

ACI World AIRPORT DEVELOPMENT NEWS

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Focus on South-East Asia

PAKISTAN

Modernization of airports facilities/infrastructure has been the priority of the present government and not only the airport infrastructure is being revamped but also air navigation facilities for the safe, efficient and uninterrupted operation of flights. These upgrade works should ensure world-class facilities for passengers transiting through Pakistani airports. The Civil Aviation Authority (CAA) has completed a number of airport projects in 2015, including construction of a new terminal building at Multan (MUX), the facelift of the passenger terminal and construction of a new taxiway at Islamabad's existing airport (ISB), replacement of the ILS at Karachi Airport (KHI), and installation of a new ILS at Peshawar (PEW). Many other projects like construction of new terminal building at Quetta (UET), construction of the new Gwadar Airport (GWD), expansion of terminal buildings at the Faisalabad (LYP) and Lahore (LHE) airports, replacement of radars, and installation of new passenger boarding bridges at Karachi Airport are under way. Another milestone was achieved on 25 November 2015 with the completion of upgrading work on the Cat.3/B ILS and associated airfield lighting system at Lahore, which is the first airport in the country and the second in South East Asia to have this state-of-the-art facility. Lahore had permanently suffered from disruptions of flights during intense fog and smog conditions. On average 8 to 10 flights were affected daily during these weather conditions. Earlier, Lahore had a Cat.2 ILS, which helps aircraft landing in 350-m visibility. But most of the time, fog becomes so dense that visibility is reduced far below, sometimes to just 50 m. Therefore, flights were diverted frequently at the Punjab airport. In order to address this issue, the present Nawaz government decided to upgrade the ILS so that landings could take place even in 50-m visibility to ensure uninterrupted operations at Lahore Airport.

INDIA

Only three bidders - GMR Group, the GVK-led Mumbai International Airport, and the Tata Realty-MIA Infrastructure consortium - will now compete for the Navi Mumbai International Airport contract, as the Union Ministry of Home Affairs has rejected security clearance to the fourth shortlisted consortium of Hiranandani Developers and Zürich Airport. The rejection, with no reason given, comes close on the heels of Union Ministry of Civil Aviation granting approval to City & Industrial Development Corporation (CIDCO) for the issue of requests for proposals (RFP). CIDCO will soon seek the State Cabinet's approval for inviting RFPs from the three qualified bidders. In its response, a Hiranandani Developers spokesperson told the press: "We understand that there are some deficiencies in our security clearance application, for which we have approached the Government to understand it better. We are hopeful that the matter will be resolved shortly. We are extremely well-positioned to bid and are extremely excited about our prospects of successfully winning this tender."

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The State Government and CIDCO hope to award the contract by June 2016 so that the first phase with a passenger-handling capacity of 10 million gets commissioned by December 2019. CIDCO has put a trigger in the RFP that as soon as a particular percentage (of traffic growth) is crossed for three months, the developer will have to start work on Phase 2 of the project to increase capacity to 25 million passengers.

The city and industrial development corporation (Cidco), the urban development body created by the Maharashtra government, has decided to extend the period for inviting tenders regarding pre-development works for the Navi Mumbai airport project to attract more bidders. A senior CIDCO official has confirmed the development and said in the next couple of days the organisation will decide on the number of days to be extended. The tender for pre-development work was supposed to be opened on 5 January 2016. Meanwhile, the Ministry of Civil Aviation has asked the Airports Authority of India (AAI) to become a part of the Navi Mumbai airport project along with CIDCO. The Ministry has given five years to AAI for buying a 5% stake from CIDCO's share of 26% in the special purpose vehicle to be formed along with private partner for the project.

CIDCO was planning to invite tenders worth INR 16 billion for the pre-development work. The State Government body also has the consent to acquire 250 hectares for the proposed airport and is currently in the process of transferring land from its owners. The whole process of acquiring land and some part of rehabilitation were to be completed by mid-January 2016.

The Airports Authority of India (AAI) will require investments to the tune of USD 12 billion for building new regional airports and expanding existing ones over the next seven years.

