

# World Report

February 2007



## DIRECTOR GENERAL'S NOTE

Welcome to the February *ACI World Report*, now published monthly to keep you better informed about the activities of ACI at a world level.

This issue opens with an update on the current major security issue facing the industry, with airports worldwide facing a repeat of the situation encountered by our European Union zone airports last November. This is a challenge that highlights the role that airports must play in maintaining the reputation of the industry with our passengers.

Against this backdrop, we are currently preparing for the ACI Airport Business and Trinity forum to be held in March in Dubai. This event will bring together the key players in the airport retail sector and promises to be an exceptional forum, just two weeks after the ICAO recommendations are suggested to be put into practice.

This issue of *World Report* will also keep you abreast of ACI's participation in several United Nations-level initiatives to address avian influenza, which has recently again made headlines, this time in the United Kingdom.

Another major issue dominating the industry is aviation's impact on the environment. While the airports remain a very small contributor to global greenhouse gas emissions and have many programmes in place to continue reducing environmental impact at all levels, much public attention has been focused on aviation recently. We, as an industry, need to rebalance the debate and ensure that the travelling public is well informed when they make transport choices. ACI is working with the Air Transport Action Group on a series of communications initiatives in this area. Airport members should have received an information brief on the subject on 12 February. We urge all members to support these efforts in this issue of great importance to our industry. Airport members should contact ACI if you need further information.

Finally, I would like to pay tribute to two of our airport colleagues. Richard Heard, who ably led the team at Birmingham Airport in the United Kingdom, was the victim of a storm-related traffic accident in January, and Norman D. Witteveen, a highly respected airport consultant and executive, passed away in December in Tucson, Arizona. Both of them played significant roles in ACI and the airport industry and their contributions will be missed.

Robert J. Aaronson

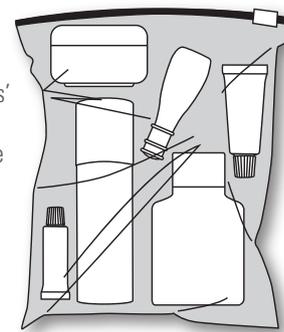
## SECURITY

### World's airports prepare for 1 March

From 1 March, at a number of airports around the world, States will be implementing the ICAO recommendations as outlined in the ICAO State Letter issued in December. The recommendation brings the rest of the world into line with rules currently in place in European Union States and North America, prohibiting the carriage of liquids in passengers' hand baggage, with the following exemptions:

- personal liquid items (that may only be in containers of less than 100 millilitres) comfortably fitting in a sealable plastic bag of no greater capacity than 1 litre. These will have to be screened separately from other items.
- reasonable supplies of baby food or medicines for the journey. These generally will have to be accompanied by proof of a passenger's need.

The largest impact that ACI foresees for the industry will be in the airport retail and duty free area. Once the ICAO recommendation is put in place by State authorities, any liquid items over 100mls will not be permitted through



security screening. Some States may exempt purchases made at airports if items are sealed in a tamper-evident bag with satisfactory proof of purchase, as is the practice in the European Union zone. If the passenger is transferring through any State that has implemented the ICAO rules without exceptions, the passenger faces having to surrender the liquid items. At this stage, there is no evidence that any State is going to exempt purchases at airports outside of their own State.

There is an urgent need for States to be made aware of how this may affect our industry. We encourage you to talk to your local security regulatory authority – Ministries and Departments of Transport, Aviation Security or Civil Aviation Authorities – if you have not done so already.

ACI and other industry partners, including IATA and ETRC are finding it difficult to determine the dates on which States will implement the ICAO recommendations. Please contact your regional ACI office with details. Once we have further information, ACI will publish an updating webpage with the latest information.

This is a short version of the ACI Bulletin to Members issued last week – please check [www.aci.aero](http://www.aci.aero) for the full bulletin.

### **Special note to airports and retailers:**

Since the implementation of restriction on liquids in passenger hand luggage in the EU and North America, liquid items purchased at European airports have been exempted within the EU, if sealed in tamper evident plastic bags. Transiting passengers, however, carrying liquid purchases of more than 100mls made at airports outside of the European Union zone are subject to confiscation at European transit security points. In practical terms this is a great customer inconvenience and a financial loss and a logistical nightmare for airports to manage the confiscated goods.

