

# INTERNATIONAL AIRPORTREPORT

Volume 15 Number 11

November 2007

## **Munich Hosts Airport Issues Conference**

AAAE, IAAE and the Munich Airport hosted the 13<sup>th</sup> Annual U.S./Central Europe/Eurasia Airport Issues Conference Nov. 11-13 in Munich, Germany.

The AAAE/IAAE delegation was led by AAAE First Vice Chair Jim Elwood, A.A.E., and IAAE Chair Tim Campbell, A.A.E.

Close to 100 delegates from 18 countries heard presentations from U.S. and European government and industry leaders on topics ranging from maximizing revenues in the global airport environment to key regional airport development projects — such as preparing airports for the 2012 EuroSoccer Cup — to the wide

## **Upcoming Events**

**IAAE/AAAE International Airport GIS Conference...**Budapest, Hungary, Nov. 28-30

**AAAE Arts in the Airport Workshop...**Toronto, Canada, April 30-May 2, 2008

**AAAE/IAAE Canada North American Senior Airport Management Conference...**Toronto, Canada, May 11-13, 2008

**U.S./Europe ATC/Airport Capacity Summit...**Brussels, Belgium, June 30-July 2, 2008

**2008 Airports Conference of the Americas...**St. Maarten, July 20-22, 2008

spectrum of environmental and safety/security challenges facing airports worldwide today.

Dr. Michael Kerkloh, chief executive officer of Munich Airport, gave an overview of his facility, noting that Munich is one of the fastest-growing airports in Europe. He outlined the need for future expansion and emphasized the importance of the airport to the region's economy. Further, he discussed the role of multi-modal links in enhancing that importance.

Also making a major presentation was Karl Garnadt, executive vice president, services and human resources, for Lufthansa German Airlines. He discussed the issues and challenges facing his company.

AAAE would like to thank the sponsors of the conference: Lufthansa German Airlines, United Airlines, Autogrill S.p.A./HMSAirport, Booz Allen Hamilton, Honeywell International, L-3 Communications Security & Detection Systems, DM Airport Developers – Operators of Morristown Municipal Airport, Airport Business Solutions and Raytheon Missile Systems.

## **Singapore, Canada Initial New Air Agreement**

Singapore and Canada have initialed a new air transport agreement, following bilateral air services consultations held Oct. 30-Nov. 1 in Ottawa, Canada.

Under the new bilateral, Singapore's carriers are allowed to operate passenger and all-cargo flights as frequently as desired between Singapore and Canada, via selected intermediate points. In addition, they may code-share either with one another, or with any Canadian or third country airlines. Canadian

carriers enjoy similar traffic rights and code-share privileges under the reciprocal arrangement.

"This new agreement represents a significant step in further strengthening the bilateral relations between Singapore and Canada. It demonstrates our two countries' commitment to pursue a common goal of achieving a more liberal aviation framework in the global aviation arena," said Lim Kim Choon, director general and CEO of the Civil Aviation Authority of Singapore, who led the Singapore delegation in the negotiations. He added "I am confident this agreement would be a bridge to promote greater tourism, trade and investment flows between Singapore and Canada."

Singapore Airlines currently operates six weekly passenger flights between Singapore and Vancouver via Seoul.

## **Sydney Airport To Build Larger Runway Safety Area**

Sydney Airport announced that it will commence construction of a larger runway safety area at the western end of the east-west runway.

The provision of larger runway safety areas at Australia's airports is a mandatory safety requirement set by the Australian Civil Aviation Safety Authority and is in line with international aviation standards.

Sydney Airport CEO Russell Balding said, "Sydney Airport has three runways, meaning that we require six of these larger runway safety areas. We have already completed five, at a cost of \$3 million, and will commence constructing the sixth, at a cost of more than \$65 million, in April 2008."

## A380 Lands In Montreal On World Tour

The A380 continued its world tour with a Nov. 12 visit to Montreal-Pierre Elliott Trudeau International.

The A380 is the world's largest commercial airliner and was operated by Airbus and Air France flight and cabin crew during the Montreal visit.

The aircraft used for the world tour is the development aircraft A380 MSN007, powered by four Rolls-Royce Trent 900 engines. MSN007 is equipped with an Airbus-designed, full passenger cabin, which demonstrates how the airplane can accommodate up to 519 passengers in a three-class cabin environment.

The A380 already has visited more than 60 airports. Airbus has received 189 orders and commitments from 16 customers for the superjumbo aircraft. The first operator, Singapore Airlines, began scheduled operations Oct. 28 between Singapore and Sydney.