The Government-run body also plans to hold a meeting with various state governments once the draft civil aviation policy is finalized to discuss their airport requirements. Airports Council International (ACI), in association with ICAO, had organized a two-day conference on the theme 'Investing in Airports - Economic Oversight and Regulations' in Delhi on 2 – 4 December 2015 to discuss sustainable growth for the airports globally. AAI Chairman R K Srivastava speaking at the conference said besides developing new regional airports, a number of existing airports including Pune, Guwahati, Trichy, Jammu, Srinagar, and Patna would soon reach optimum capacity and would have to be expanded to meet the increased demand. He said that part of these funds will come through internal accruals and other funds will be raised through the market. "We will have to go to the market to raise funds from the third year of the seven-year period," he said.

In a first, the Airports Authority of India (AAI) has identified several airports it plans to develop through joint ventures with state governments. A Special Purpose Vehicle (SPV) will be formed to develop the airports at Kushinagar (Uttar Pradesh), Devgarh (Rajasthan), Jharsuguda (Odisha) and Shirdi (Maharashtra), with the respective state governments being equity partners. "Airports can be developed through the SPV route rather than as stand-alone properties of AAI, so that states also become a partner. We have identified a few places such as Kushinagar, Devgarh, Jharsuguda where we are exploring the possibility of an SPV. For Shirdi also, the draft memorandum of understanding (MoU) is pending with the state government," AAI Chairman R K Srivastava told the press. This is the first time AAI will enter into strategic partnerships with states to develop airports through SPVs. At present, states only provide land required for building or expanding of airports, along with road and power connectivity to AAI. However, in a few projects such as the newly-built Chandigarh International Airport, the Punjab government's Greater Mohali Area Development Authority and the Haryana Urban Development Authority are equity partners.

Apparently, AAI had received requests from some states to take over the airports operated by them, which might not be operationally and commercially viable for these states. The AAI is conducting a techno-feasibility study to identify potential airports and look into more such partnerships. "By doing this, the state governments also become a stakeholder. We believe the states have more knowledge when it comes to regional connectivity and economic development. This will also allow them to pursue the development around the airports more aggressively," Srivastava added. -- The

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development comes after the government had scrapped its plans to privatise the airports at Chennai, Kolkata, Jaipur, and Ahmedabad.

SRI LANKA

The Japanese Prime Minister Shinzo Abe has pledged JPY 45.428 billion (USD 377 million) in loans to expand Sri Lanka's major international airport. After meeting with Sri Lankan Prime Minister Ranil Wickremesinghe at his office in Tokyo, Abe said the two leaders agreed to upgrade the bilateral relationship to a comprehensive partnership covering a wide range of areas, including politics, security, and economics. "To support its economy, we will further work together with Sri Lanka in three fields: promoting investment, co-operating on a national development plan, and national reconciliation and peace-building" under the enhanced partnership, Abe said. The fresh yen loans will go toward expansion of Colombo's Bandaranaike International Airport. Under Stage II of the project for the development of Bandaranaike International Airport, the essential infrastructure is to be developed to increase the airport's annual passenger handling capacity from the current volume of 7.8 million to 15 million by the year 2020.

BANGLADESH

Uncertainty looms over the expansion of Dhaka's 'Shahjalal International Airport' due to a lack of funds for the project. Lenders and aid agencies, which had previously shown interest to invest in the project, now appeared to be getting cold feet. In May 2015, a detailed proposal for expanding Dhaka Airport, which includes **erecting a third terminal, building a second runway, and undertaking other infrastructural developments at an estimated cost of BDT 123 billion (USD 1.57 billion)**, was forwarded to the Prime Minister's office. The proposal says the airport presently has the capacity to handle around 8 million passengers annually. With passenger traffic increasing by 9.5% every year, the limit is expected to be crossed in 2018. Prime Minister Sheikh Hasina told officials to treat the project as a priority. But the process was stalled because the Japan International Co-operation Agency (JICA), the South Korean government, and the Kuwait Fund were not eager to finance it. According to a Civil Aviation Ministry report, JICA had not responded to the Economic Relations Division's (ERD) letter on funding for this project, which is also not included in the eight projects to be funded by South Korea under its Economic Development Co-operation Fund (EDCF) Framework Arrangement, and its estimated cost exceeds Kuwait Fund's ceiling for funding a project. Meanwhile, an ERD report says that **the Civil Aviation Ministry has been asked to initiate measures to arrange funds from the Chinese government.**

Following a tender about a year ago, three firms - Yooshin Engineering Corp. of Korea, CPG of Singapore, and Design Development Consultancy of Bangladesh - were appointed to formulate a master plan for the Dhaka Airport expansion project. According to their master plan, the first phase of work was expected to start in 2015 and be finished in 2019. However, it is still undecided whether the necessary funds would come from the CAAB or through a public-private partnership initiative. In the first phase, a flyover is planned to be built to give vehicles access to the third terminal through Khilkhet-Nikunja.

