 also announced it will be allocating ZAR 25 million to increasing the airport's capacity in the upcoming 2017/2018 financial year. The aim of this financial injection would be mainly to appoint an "additional 58 immigration officials and increase capacity in the Department of Home Affairs management team," Home Affairs Minister Malusi Gigaba said at the time. An additional ZAR 17 million from the National Treasury for the

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2018/2019 financial year has also been allocated to further increase staff capacity at OR Tambo, amounting to a ZAR 42 million boost to the country's biggest international airport over the next two years. OR Tambo is also in the process of rolling out smart security initiatives, with the aim of operating airport immigration completely digital in future.

## ZAMBIA

**President Edgar Lungu has commissioned the ground-breaking of the Chinese-funded USD 522 million Copperbelt International Airport (NLA) project in Ndola**, plus construction of Copperbelt township roads in Chingola. The project will take three years to complete. President Lungu says the airport is coming as part of the 2016 to 2021 Patriotic Front manifesto which promised development to the people of Zambia. The Chinese ambassador to Zambia, Yang Youming, has challenged the Chinese contractor AVIC International (Aviation Industry Corporation of China) to complete the Copperbelt International Airport project within the three-year period stated in the contract. Mr Yang says AVIC International must build a modern airport with good quality which will serve as a regional hub for cargo and passenger transport. – Initial works for the project started on 22 April 2017. Zambia Airports Corporation Ltd (ZACL) already submitted an EIA to the Zambia Environmental Management Agency (ZEMA) on the planned project that will consist of an international terminal building for 4 million annual passenger, equipped with six boarding bridges, construction of a 30-room in-transit hotel, a 70-room non-transit passenger hotel, hangars, a fire station, office blocks, a flight kitchen, restaurants, waiting rooms, laundry facilities, service shops, kiosks, and a carpark, among others. China Jiangxi Corporation for International Economic & Technical Co-operation is expected to construct new taxiways, aprons, landside and airside driveways as well as an air traffic control tower.

## KENYA

**The air transport sector in Kenya supports more than 600,000 jobs and contributes USD 3.2 billion or 5.1% to the country's GDP, according to a new report by Oxford Economics on behalf of IATA.** Around 130,000 aircraft land and take off from one of Kenya's five main airports every year. Nairobi's 'Jomo Kenyatta International' is the key gateway and handled over 5.8 million passengers in 2014. Muhammad Ali Albakri, IATA's Regional Vice President for the Middle East and Africa, said: "The study confirms the vital role that air transport plays in facilitating more than USD 10 billion in exports, USD 4.4 billion in foreign direct investment, and around USD 800,000 in inbound leisure and business tourism for Kenya. However, by adopting policies that ensure a competitive operating environment for the airlines, Kenya could reap even greater dividends from aviation."

In separate research by the World Economic Forum, a Swiss non-profit organization, Kenya was ranked 6th out of 37 African countries regarding the quality of its transport infrastructure, and 78th globally. However, the research also ranked the country 31st out of 37 in Africa for cost competitiveness in the air transport industry, based on air ticket taxes, airport charges, and VAT. "While Kenya's air transport infrastructure ranks highly among African states, it is important that heavy fees, taxes and charges do not hold aviation back. We are very encouraged by the news that the Kenya Airports Authority has embarked on a study to review airport charges downward," concluded Albakri.

## RWANDA

**With the backing of the African Legal Support Facility (ALSF), the Government of Rwanda has taken a concrete step toward becoming a transport hub for the East African region with the signing of a Concession Agreement for the construction and operation of Bugesera International Airport.** Kigali is being positioned to become a nerve centre for conferences, business activities, travel, and shipping in the sub-region. **Worth about USD 818 million, the Bugesera Airport project is designed to be executed in two phases.** The first phase, on which work started in early August 2017, will involve some 27 months of construction at an estimated cost of USD 414 million and is expected to be completed by December 2018, at which point the airport will be able to

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accommodate 1.7 million passengers annually and will later be upgraded to accommodate 4.5 million passengers annually at an additional cost of USD 400 million.