Airports and retailers in other parts of the world who are selling liquids over 100 mls to EU transit passengers must address this issue in the interest of good customer service and fair practice. ACI believes that retailers who sell passengers items with the knowledge that they will be confiscated could seriously damage not only their own reputation, but the reputation of the whole travel retail industry. We recommend that airport operators work with their retailers to stop this occurring.

There are many ways to avoid this problem. Sales staff could ask passengers if they will be travelling through European airports and inform them that liquid items may be confiscated when they go through European airport security, unless they are able to pack it in their hold baggage. If the passenger still wishes to purchase the item, it is their decision to run this risk. Most airports and retailers already have this in place, but there are still a small number that do not. We urge airport members and retailers to take this seriously.

Once the ICAO recommendations are implemented in other parts of the world, this advice will be widened to other destinations – ACI will keep in touch with member recommendations for action in the near future. While it is counter-intuitive to advise passengers not to spend money in airport stores, the responsible course of action is to wait until there are reliable global solutions in place. In the meantime, there are some creative ways that airports and retailers can advise passengers of what they are able to take with them – and many passengers who are only flying one sector will still be able to purchase!

## **EVENTS**

### **The first global airport retail event of the year**

A powerful, provocative programme is in place for the ACI Business & Trinity Forum 2007, a two day conference that focuses exclusively on the relationship between airports, retailers and suppliers (the Trinity) for the sake of the critical 4th party - the consumer. The Forum integrates the ACI Business Conference with The Moodie Report's acclaimed Trinity Forum. The first two Trinity Forums, held in 2003 and 2005 respectively, were among the most influential conferences ever held in the travel retail business.

Underlining its stature, the event will be opened by His Highness Sheikh Ahmed bin Saeed Al Maktoum, President of the Department of Civil Aviation and Chairman of Emirates Group, who will give the introductory remarks. The opening speaker line-up includes World Duty Free Managing Director Mark Riches and Dubai Duty Free Managing Director Colm McLoughlin, who are two lead speakers in the first session.

Airports Authority of India Chairman Dr K Ramalingham will also present an address, a timely appearance given the intense interest in the fast-developing Indian aviation and travel retail business. Andrew Lynch, CEO of ambitious food and beverage specialist SSP and Dick Flink, Director of Business Unit Consumers, Schiphol Group, have also joined the line-up, speaking on new and alternative commercial sectors and Kjeld Binger, CEO of Dubai Aerospace Enterprises's Airports Division, is the latest addition to this exciting programme.

Macquarie Airports Associate Director Doug Benham is to deliver a major presentation and Dufry CEO Julián Díaz will take part in an on-stage interview with conference moderator Martin Moodie. Dubai Civil Aviation is the overall host for the event while Qatar Duty Free Company, Philip Morris International, Nestlé International Travel Retail and P&G Prestige Products have signed as Platinum Sponsors. The Gala Dinner includes the prestigious ACI Airport Service Quality Awards ceremony. Voted by travellers, the top performers – which include winners by region and by size of airport as well as the overall winner of Best Airport Worldwide – are among the most sought-after recognitions in the aviation industry.

More information is available on the ACI website: [www.aci.aero](http://www.aci.aero)

## PUBLICATIONS

### Revised ACI Policy Handbook (2006)

The Fifth Edition of the ACI Policy Handbook is now available for download as a PDF from the ACI website. The ACI Policy Handbook outlines ACI official policy in a number of areas, formulated by ACI committees and ratified by the World Governing Board and the General Assembly. The Fifth Edition updates policy in a number of areas, including airport technology, environment, security, facilitation and technical operations. [Click here for the free PDF copy.](#)



## PUBLICATIONS

### ACI Economics Survey 2006

Released in January, the ACI Airport Economics Survey – 2006 reports that two years of strong growth have enabled the world's airports to post their best financial results in five years.