MYANMAR

The country's future as a regional aviation hub depends on wide-ranging developments and improvements centred on the future Hanthawaddy International Airport, the Minister for Transport said recently. Speaking at a seminar to discuss new laws needed to establish a national airport authority, U Nyan Htun Aung said the development of the new airport would improve Myanmar's reputation. "A country may be considered to have high aviation standards only if it has a gateway," he said, urging the swift completion of Hanthawaddy Airport located in the Bago Region, about 48 miles to the north of Yangon, in close proximity to the special economic zones of Thilawa and Dawei. Thilawa is located to the south of Yangon and Dawei is in the Tanintharyi Region.

Construction of the new airport has been repeatedly delayed and its completion is now targeted for 2022. Once finished, it is intended to take over from Yangon International Airport as the

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country's major international entry point with capacity to handle up to 12 million passengers a year. The Minister also stressed the need to continue to adhere to ICAO standards and to study how aviation and airport authorities operate in other countries. Foreign experts could also advise on the best communications systems and navigational aids, he said. Myanmar joined ICAO in 1948. As facilities for the landing and transit of international airlines have continued to improve, navigation and monitoring systems have been upgraded, air operations certificates and licences have been granted to more Myanmar Aviation Academy graduates, the aviation law is being reformed, and collaboration agreements are being made, he said.

The new airport was first dreamt up in the early 1990s but the project was put on hold between 2004 and 2013. The USD 1.4 billion contract to build the airport was won in 2014 by a consortium including Singapore's Yongnam Holdings, Changi Airport Planners & Engineers, and Japan's JGC Corporation. The project, which is not explicitly backed by the Government, has since been delayed due to financing issues, with developers experiencing hold-ups obtaining Official Development Assistance (ODA) loans. It will compete with Yangon International Airport, which is being upgraded by Pioneer Aerodrome Services, a Myanmar company linked to the Asia World conglomerate.

THAILAND

Ever increasing numbers of air travellers are putting strain on Bangkok's Suvarnabhumi Airport, where new facilities will only become available in four years' time. The airport has a capacity of 45 million passengers a year, but in the 12 months to September 2015, it handled 52 million. The numbers are set to climb further amid Thailand's tourism boom. Demand for boarding gates is so intense that airlines are increasingly being forced to park their aircraft in remote bays and use buses to ferry their passengers to the terminal, which is delaying connections. Maintenance crew are trying to keep up with the increased wear and tear on infrastructure like runways, and check-in queues are spilling over into public access areas during peak hours. An airline industry group, the Airline Operators Committee (AOC), has urged a halt to new flights to ease overcrowding, which has got progressively worse in recent years. "Authorities should come to their senses and realise Suvarnabhumi can no longer accommodate more flights beyond the current level. We know it's a painful decision," said AOC Chairman Louis Moser.

Suvarnabhumi was built in 2006 to replace Don Mueang Airport in northern Bangkok. Yet the regional boom in air travel meant that it was handling more passengers than its capacity within five years of its opening. To cope, the Government re-opened the decommissioned Don Mueang in 2012 to budget carriers like AirAsia. Meanwhile, repeated delays in the expansion of Suvarnabhumi allowed the growth in passenger traffic to outpace that of facilities. **In July 2014, shortly after the military coup, the ruling junta ordered a review of the plans. Various developments are back on track - an extra runway, two new terminals, as well as an expansion of the current terminal.** All of that will add at least 35 million passengers to its annual capacity, but the first components will not be ready until 2019.

Banning new flights to Suvarnabhumi is out of the question, according to Siroj Duangrat, Director of Suvarnabhumi International Airport. To deal with the crowds, the airport management has rearranged check-in counters, set up more self-check-in kiosks, and opened a centre to speed up baggage handling. It has also proposed increasing parking fees to discourage airlines from blocking space. The biggest priority, say airline operators, should be expanding the airport as fast as possible to match Bangkok's pull as one of the world's top tourist destinations. Tourism is a bright spot in Thailand's economy, and tourist arrivals from July to September hit 7.3 million, almost a quarter more than in the same period a year before.