## Changi's New Terminal To Boost Dining, Shopping Areas

Singapore Changi Airport's new Terminal 3 (T3), which opens for flight operations Jan. 9, 2008, has attracted a number of "first-of-its-kind" dining and shopping concepts.

In addition, the Civil Aviation Authority of Singapore (CAAS) has allocated a considerably larger floor area for shopping and dining outlets at T3's public areas.

T3 will have 20,000 square meters of floor space dedicated to about 100 retail and more than 40 food and beverage outlets. With T3, Changi Airport's total retail and F and B space will be increased from the current 28,000 square meters in T1 and T2 to 48,000 square meters.

Of the 20,000 square meters of floor space in T3, 11,400 square meters will be within the Departure / Transit Mall for about 55 retail and 20 F and B outlets. T3's public area, with about 45 retail and 20 F and B outlets over five levels of the terminal, will have 8,600 square meters of space.

In addition, new shopping and dining zones will be introduced at T3's public areas. Besides having retail and F and B outlets at the departure and arrival levels, there also will be outlets located on Basement 2, Level 3 and at the Viewing Mall on Level 4.

## Airbus Records Major Sales From Middle Eastern Lines

Dubai-based Emirates Airline has signed a firm contract for 81 Airbus wide-body aircraft (50 Airbus A350XWB 900 plus 20 -1000, and 11 additional A380s) in an agreement that could reach 131 aircraft at a total value of more than \$20 billion.

The order includes the firming up of eight A380 aircraft announced at Le Bourget in June plus an additional three. This brings Emirates' total incremental A380 orders in 2007 to 15 aircraft, making Emirates the largest A380 customer with 58 firm orders. In addition, the contract also includes the possibility for an additional 50 A350 XWBs.

In related news, Airbus announced that Saudi Arabian Airlines, Saudi Arabia's national airline, has signed a Memorandum of Understanding (MoU) for 22 A320 aircraft as part of the fleet modernization plans. The agreement allows Saudia to increase the order by eight more A320s.

The agreement marks a period of rapid expansion of the aviation market in the region with Saudia experiencing unprecedented demand for air travel, Airbus said.

## U.K. To Revoke One Security Measure

U.K. Prime Minister Gordon Brown announced new security measures for the country, but indicated that he is revoking the restriction that airline passengers can take only one carry-on bag on flights departing the U.K.

The one-bag policy was imposed in 2006 after police uncovered an alleged plot to blow up transatlantic jets.

Security will be improved at train

stations, airports and ports, Brown said. This will include more barriers and blast-resistant buildings.

Further, he said that a new U.K. border agency will have additional powers of detention, and airline liaison officers will be able to cancel visas.

## U.K., Antigua Sign New Air Services Agreement

The U.K. and Antigua signed a new aviation agreement that removes most of the remaining restrictions on air services between the two countries.

The agreement took effect immediately and updates the previous agreement, which was signed in 1985.

## Fraport Expects Improved Results For 2007

In the nine-month period from January to September 2007, all key indicators of the Fraport Group improved again, the airport operator reported.

Despite Frankfurt Airport's capacity constraints, passenger figures at the facility climbed by 2.1 percent and airfreight by 1.7 percent compared with the previous year, Fraport said.

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*Editor* ..... Barbara Cook

*Production*

*Editor* ..... Holly Ackerman

Spencer Dickerson, C.M.

*Executive Director*

Will James, C.M.

Senior VP, International Programs

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INTERNATIONAL AIRPORT REPORT is published monthly by the International Association of Airport Executives, an affiliated company of the American Association of Airport Executives, the largest professional organization for airport executives in the world.

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Group revenue increased by 8.3 percent and profit by some 9 percent. As a result, Fraport raised its forecast for the entire year of 2007, as well as for traffic growth and operating results.

“We continue to see the group developing very positively for the entire 2007 year,” said Fraport AG’s executive board chairman Dr. Wilhelm Bender. Because of the positive traffic development, Bender said he expects Frankfurt’s passenger figures to increase by about two percent compared with 2006, despite the known capacity constraints and the strong positive effect of the World Cup last year. Bender indicated that revenue, mainly because of new investments, should grow over the previous year.

### **Private Company Assumes Airport Management**

The official signing ceremony for the transfer of Jordan’s Queen Alia International Airport’s management to AIG PSC, in which Aeroports de Paris holds, through its subsidiary Aeroports de Paris Management, a 9.5 percent stake, was Nov. 15.

The concession was granted to AIG PSC for a period of 25 years. AIG PSC is a company created for this purpose by ADIC (Abu Dhabi), Aeroports de Paris Management SA, EDGO (Jordan), J&P Avax SA (Greece), J&P Ltd (Cyprus) and Noor Financial Investment Company (Kuwait).