The ALSF provided assistance to the Government of Rwanda in the development of the project, notably the provision of legal advisers who supported the Government in its negotiations between project partners in the Concession Agreement for the construction and development of the airport. The co-ordination of legal efforts was instrumental in ensuring the signing, first of a Project Development Agreement and Joint-Venture Agreement between the Rwandan government and the investor, and subsequently of the Concession Agreement. The agreement was signed on behalf of the Government of Rwanda by the Minister of Infrastructure, James Musoni, and Manuel Mota, Chief Executive Officer of Monta-Engil Africa, a Portugal-based company, on behalf of both the developer and the Engineering, Procurement and Construction (EPC) contractor. The Portuguese company is undertaking the project under a public-private partnership on a 25-year concession, with an optional 15-year extension. The ALSF grant also includes a capacity building component which ensures that the procured experts will train Rwandans to monitor the project's development, as well as to structure future projects in a similar manner.

**The development of Bugesera Airport is aligned with Rwanda's Vision 2020 - an ambitious strategy which aims to transform Rwanda into a knowledge-based, middle-income country by the end of the decade** - as well as the country's Economic Development and Poverty Reduction Strategy (EDPRS). As such, the Project is designed and is being implemented with the aim of generating socio-economic development in Bugesera, Kigali, and other parts of the Eastern Province. The airport will further sustain the development of the aviation sector by backing the growth of RwandAir with new facilities and training opportunities. The project is expected to provide approximately 2,000 jobs for local residents.

The new airport will be located in south-eastern Rwanda, in Bugesera District, near the town of Nyamata. It will become Rwanda's largest international airport, serving commercial flights destined to and from the greater Kigali metropolitan area and act as a hub for RwandAir's growth strategy and commercial airlines serving the region. Through a public-private partnerships (PPP) model, the Rwandan government has promised to provide the necessary support for the success of this project. The finance agreement comprises the construction and operation of the project for a period of 25 years with an optional 15 years extension. The project with initial investment of USD 418 million shall be fast tracked so as to be completed by December 2018. It is also expected to boost the country's economic growth and development. When completed, it will complement Kigali International Airport, which operates at maximum capacity.

## MADAGASCAR

**The world's fourth largest island is renovating its two international airports at a cost of EUR 215 million with the help of the Emerging Africa Infrastructure Fund (EAIF).** Construction work has already started to upgrade the runways, passenger terminal facilities and allied infrastructure of Ivato International Airport in Antananarivo (TNR), the capital, and Fascene International Airport in Nosy Be (NOS), the main tourist destination. After two years of struggle, the private-sector operator, the Ravinala Airports consortium, now has the necessary funds to complete the construction of the two airports. EAIF has provided a EUR 25 million loan over a 16-year term. "The Madagascar airports projects represent a step change for the country's economic development drive," comments EAIF Chairman David White. "Efficient and modern airports are one of the foundation elements of progress. They are significant employers in their own right and catalysts for growth in almost every sector of an economy. In Ravinala Airports, we have a highly skilled, globally experienced and strongly motivated private-sector airport operator. This is very good news for Madagascar," he added.

Financing of the fixed investment programme was finalised on 25 June 2017 with a consortium of five international development banks. Investec Asset Management (IAM), one of the largest third-party investors in private equity, credit, public equity, and sovereign debt across the African continent, manages EAIF. EAIF is also member of the Private Infrastructure Development Group (PIDG), which

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currently receives support from seven governments – including the U.K., the Netherlands, Sweden, and Switzerland – as well as private-sector banks including KfW, the German development finance institution, and its Dutch equivalent, FMO. Additionally, a consortium of international development banks has come together to support the development projects - the World Bank's International Finance Corporation (IFC), Proparco Economic Co-operation (PPP), the Development Bank of Southern Africa (DBSA), and the OPEC Fund for International Development (OFID). The projects are also sponsored by the French companies Groupe Aéroports de Paris (ADP), Bouygues Bâtiment International, Colas Madagascar, and Meridiam Africa, the shareholders of Ravalina Airports. **Groupe ADP will provide support in the operation and maintenance of both airports throughout the term of the concession.** Furthermore, **ADP Ingénierie has been working on the design of the new Ivato Airport terminal.** Having vast experience in the design and construction, Bouygues Bâtiment International is putting its expertise into use for building new airport terminals. Based in Madagascar for the past 60 years, Colas Madagascar will contribute to the airfield roadways. Both companies have entered into a 50/50 'Design Construction' joint venture.