MALAYSIA

A new terminal is expected to be built at Kuala Lumpur International Airport (KLIA) to increase its total capacity to 100 million passengers a year, said Deputy Transport Minister Datuk Abd Aziz Kaprawi. Airport operator Malaysia Airports Holdings Bhd (MAHB) is expected to submit a

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proposal for the third terminal in the next two to three years after detailed studies have been performed. In 2014, KLIA's main terminal handled 23 million passengers, almost near its full capacity of 25 million passengers, while KLIA2 is also reaching its full capacity of 45 million passengers. The Government wants to leverage on Kuala Lumpur's strategic location and make Malaysia a regional air transit hub.

SINGAPORE

Land preparation works for the massive Changi East development - which include Changi Airport's upcoming Terminal 5 and third runway - are on track, with ground improvement works now under way. Challenges for the mammoth project include unsuitable ground conditions on the 1,000-hectare site as well as efforts to minimize any disruption to operations at the airport. Being reclaimed land, the site consists of thick layers of soft marine clay, which have to be treated to create a foundation strong enough to support airport infrastructure such as a runway, taxiways, buildings as well as aircraft. **Some 720 hectares will undergo ground improvements works in all.** "This is complicated and challenging as the works are next to a busy airport and an operating airbase," said Chua Kwan Ping, Director (Air Transport) at the Ministry of Transport. "The contractors have to ensure that stringent safety measures are adhered to. Despite these challenges, we have made good progress and have moved on to the next phase of the land preparation works."

Methods used to improve the quality of the ground include the insertion of cost-effective, prefabricated vertical drains (PVD) - which rid the clay of excess water - as well as deep cement mixing, where cement-based slurry is mixed with the soft soil to strengthen the ground. Earlier undertakings, which included site surveys, soil investigations and site clearance, have been completed since work started in 2014. A joint venture company, formed by Japan's Penta-Ocean and Singapore's Koon Construction & Transport, won the SGD 1.1 billion contract for the project, while Surbana International is the consultant.

Choy Dawen, Senior Vice-President of the Changi East Programme Management Office for Changi Airport Group (CAG), said that the vast majority of the works currently undertaken are not taking place near the airport. But certain works, which are connected to the existing airport, are carried out in the early hours of the morning when air traffic is low to minimize disruption to Changi Airport. Works are also on-going to widen the existing Tanah Merah Coast Road as well as to construct a new road between Tanah Merah Coast Road and Aviation Park Road. The new road will replace Changi Coast Road, which currently separates the airport's existing airfield and the Changi East site. Changi Coast Road will eventually link the two sites. Collectively, these works will be carried out over the next five to six years in over 70 sub-phases. When Terminal 5 opens by the mid-2020s, it will add capacity of 50 million passengers a year, boosting Changi's overall annual capacity to 135 million passengers, as the airport expands to cater to growing passenger traffic and to maintain its status as a leading regional hub

INDONESIA

India's conglomerate GVK is ready to invest USD 500 million as part of its commitment to develop a new international airport in Yogyakarta. Karthi Gajendran, President of Airport Development at GVK, said the company sees great potential in a new airport in Temon (Kulo Progo) near the Yogyakarta coastal line. GVK will set up a joint venture with Indonesia's State-owned airport operator Angkasa Pura I later in 2016 to develop the new airport. Angkasa Pura I has already been preparing plans for the new international airport for several years. It announced that the new Kulon Progo airport will be the first in Indonesia that will be constructed without financial aid from the Government. Currently, GVK is planning to discuss the duration of the concession with the Indonesian government. In line with Indonesian Law No. 1/2009 on Aviation, foreign investors cannot own a majority stake in an Indonesian airport, but the management of an Indonesian airport can be majority-owned by foreigners. GVK and Angkasa Pura I already teamed up for the modernization and expansion of Denpasar's Ngurah Rai International Airport on Bali (completed in 2013). Here GVK holds a 65% stake as airport operator (not airport owner).

GVK is convinced the new airport in Yogyakarta will be a lucrative investment as air traffic and air passenger growth in Indonesia is high (about +5% year-on-year). The new Yogyakarta airport is

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designed to handle 20 million passengers per year and will replace the existing Adisucipto (or Adisutjipto) International Airport due to capacity problems and limited availability of land for development.