Based on 2005 data collected from 616 airports representing 62% of global passenger traffic, the Survey covers key topics of employment, financial results, capital expenditure, financial benchmarking and a new section on regional breakdown of non-aeronautical revenue by source. Among the highlights of this year's data:

- Global passenger traffic continued to increase sharply, growing by 6.6 percent following an 11.3 percent rebound in 2004. The two-year growth spurt has generated higher aeronautical and non-aeronautical revenues.
- Cargo volumes rose by a modest 3 percent in 2005 over 2004, impacted by high fuel prices that diverted some domestic air cargo to road and rail transport, whereas international cargo grew at a more rapid clip.
- Airport employment remained stable, with some 4.5 million persons employed on airport sites.
- Airport operators planned to spend a record US\$ 38 billion on new capacity in 2006, up from \$36 billion in 2005.
- Profits of the top 100 airport companies averaged 10.3 percent net profit, the best performance since the year 2000, when the figure reached 14.5 percent.
- The regional breakdown of non-aeronautical revenue by source reveals regional variations based largely on demographic, socio-economic and cultural factors.

The survey also includes articles submitted by industry experts on airport privatisation, retail benchmarking, air cargo trends, airport creditworthiness, and a detailed section on airport cross-ownership and major airport infrastructure projects worldwide. You can order your copy of this year's expanded version of the survey at the ACI website: [www.aci.aero](http://www.aci.aero).

## PUBLICATIONS

### ACI Global Traffic Forecast 2006-2025

The new ACI forecast publication, which was previewed in the December World Report, highlights future traffic development from the perspective of the airport industry, predicts a doubling of current passenger numbers within the next 20 years. Produced by the ACI Air Traffic Service Advisory, a joint venture between ACI and DKMA, this document foresees that passenger volumes will grow by an average of four percent annually over the 20-year period, with Asia leading at a rate of nine percent until 2009 and challenging North America as the largest market by 2025. India and China will be the two fastest growing countries in the world with 10.4 and 8.1 percent growth respectively. The ACI Global Traffic Forecast 2006 – 2025 can be ordered on the ACI website.

## HEALTH

### CAPSCA meeting, Singapore

ICAO launched the CAPSCA project (Cooperative Agreement for Preventing the Spread of Communicable Diseases through Air Travel) at this meeting, and a project leader has been made available by Singapore to carry out coordination work. The project is two-pronged: an evaluation of airports who are participating in the project, currently Hong Kong, Macau and Singapore (India, Indonesia and Thailand have expressed an interest in participating and other countries are expected to join later) and the development of a network of experts.

Asia-Pacific States were invited to send representatives, as were ACI, CDC, FAA, IATA and WHO (representing the core group of international organisations with which ICAO is consulting). The programme comprised an introduction to the objectives of CAPSCA, presentations on screening methods, ICAO and WHO guidelines on pandemic planning, airline and airport views on implementation, a table-top exercise discussing scenarios and a walk-through evaluation of Singapore Changi airport.

ACI was represented by Dr Walter Gaber from Frankfurt Airport, who gave a presentation on ACI's work and views, and participated in the workshop. International procedures including the Airport, Airline and State Guidelines issued by ICAO were discussed and endorsed. Alternative methods to thermo-scanning for screening of passengers should be considered, especially at airports in countries where this kind of equipment is not available or may take a long time to obtain. ACI repeated that the lead responsibility is with health authorities and the national government, and not with airport operators – who are in a supporting role. This applies both to making policy decisions, such as to implement screening or introduce quarantine, and to implementing such policies at airports.

## HEALTH

### ILO Technical Workshop, Geneva

This workshop, entitled “Avian Flu and the Workplace: Preparedness and Response”, was called to examine Occupational Safety and Health, and employment and livelihood issues. It was related to the UN’s Consolidated Action Plan for Contributions of the UN System. The objectives of this plan include:

- Protecting livelihoods
- Ensuring that health systems reflect WHO standards and the International Health Regulations
- Achieving synergy between national, regional and international stakeholders
- Providing decision-makers with timely information

The meeting was attended by several UN agencies and employer and employee representative organisations, as well as the World Bank. ACI was represented by Safety and Technical Director David Gamber of World Headquarters. ACI discussed the importance and the difficulty of keeping air travel functioning in a crisis, and the need for airports, airlines and other aviation entities to ensure sufficient key workers to do so. Airport and airline contingency plans should cover such matters, and ACI was working with ICAO, WHO and IATA to maximise the chance of favourable outcomes. A reminder was given by WHO that Avian Flu cases were likely to increase again as the northern hemisphere winter approached. There is still no indication whether H5N1 will be capable of transforming into a new human pandemic strain.