## SEYCHELLES

**Abu Dhabi Airports Company (ADAC) is close to finalizing a deal to build a new airport in Victoria, near the existing airport (SEZ).** The Seychelles and Abu Dhabi have a close relationship, with the latter providing USD 55 million in financial aid in the past decade and Etihad Airways bought a 40% stake in Air Seychelles in 2012, which has helped the airline to record profits for the past three years. The new airport will support the economy and create thousands of jobs. The island nation also is working with Abu Dhabi's Mubadala in the oil sector, along with other companies from Japan, Australia, and Latin America. The UAE's Masdar recently launched a wind energy unit in Victoria port with a capacity of six MW, the first of its kind in Seychelles.

## ETHIOPIA

**The Ethiopian Airports Enterprise (EAE) has concluded agreements with contractors from Ethiopia for building passenger terminals at the Hawassa and Semera airports.** Construction of the Hawassa terminal is going to be undertaken at a cost of ETB 126.5 million by FE Construction Material Rental Production & General Contractor while the design work was done by Bereket Tesfaye Consulting Architects & Engineers. The project is scheduled to be completed in twelve months. The Semera terminal will be undertaken by Afro Tsion Construction at a cost of ETB 149.8 million. It was the same company that constructed the airport's 2,500-m runway, and now the company has agreed to deliver the project in nine months. The contracts were signed on 6 February 2017. Tewodros Dawit, CEO of EAE, represented the authority while Afro Tsion and FE were represented by their CEOs, Sisay Desta and Fitsum Taye, respectively. Speaking at the event, Tewodros explained that the EAE undertook many airport development projects all over the country. **The Authority now aims at increasing the number of airports in Ethiopia to 30 by the end of the Second Growth and Transformation Plan Period.** According to Tewodros, construction of the Hawassa and Semera passenger terminals were supposed to be built a while ago but were delayed because of financial constraints. "To compensate the time delay, we have negotiated with the contractors and agreed to finalize the projects in less than a year," he explained. Currently, Afro Tsion is constructing the runway of Semera Airport. Speaking on the event, Sisay said: "We are committed to build the terminal with the required quality and according to schedule. Since we are undertaking other projects in Semera, we are not going to mobilize; we have all the machineries out in the field". Fitsum Taye, on his part, noted that it is his company's first airport project. However, he assured the EAE that his company would finalize the project within the short period of time allotted in the contractual agreement.

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## Other Regions

### GREAT BRITAIN

**London City Airport officials have awarded Bechtel, the U.S. engineering and construction major, a GBP 370 million (USD 480 million), five-year development programme, working with Peter Adams, who will join the airport from Highways England in September 2017 as its new Chief Asset & Programme Officer.** Bechtel's work at the airport will include expanding the existing terminal, constructing a three-storey passenger pier, adding seven aircraft parking positions or stands, and building a new full-length taxiway. After the work is complete, the airport should be able to accommodate an additional 30,000 flight movements (for a total of 111,000 a year) and handle 6.5 million travellers a year by 2025. Under the five-year contract, 50 Bechtel staff will work as part of an integrated team with London City Airport officials. -- Bechtel has completed more than 40 airport projects in the last ten years, including work at London-Gatwick. The company has a terminal project under way at Muscat International Airport in Oman. In February 2017, Bechtel won a contract from the Saudi Arabian government to manage USD 1 trillion of capital projects, which are part of the Kingdom's 'Vision 2030' plan. The initiative is a reboot of major building activity after the Saudi government halted infrastructure construction in the third quarter of 2016 after discovering inefficiencies that had cost it up to USD 100 billion a year. The new constraint in spending also was widely seen as a result of the drop in oil prices. Bechtel's ties to Saudi Arabia are about 70 years old, and one of its major endeavours there is the Jubail city project. The company has been developing the one-time fishing village into a major port of 250,000 acres during the last 40 years. Jubail already has 140,000 workers in its various industries and plants, and Saudi officials have announced that the next phase of the city will add residential space and educational facilities to the mix.