LAOS

The country is in need of four new international airports as the existing four in Vientiane (Wattay International), Luang Prabang, Savan, and Pakse will be unable to accommodate growing air traffic in the coming decades. That is what Public Works & Transport Minister Dr Bounchanh Sinthavong told the Cabinet when he presented a strategic plan on airport development. The planned expansion of the passenger terminal at Wattay International would enable the airport to accommodate about 3 million passengers a year, which would make it capable of handling growing traffic until 2028, the Minister said. The airport, which now has an apron that can accommodate 48 parked aircraft and can land as large as 350-seat aircraft, has no more space available for further expansion as it is located near the city centre. Therefore, the Government needs to build a new larger international airport outside the capital to handle the growing traffic volumes. Construction of the new airport is expected to begin in 2025 and could be completed before 2030.

The new airport will be built to accommodate aircraft as large as the B.747, Airbus 330, or equivalent. In addition, the Minister stated that a new larger international airport in southern Champassak province is also to be constructed with capacity to handle 250-seat aircraft to meet the growing needs of air transport in that region. He explained that the current international airport, which could only land 150-seat aircraft, had limited space for further expansion as it was located between the city centre and a mountain. But the Minister did not explain when construction of the new airport should start or when it is expected to be in use. Similarly, a new larger international airport in Savannakhet province is to be built in the Seno area to meet growing air transport demand, driven by enormous investment in the province's Savan-Seno Special Economic Zone. Dr Bounchanh said the existing international airport located near the city centre had limited space for expansion. Again, the Minister did not give details about a time plan for construction of the new airport.

The Minister told the meeting **the new international airport in Luang Prabang province, which opened in 2013, already experiences crowding at times within the passenger terminal.**

Despite this, the airport's capacity was expected to be capable of accommodating passengers until 2023. He explained that the rapid growth of passenger numbers to the world heritage town had made the airport more crowded earlier and added that conditions of the existing location meant it could not be expanded. In addition, the Government is also eyeing the development of regional airports in Xieng Khuang and Bokeo provinces, in addition to the regional airport in Attapeu province, which was completed in April 2015. The strategic plan also spells out the need to improve domestic airports in provinces including Oudomxay, Luang Namtha, and Xayaboury, while the one in Huaphan already is under construction.

CAMBODIA

In spite of gloomy forecasts at the start of 2015, Cambodia's airports experienced double-digit growth in passenger numbers for the sixth year running, according to Cambodia Airports, which is expecting significantly slower growth in 2016. "For 2015, the three international airports - Phnom Penh, Siem Reap, and Sihanoukville - together handled 6.47 million passengers. Year-on-year, that's a 12.9% increase," said Khek Norinda, Communications Director for Cambodia Airports, the company that holds the Government concession to develop and manage the three airports. On 24 December 2015, Phnom Penh International Airport broke the 3 million passengers a year mark. The event coincided with a period during which the airport experienced one of its busiest times of the year when the extension of Phnom Penh passenger terminal was in progress. Siem Reap International handled 3.2 million passengers, while passenger traffic at Sihanouk International Airport continued to grow at 118.0% to 94,630 passengers from January to December 2015. Import and export tonnages at the Phnom Penh and Siem Reap cargo terminals increased by 14.0% to 38,065 tonnes respectively in 2015.

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The forecast for the three airports combined in 2016 is a 7% growth rate - mainly sustained by double-digit growth at the Phnom Penh and Sihanoukville airports. "We may expect a subdued increase at Siem Reap Airport due to a seeming erosion of tourist arrivals," Norinda said. While Siem Reap remains the country's busiest airport, Phnom Penh exceeded 3 million annual passengers for the first time. At the start of 2015, some feared tourism would slump due to instability in Thailand and economic struggles in China. In the end, Cambodia's political stability, strong economy, and exposure to the regional expansion in middle-class populations supported the growth of both tourist and business passenger traffic at Cambodia's airports, according to Sinn Chanserey Vutha, Deputy Director-General at the State Secretariat of Civil Aviation. "I expect these factors to continue - and so we have estimated a 6% to 7% growth in regional passenger numbers," Chanserey Vutha said. "We have strong expectations for passenger growth [regionally and in Cambodia] this year, but there always remain risks: financial crisis, maybe political instability, and the risk of terrorism."