### Transportation Working Group

The World Health Organisation is the custodian of the International Health Regulations -2005 (IHR). Prior to entry into force of the new IHR in July 2007, WHO will issue new guidance (Standard Operating Procedures - SOPs) to help States with implementing the IHR. A first meeting of the WHO Transportation Working Group (TWG) was held in April, whose purpose was to review existing SOPs at points of entry, and to identify existing and any additional procedures that could be considered core capacities for all Member States under Annex 1(b) of the International Health Regulations (2005). The working group developed a list of 23 SOPs, and formed three subgroups (airports, ports and ground crossings), and began to develop the necessary SOPs for each point of entry. The group also developed and approved a template proposal to which all SOPs for points of entry would conform.

Detailed SOPs for airports are under development, which include issues such as initial examination of passengers (should entry screening be deemed necessary) and quarantine measures (ACI believes that quarantine facilities should be located away from airport terminal buildings, and that airport operators should not be responsible for their cost).

A further meeting of the TWG was held in Vancouver from 28 November to 1 December 2006, at which ACI was represented by Dr Gaber (Fraport). Progress was made with drafting the necessary SOPs which will be ready for wider consultation in March 2007.

### ICAO health provisions

ICAO issued a State Letter in July 2006 proposing amendments to the health provisions of Annex 9 (Facilitation). Most of these concerned airlines and ACI supported them in its response of 15 September. However, ACI commented on the proposal to upgrade the present Recommended Practice, that “International airports shall have available adequate facilities for the administration of public health and animal and plant quarantine measures applicable to aircraft, crew, passengers, baggage, cargo, mail and stores” to a Standard. ACI proposed to alter the wording to say “At international airports, States shall...”. to reflect the ACI view that airport operators should not be responsible for the cost or the provision of quarantine facilities, since this is part of the responsibility of a State’s health or border protection authorities.

ACI also pointed out that quarantine facilities for passengers, as opposed to facilities for their initial screening or assessment, are not usually provided at airports and are likely to take up considerable space (which cannot be spared in most airport terminals) and to create greater risks of cross-infection of other passengers than if these facilities were located away from the airport site. ACI therefore proposed the addition of a new sentence: “The quarantine measures for crew and passengers to be accommodated at airports are for initial screening and assessment only, with subsequent quarantine confinement measures normally taking place away from the airport site”.

ICAO has now considered these proposals. It no longer proposes to upgrade this provision to a Standard, and also does not intend to change the wording as ACI suggested. All the other changes have been implemented in Annex 9.

## TRAINING

### Latin American events



The Trinidad and Tobago ACI Training Centre was inaugurated with a seminar “Security for major events,” particularly appropriate as the Caribbean Islands prepare to host the World Cup of Cricket this year. Three top-notch speakers joined the group: Mr Ulrich Mueller (Security Manager, Frankfurt Airport) who was involved in the last world cup of soccer; Mr Larry Wansley (American Airlines Vice President and Head of Security) who was in charge of the investigation of the carrier’s September 11 hijacked planes; and Mr Robert Agnew head security for the National Football League in the USA, who oversees security for more than 40 million spectators. Representing ACI World Headquarters was Philippe Baril: “We had 36 participants from 11 different countries, and as far away as Brazil. Like all

ACI training courses, the seminar was interactive and a total success, according to the participants. We thank the excellent instructors and those who participated in the course.”

## ACI FUND

### Policy for awarding scholarships

A set of criteria have been posted on the ACI Fund website for determining the recipients of ACI Fund scholarships. Requests for financial assistance to attend ACI Fund courses are accepted from candidates employed by ACI member airports located in the least developed nations (as listed by UNCTAD). The teaching and social aims of the ACI Fund have been clearly defined in its Articles of Association, and the criteria set out on the website seek to ensure the good governance of both the Fund and its financial means. Click through to the ACI Fund page of [www.aci.aero](http://www.aci.aero) for more information.