### PHILIPPINES

**The Government is committed to complete the PHP 12.55 billion Clark International Airport (CRK) passenger terminal by 2019.** This was announced recently by the Bases Conversion & Development Authority (BCDA) President and CEO Vivencio Dizon who said that the new terminal, once completed, will accommodate 8 million passengers annually. The agency is set to bid out the construction of the new terminal building in the next few weeks. The PHP 12.55 billion budget for the construction was approved by the National Economic & Development Authority and will be funded by the BCDA. **The new Clark terminal will be BCDA's first major project to be implemented under the Duterte Administration.** The project will expand the Clark terminal by 82,600 m<sup>2</sup> to accommodate 8 million passengers annually. "The Clark Airport new terminal will be the first of the hybrid PPP (public-private partnership) model under the Duterte Administration, where the Government builds it and then the private sector will maintain and operate it," Dizon said. He noted that this hybrid model will result in lower airport charges to passengers as the project will be funded by the Government. Dizon clarified that the Government also will get a percentage of the earnings of the private-sector partner from airport operation. The tender for the operation and maintenance (O&M) of the new terminal will follow a few weeks after the bidding for the airport expansion project. Dizon said the business community is very interested in the project as the number of flights at Clark Airport increased during the Duterte Administration. -- The airport now has 120 domestic and 138 international flights per week.

### INDIA

**The Central Government will build a second international airport near Delhi in the next four to five years, costing an estimated INR 200 billion (USD 3.10 billion), to meet explosive growth in passenger traffic.** The Noida International Airport near Jewar will be built from scratch in phases and is expected to cater to 30 to 50 million passengers per year over the next 10 to 15 years, the Civil Aviation Ministry said in a statement. Air travel in India, one of the world's fastest-growing aviation markets, has boomed in the last decade as it opened up to competition, ticket prices were slashed, and the number of people wealthy enough to travel swelled. Air traffic at New Delhi's 'Indira Gandhi

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International Airport' is expected to reach up to 91 million passengers annually by 2020 and touch its peak handling capacity of 109 MPPA by 2024, highlighting the need for a second airport near the capital city.

"We have granted in-principle approval for a greenfield airport at Jewar (in Greater Noida) to cater to the growing flying requirements of NCR (the National Capital Region)," Civil Aviation Minister Ashok Gajapathi Raju said in a tweet. The NCR encompasses Delhi and several surrounding districts of the Uttar Pradesh, Haryana, and Rajasthan states. The new airport in Greater Noida, will be 72 km away from 'Indira Gandhi International Airport'. Apart from catering to domestic and international traffic, it will become the cargo hub of the country. The 3,000-hectare (7,400 acre) airport will have one runway in its initial phase, adding three more in subsequent phases. The State government along with Yamuna Expressway Industrial Development Authority (YEIDA) will bear the land procurement cost. Contracts for this public-private partnership project will be awarded after competitive bidding.

**Most of India's 40 largest airports will exceed their design capacity within a decade based on projected growth rates, with Mumbai and Chennai fast approaching saturation.** The Government plans to open 50 disused airports by 2020, and has given approval for 18 greenfield airports. Delays in acquiring land, as well as the inability of debt-laden domestic airport operators such as GMR Group and GVK to invest, have stymied expansion proposals. The Noida International Airport will be one of the largest airports in India in the years to come. It will be ideal for domestic and international connectivity to people in the National Capital Region (NCR) besides districts in Western Uttar Pradesh (Noida, Agra, Mathura, Vrindavan, Muzaffarnagar, Meerut, Aligarh, Bulandshaher, Moradabad among others).

## U.S.A.

**Delta Air Lines has started construction on its USD 4 billion facilities at LaGuardia Airport in New York, after signing a new long-term lease with the Port Authority of New York & New Jersey.** The new Terminal C facility at LaGuardia will offer new amenities and expanded public transportation, including the planned AirTrain, to LaGuardia travellers. The terminal will feature four concourses with 37 gates that can accommodate Delta's full fleet, as well as a new Delta Sky Club with a Sky Deck, new hold rooms, and 30% more space for concessions. New York Governor Andrew Cuomo said: "LaGuardia is a pillar of New York's transportation network and a key driver of economic growth, but for too long the airport has been unworthy of New York State. The ground-breaking at Delta's facilities represents another step forward as we build an entirely new airport at LaGuardia."