The direct impact of travel and tourism accounted for about 13.5% of Cambodia's gross domestic product (GDP) in 2015, says the World Travel & Tourism Council, and is expected to remain robust, growing in line with GDP for the coming decade. "We are looking to attract more Chinese tourists in particular, and are aiming for around 2 million by 2020," Chanserey Vutha said. "But the Government will need to continue to support increasing the country's air capacity to cope with growing demand."

In early 2014, Cambodia Airports embarked on a USD 100 million investment project to double handling capacities at the Phnom Penh and Siem Reap international airports to 5 million passengers a year each, with the first phase of terminal expansions expected to be complete by March 2016. Travellers have already started using the new wing at Phnom Penh International. The company is also scheduled to upgrade the terminal in Sihanoukville in the coming months. Ho Vandy, an adviser to the Cambodia Chamber of Commerce, said that while airport expansions were a step in the right direction, creating new provincial hubs, adding to domestic airline fleets, and improving the quality of the hospitality sector should also be prioritized if the country is to tap into the benefits from rising regional passenger flows. "Mondolkiri and the northern regions are attracting Western tourists, but they are underserved by the airline industry," Vandy said. "And, there's only really one airline here: Cambodia Angkor Air. Cambodia Bayon Airlines and Bassaka Air have limited routes and they're foreign-owned." With the **inauguration of the ASEAN Economic Community (AEC) in 2016** - which waives entry visa requirements for travellers from ASEAN's ten member states - Mr Vandy, who is also the Managing Director of World Express Tours and Travel, said he was confident that 2016 passenger numbers would reach new highs. "This year will be a top year. More businessmen, investors and tourists should come to Cambodia with the AEC," he said. "But to capture its benefit we must continue to expand our capacity and improve the quality of our service sector."

VIETNAM

Airports Corporation of Vietnam (ACV), a State-owned company, has sought permission from the Ministry of Transport to start negotiations with Aéroports de Paris, the potential partner in the firm bidding for a 20% stake. If the Ministry agrees, the negotiation will begin shortly. ACV has VND 22.43 trillion (USD 998.8 million) in charter capital. Valued at USD 1.2 billion, it is one of Vietnam's largest State-owned enterprises (SOEs), managing 22 of the country's international and domestic airports. ACV Chairman Nguyen Nguyen Hung told the press that ADP was the only investor meeting the Ministry's requirements to conduct negotiations in the role of a strategic partner. The French airport operator is one of three candidates proposing to be a strategic investor in ACV. It has been operating 37 airports in the world through its subsidiary Aéroports de Paris Management (ADPM), including the two Paris airports CDG and ORY. Two other potential investors were Changi Airport International, a subsidiary of Singapore's Changi Airport Group who failed at the application stage, and Bank for Investment & Development of Vietnam (BIDV). The latter was very interested in investing in ACV as a strategic investor and was willing to buy 5% of ACV shares, but its financial capacity did not meet the Ministry's demand, which required the non-aviation organization's ownership capital to be USD 5 billion. By the end of 2014, the bank's ownership capital was just USD 1.56 billion. -- ACV off-loaded

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77.8 million shares at VND 14,300 (USD 0.63) each, or 3.47% of the company, in its initial public offering on the HCM Stock Exchange on 10 December 2015. Apart from the IPO, 5% of the company's shares amounting to 9.2 million were sold to its employees. The State retains a capital ratio of 75% of ACV's equity and announced that a 20% stake would be available to strategic investors after the IPO.

Other Regions

U.S.A.

Chicago's Mayor Rahm Emanuel has announced a USD 1.3 billion infrastructure plan for O'Hare international Airport in an effort to reduce travel delays, create jobs, and share wealth in the region. The project is funded from a number of sources, including the U.S. Department of Transportation, the Federal Aviation Administration, passenger fees, funds from American and United Airlines. **The plan includes a sixth east-west runway (9C/27C) by 2020, more de-icing pads, and new taxiways.** The Mayor hopes the project will reduce O'Hare's record flight delays, given an on-time departure rate of only 62.68%. The new runway will complete a modernization project that began more than a decade ago, changing O'Hare's configuration from several intersecting runways to a configuration of six parallel, east-to-west runways, and two diagonal ones. Despite the decade-long modernization project, travel industry experts say O'Hare's chronic delays continue because the project has not increased terminal space or added new gates. -- In order assist Chicago residents, Emanuel announced contracting rules that will favour the city's minorities when doling out the project's estimated 5,000 jobs – an announcement that's carried weight among community leaders.