## SERVICE QUALITY

### ASQ airport benchmarking: Where does your airport stand?

ASQ is the world's premier airport customer satisfaction benchmarking programme. It has truly global coverage with 93 airports (including 38 capital cities) from 45 countries currently participating. Based on a survey which has been fine-tuned by the airports themselves, the unique format of ASQ allows airports of any size and from any region in the world to participate and to receive insightful management information. ASQ is of critical importance to airports wishing to evaluate their service performance and know where they stand as an airport. The findings and analysis help airports improve operations and enhance the overall passenger experience as well as providing a focal point to motivate and mobilise the wider airport community. ASQ is an indispensable part of a modern airport's quality management process. The success of a systematic approach to customer service is shown by top performing airports around the world and will be recognised at the ASQ annual awards ceremony, held 12 March 2007 in Dubai at the ACI Business and Trinity Forum. To find out more please contact Mark Adamson: [madamson@aci.aero](mailto:madamson@aci.aero), or visit: [www.airportservicequality.aero](http://www.airportservicequality.aero)

## SERVICE QUALITY

### Airport Wayfinder now at Boston Logan International

Boston Logan International (BOS) is the most recent airport to offer the ACI Airport Wayfinder programme to its passengers. The service further enhances the airport's comprehensive customer relations programme. Readily accessed via internet from home, office or on airport monitors, travellers can virtually navigate the Boston Logan International Airport on-line through Logan's website [www.massport.com](http://www.massport.com) or the ACI airport information portal [www.airportwayfinder.com](http://www.airportwayfinder.com). The bilingual English/Spanish site gives realistic 3D perspectives of airport overviews and locations, covering everything from passenger arrival and departure procedures, inter-terminal connection processes, parking and ground transportation, to a variety of passenger services. Future additions to the site will include a 'shops and dining' feature to make travellers aware of the numerous leisure opportunities offered by Boston Logan's airport concessions. Boston Logan International Airport's acting director of aviation, Edward Freni said, "Today's travellers are very busy, and Airport Wayfinder will make their arrivals and departures more efficient, friendly and less stressful." Boston is the chosen location for the ACI World Annual General Assembly and ACI North America Annual Conference in 2008.

## PUBLICATIONS

### Journal of Airport Management

At the ACI World Annual General Assembly in Cape Town, conference participants were introduced to the first issue of a new industry publication entitled Journal of Airport Management which is published in association with Airports Council International. Reaction was very favourable, and the second issue is now being distributed to those who have subscribed. This new professional journal is written by and for all those involved in the management of airports. Guided by a distinguished Editorial Board, each quarterly issue publishes around 100 pages of coverage for industry analysis, best practices, regulatory review and case studies. All articles are peer reviewed and must be in-depth, high-quality and of direct relevance to airport management. Journal of Airport Management is available by annual subscription, and Members of ACI are entitled to an exclusive 20 percent discount on the annual subscription rates. Please click here for more information.

## TRAINING

### Investing in your employees provides your airport with the tools to grow

The aviation business is a dynamic industry that is currently enjoying a significant growth trend, which in turn means that airports are exposed to the ever-changing demands of their customers. Airlines and concessionaires are developing new business models, and passengers are responding to expanded market choices. With expectations altered and demands heightened, the question for airports is how to keep your airport staff professional performance high while ensuring smooth and efficient operations and improving commercial viability.

Staff training is a key component of the solution. ACI Global Training Hub (GTH) courses offer the simplest and most accessible training platform to its members (airports and World Business Partners) in order to enhance the skills of their staff with the latest procedural developments. With best-in-

class courses addressing the needs of airport and industry related personnel – from entry level to upper management – maintaining the highest quality performance will be facilitated and the demands of our progressive industry will be fully managed. Please note the number of participants per course is limited in order to guarantee an environment that enables each participant to benefit from our training in the most effective way possible. Visit the GTH website to discover the wide variety of courses (classroom and e-learning) available and register yourself and/or your staff. [www.gth.aero](http://www.gth.aero)

## Global Training Hub