**Delta is investing USD 3.4 billion to develop the eastern half of the new airport, while the western half and airport roadways have been under development since June 2016.** The redeveloped LaGuardia Airport is slated to be fully completed by 2021. In addition, the Port Authority is investing USD 600 million to redevelop the airline's existing terminal and gate facilities at the airport. The new Delta facilities project will be funded by an investment of USD 200 million, which will also cover the construction of new concourses and ramps. Furthermore, USD 185 million will be invested in a new electrical substation, as well as an extension of the East Garage and temporary parking during construction, while USD 215 million will be invested in a new roadway and other supporting infrastructure. -- With the ground-breaking of the new Terminal C facility and the on-going work on Central Terminal B, HOK's master plan team, including WSP, is providing advisory, implementation and master design criteria services to the airport project. HOK/WSP is the architect and engineer for the Central Terminal B and Central Hall at the airport.

## PERU

**Lima Airport Partners, S.R.L. (LAP) – a Fraport AG majority-owned company – and the Government have signed an amendment to the 2001 Lima Airport Concession, thus making it possible for LAP to move ahead with a major expansion programme** at one of South America's fastest growing airports. The amendment mainly outlines when and how the Government should hand over land needed for the expansion of Lima's 'Jorge Chavez International Airport' (LIM). **Scheduled to**

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**begin in 2018, LAP's expansion programme will require an investment of about USD 1.5 billion.** Development plans call for a second runway – to be built first from 2018 – as well as a new state-of-the-art passenger terminal and other infrastructure to meet increasing traffic and to further enhance the customer experience at Lima Airport. Peru's capital city airport welcomed 18.8 million passengers in 2016 and recorded double-digit growth of 10.1% year-on-year. During the first half of 2017, LIM served about 9.7 million passengers, an increase of 8.4% compared with the same period in the previous year. LIM registered a compound annual growth rate (CAGR) of 10.6% from 2001 through 2016. When LAP took over operations in 2001, Lima Airport received around 4 million passengers per year – today LIM handles almost five times as much traffic.

Commenting on the agreement, Fraport AG Executive Board Chairman Dr Stefan Schulte said: "We thank the Peruvian government for reaching this landmark agreement with Lima Airport Partners. This step forward is critical for Lima Airport's continuing success as a win-win concession for all. One of the most successful airports in Fraport's global portfolio, Lima has consistently achieved strong growth, a high level of customer service and recognition, and it offers great potential for Peru and South America."

Juan José Salmón, the CEO of Lima Airport Partners, S.R.L., explained: "This comprehensive and mutually beneficial agreement with the Peruvian government will provide the necessary land and framework for advancing our major expansion of Lima Airport. We are proud of the achievements made during the first 16 years of the Lima Airport Concession. We are also excited to be on the threshold of developing the future potential of Lima Airport for the benefit of our passengers and partners, as well as Peru."

The Peruvian Government granted Lima Airport Partners the concession for operating and expanding Lima Airport in November 2000. Officially started on 14 February 2001, the LAP concession now runs until 2041. LAP's shareholders include Fraport AG with a majority stake of 70.01%, followed by IFC International Financial Corporation with 19.99% and AC Capitaes SAFI S.A. of Peru with 10.00%.

**During the first 16 years of the concession, LAP has paid out a total of about USD 1.9 billion in contributions to the Peruvian state, while total capital expenditures have reached USD 373 million.** Currently, Lima is served by about 35 airlines flying to 23 domestic and 46 international destinations. In recent years, European carriers such as Air France, British Airways, KLM, and Iberia have launched regular services to Lima. The South American carriers LATAM and Avianca use Lima Airport for hub operations.

Lima Airport has been a multiple winner of the prestigious Skytrax awards for 'Best Airport in South America', earned seven years in a row and a total of eight times. Other honours have been collected in recognition of LAP's dedicated and service-oriented staff – further reflecting Fraport's global vision and corporate slogan: "Gute Reise! We make it happen". In the area of corporate social responsibility, Lima Airport Partners was recently recognized for its commitment to sustainability by the Peru 21 association. LAP is also ranked among the 50 best employers in Peru.