Construction has started on the new two-concourse North Terminal at New Orleans 'Louis Armstrong International Airport'. The world-class airport terminal will serve as a crucial economic driver for the New Orleans metropolitan region and provide a lasting impression to visitors due to its modern design and open architectural concept. The North Terminal design team consists of acclaimed architect Cesar Pelli of Pelli Clarke Pelli, Manning Architects, Crescent City Aviation Team and Leo A. Daly/Atkins. A USD 598 million contract was signed in December 2015 with construction manager Hunt-Gibbs-Boh-Metro. The group is a joint venture of Hunt Construction Group of Indianapolis and New Orleans companies Gibbs Construction, Boh Bros. Construction Co. and Metro Service Group. Announced in April 2013 already, the new facility will create more than 13,000 new construction jobs as well as opportunities for local firms and disadvantaged business enterprises (DBEs) in the region. The 760,500-ft² terminal will feature 30 gates, a 2,000-space parking garage, a central utility plant, and a ground transportation staging area. It will be delivered at a cost of USD 826 million, with completion scheduled for 1 October 2018. Funding for the new terminal project will come from various airport self-generated funds along with federal and state aviation grants. The City of New Orleans will not be funding any part of the new terminal project.

Iftikhar Ahmad, Executive Director of the New Orleans Aviation Board, the airport operator, said: "The airport is taking off. We now have 52 direct flights on 14 airlines. That's an all-time high. In 2015, we hosted more than 10 million passengers. That's another record. As we break ground at the new North Terminal, we take another major step forward. Getting here was not easy. It took a lot of hard work by our team and strong partnerships with the airlines, the FAA and local community leaders to reach this point. We're excited to bring this new terminal to our great city." Mitch Landrieu, Mayor of New Orleans, said: "As the most transformative project for New Orleans since the Superdome, the new North Terminal project will create new jobs and unmatched business opportunities for the people of New Orleans and southeast Louisiana. For over 40 years, people talked about developing an airport that was reflective of our city, yet for decades there was little action and minimal collaboration. We did the hard work, leveraged our relationships with Federal, State and local partners, and today a financially feasible, world-class airport is on the way." – The terminal is projected to have USD 1.7 billion in economic impact from construction and USD 3.2 billion in expected annual economic impact on tourism.

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MEXICO

Mexico City's new airport continues to move ahead and tenders will be invited in the next few days on ten individual construction projects. During 2016, the Mexico City Airport Group (GACM), which is building the facility and has the concession to operate it once it opens, plans work on the main terminal building, the fuel depot and fuel distribution system, apron stands, navigation aids, the central service tunnel, fire stations, support buildings and the first phase of the access road junctions. During 2015, contracts were signed for the dredging and leveling of 1,147 hectares and the building of 48 km of internal and access roads. The State-owned airport administrator, GACM, expects that 90% of the land where the new airport is to be located will be levelled by the end of 2016. Among the most complex and critical works to be carried out in 2016 is getting the ground ready for the enormous weight that the runways will have to bear. After removing the top soil, a layer of geotextiles will be put in place, followed by another of red tezontle, a porous, highly oxidized, volcanic rock used extensively in construction in Mexico. The project site, located in Texcoco municipality in the northeast of the city, has historically been used as a buffer zone where rainfall was directed in order to ease the strain on Mexico City's drainage systems. Drainage and water infrastructure works are needed to prevent the risk of flooding and are expected to cost some MXN 16.4 billion.

The construction budget for 2016 is MXN 5 billion (USD 288 million). Total investments for the new airport are estimated at MXN 169 billion (USD 12.9 billion as of September 2014). The airport, one of the biggest in the world, is expected to begin operations in 2020 with three runways in operation and a passenger capacity of 50 million per year. When fully completed, it will have two terminals and six runways with an annual passenger capacity of 120 million. It will also be able to handle up to three aircraft landing and taking off at the same time.