## Green Airports

**Dutch airport operator, Royal Schiphol Group, has announced that all of its airports will run on sustainable power generated in the Netherlands from the start of 2018.** A large portion of this energy will be generated by a newly built wind farm in Vianen in the central Netherlands, which is set for completion in January 2018. This will be complemented by other sources of sustainable energy until further wind farms are built. From January 2020, the airport plans to only use power generated by wind farms. In the meantime, utilities company Eneco will provide enough sustainable electricity to power Amsterdam Airport Schiphol, Rotterdam The Hague Airport, Eindhoven Airport, and Lelystad Airport. Together, the airports consume around 200 GWh. Jos Nijhuis, CEO of Royal Schiphol Group, said: "For our new energy contract, we wanted nothing but sustainable power generated in the Netherlands. We feel that the most important elements of this collaboration with Eneco are that all the Schiphol Group airports are involved and that additional sustainable energy sources will be developed in the Netherlands. This will allow our airports to increase their sustainability and offer economic benefits."

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**The carbon footprint of Helsinki-Vantaa Airport (HEL) in Finland is now zero and the airport has received the international Airport Carbon Accreditation (ACA) certificate for this achievement.** Mikko Viinikainen, Finavia's sustainable development director, commented: "The ACA certificate awarded to Helsinki Airport is an important milestone in the implementation of Finavia's accelerated climate programme at our airports. Our climate programme comprises a number of different measures, but Helsinki Airport plays a key role in the reduction of emissions." At a practical level, getting the certificate has required extensive reviews, continuous improvements in Finavia's emissions efficiency and offsetting of residual emissions. According to Viinikainen, before an airport is awarded the top ACA accreditation, it must review its own emissions and those generated by other operators in the facility. The reduction of carbon dioxide emissions to zero has been achieved through vigorous efforts that have been continuing for many years. The largest airport solar power plant in the Nordic area is currently under construction at Helsinki Airport. When operational, the power plant will have a total capacity of more than 500 kWp and will supply almost 10% of all the electricity required by the new terminal extensions at Helsinki Airport. In July 2017, Finavia started using renewable diesel fuel in vehicles operating at the airport. The buses travelling between the terminal and aircraft are fuelled by biodiesel produced entirely from waste and residue. Finavia is also making determined efforts to reduce emissions at its other airports. The use of renewable energy is being increased by relying more on bioenergy and geothermal heat. Finavia's goal is also to ensure that the companies operating at its airports are committed to using renewable fuels.

**Brussels Airport (BRU) in Belgium has committed to becoming carbon neutral by 2018, according to the airport's annual environmental report.** Brussels Airport Company's environmental policy is linked with the development of the airport, with each construction decision made taking into consideration the living environment and the site's neighbours. As part of its sustainability strategy, BRU came up with the plan to attain carbon neutrality during 2018; the airport operator is committed to decreasing the emissions from operations managed by the airport itself, and to offset the residual emissions which cannot be reduced any further. Arnaud Feist, Brussels Airport Company CEO, said: "Sustainability is a key component of our strategy. As such, this decision to arrive at carbon neutrality is embedded as part of a broad, all-encompassing environmental strategy. We are currently still in the process of examining all options open to us to further step down the airport's carbon emissions, for instance by further reducing the power consumption of existing installations." Feist added that the airport in recent years had invested in putting up solar panels, switching to alternative energy sources wherever possible, and continued to invest in vehicles that are powered by less conventional fuels such as CNG (contract natural gas).

Brussels Airport's environmental policy revolves around eight major focus areas: emissions, noise, soil, waste, water, energy, mobility, and biodiversity. In the past year, achievements have included 27% fewer carbon emissions in 2016 compared to 2010, the recycling 26% of the non-hazardous waste, and an 11% reduction in power consumption in 2016 compared with 2010. Achieving carbon-neutrality will also see BRU attain the 3+ certification level of the Airport Carbon Accreditation scheme put in place by ACI Europe.

**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. For more information and to order an annual subscription, please visit [www.mombergerairport.info](http://www.mombergerairport.info)