FRANCE

President François Hollande has said that a local referendum would decide the fate of a controversial airport project in Western France, hours after three Green lawmakers joined his cabinet as part of a government reshuffle. Hollande said that after long public debate and a string of legal battles over the construction of a regional airport in Notre-Dame-des-Landes, local residents would have the final say during a referendum that would be organized by October 2016. "If it's yes, and the residents want the airport, then everyone will have to accept that decision," Hollande declared during a primetime television interview with France 2 and TF1. "If it's no – we all know that it is a project that has been spearheaded by the Government, and the Government will have to assume the consequences." Environmental and farming groups in the town 20 kms north of Nantes have fervently opposed the new airport development, while other residents and business groups have welcomed the project, which was approved in 2008 at a cost of about EUR 500 million. Hollande rejected the suggestion that the referendum had been part of a deal with Green Party chief Emmanuelle Cosse, who joined his cabinet as Housing Minister and who could help endear the President to environmentalists ahead of his likely bid for re-election in 2017. -- The announcement of the referendum was part of a wide-ranging interview in which he repeated a previous promise that he would not run for a second term if unemployment continued to rise.

IRAN

On the occasion of the recent state visit to France of Hassan Rouhani, President of the Islamic Republic of Iran, the Iranian Ministry of Roads & Urban Development, the Iran Airports Company, and VINCI Airports signed a Memorandum of Understanding (MoU) on the concession for the Mashhad and Isfahan airports, Iran's second and fifth-largest airports, respectively. This agreement is the first step in a process that should result in the establishment of concessions that will renovate, extend, and operate the two airports in 2016. The airport in Mashhad, which recorded 8.2 million passengers in 2014, is located in the northeast of the country and serves the country's second largest population centre, a holy city that attracts more than 20 million pilgrims every

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year. Isfahan Airport, with 2.6 million passengers in 2014, serves Iran's third largest city, the capital of the Persian Empire in the 16th and 17th centuries, renowned for its rich cultural and historic heritage. With tourism increasing more than 35% in 2014 and the recent effective lifting of international sanctions, airport activity holds out major economic potential in Iran. With its large population and territory, Iran lends itself to air transport. -- This MoU is a further illustration of VINCI's international expansion strategy, particularly in the airport sector.

Green Airports

Dubai International Airport (DXB) and Al Maktoum-Dubai World Central (DWC) have attained Level Two accreditation under the Airports Council International's (ACI) carbon accreditation programme. With this attainment, DXB and DWC have become two of 14 Level Two accredited airports, and the first among the Gulf Cooperation Council (GCC) states. These airports account for more than 10% the air passenger numbers in the Asia-Pacific region. The achievement is an important landmark in Dubai Airports' journey towards attaining carbon-neutral growth and development. Dubai Airports CEO, Paul Griffiths, said: "We take our environmental responsibility seriously and, through our environmental management plan, continue to implement efficiencies and pursue innovative ideas to limit our environmental impact while fully supporting the UAE Vision 2021."

Edmonton International Airport in Alberta, Canada, has become the first Canadian airport to receive LEED Gold certification, awarded for its South Terminal expansion project completed in 2012. Engineering firm Stantec incorporated several sustainable measures into the new building's design, including rain water storage cisterns, solar water heating, sensor controlled general lighting, wooden structural components, displacement ventilation and a 'living wall'. In Canada, green building awards and LEED certification are granted by the Canada Green Building Council (CaGBC), a not-for-profit, national organisation tasked with promoting green and sustainable building developments. Thomas Mueller, CEO of the CaGBC, said: "This certification represents a significant improvement in environmental performance along with a healthier indoor environment for staff and travellers. Arriving at one of the greenest terminals in Canada sets the right tone for both domestic and international travellers that the city of Edmonton is committed to sustainability. I hope to see more of Canada's major transportation hubs following Edmonton's lead."

Operated by TAV Airports and designed and constructed by TAV Construction, Izmir Adnan Menderes Airport Domestic Terminal has achieved to become the first Leadership in Energy and Environmental Design (LEED) certificated terminal building in Turkey. Standing out with its environmentally-friendly structure and applications, the building has been awarded LEED Silver Certification by the US Green Buildings Council (USGBC). TAV Construction Managing Director, Ümit Kazak, said: "At TAV, we believe that sustainability and protection of environment are all about responsibility towards future generations. We designed and completed the construction of Izmir Adnan Menderes Airport New Domestic Terminal in line with LEED certification requirements to achieve effective environmental sustainability."

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