AIG PSC, as a concessionaire, will be in charge of the construction and operations of a new terminal of more than 85,000 square meters with a capacity of nine million passengers per year that will be designed by English architect Norman Foster.

This building is meant to support the rapid growth of the airport, gateway for Jordan and hub of the national airline Royal Jordanian, member of One World Alliance.

Aeroports de Paris Management will be in charge of airport operations

for the length of the concession. Construction of the new terminal will be handled by the Cypriot construction company, J&P.

### **U.K. To Consult With Airlines On New Heathrow Runway**

The International Air Transport Association (IATA) welcomed the U.K. government’s announcement of a consultation into the third runway at London Heathrow airport.

“Heathrow is Europe’s busiest international hub and critical to the U.K.’s competitiveness,” said Giovanni Bisignani, IATA director general and CEO. “It is also bursting at the seams. Short-term fixes, including mixed mode are useful. But the only real long-term solution is a third runway.”

Heathrow airport ranks among the world’s most congested airports, Bisignani said. The capacity cap is 480,000 slots per year.

### **Aeroports de Paris Posts Slim Gain In October**

Aeroports de Paris in October accommodated 7.1 million passengers, an increase of 0.8 percent over the same month in 2006.

Paris-Charles de Gaulle airport recorded a gain of 1.4 percent, reaching five million passengers, while Paris-Orly traffic declined by 0.7 percent to reach 2.1 million passengers.

For the first 10 months of 2007, overall airport traffic increased by 4.8 percent.

### **Nav Canada Reports Improved Financial Position**

Nav Canada reported that growth in air traffic continued to strengthen the company’s financial position during the fiscal year that ended Aug. 31.

“Operationally it was a good year, with improvement in the financial

position of the pension plan, healthy air traffic and revenue growth, and the continued successful efforts by employees to control costs,” said John Crichton, company president and CEO.

The company’s revenues before rate stabilization and the approved transfer from the rate reduction obligation for fiscal 2007 were \$1.205 billion, compared with \$1.179 billion for the previous year.

### **Middle Eastern Customer Buys Reveal EDS Product**

Reveal Imaging Technologies Inc., a developer of advanced security inspection systems, announced that it has shipped its first Mobile CT-80 automated explosives detection system (EDS) to a government customer in the Middle East. The unit will be used for event security at high profile facilities.

The Mobile CT-80 is the only TSA-certified EDS to be deployed as a mobile unit.

Available as a self-contained truck, trailer or container unit, the Mobile CT-80 incorporates a fully functional CT-based EDS system capable of automatically detecting explosives in items from small personal effects to large bags, packages and break-bulk cargo.

### **ICTS To Provide Screening At Schiphol Airport**

ICTS International N.V., a provider of advanced security services, said its wholly owned subsidiary I-SEC Netherlands has been awarded a five-year contract to provide passenger screening services at Amsterdam’s Schiphol International Airport.

The contract, which is subject to completion of European tender legal and contractual process, takes effect in February 2008 and replaces an existing contract. In order to support this new contract, I-SEC will add 500-600 employees. ICTS said it expects that I-SEC will process 20,000 passengers daily at these checkpoints.

# News From Around The World

Grupo Aeroportuario del Sureste (**ASUR**) reported that total passenger traffic for October 2007 increased by 14.1 percent compared with October 2006.

According to published reports, **Israel** and **Slovakia** have signed a new civil aviation agreement that allows more airlines to make scheduled flights between Tel Aviv and Bratislava. Each country can award two airlines the rights to the route and operate up to four weekly flights. The agreement will come into effect in the summer of 2008. Only Air Slovakia currently flies this route, operating two weekly flights. It will now be joined by low-cost airline SkyEurope, which has rights to the route but does not operate it.

**abertis**, which operates eight airports worldwide, including London Luton, Cardiff and Belfast International, said that forecasts for the year point to a 9 percent rise in revenues and a 28 percent rise in net profit. Airport revenues in the nine-month period rose 17 percent, driven by 6.5 percent growth in passenger numbers at all the airports to nearly 18 million. Particularly noteworthy was the strong performance by Stockholm Skavsta, Belfast International and Orlando Sanford airports, with growth in passenger numbers of 7.1 percent, 6.3 percent and 6.4 percent, respectively, and the three Bolivian airports (Santa Cruz, Cochabamba and La Paz), where passenger figures grew by more than 14.8 percent.

**Vancouver Airport Authority** has awarded two new retail concessions contracts to Hudson Group to bring national brands and authentic local concepts to the airport's domestic terminal and transborder areas. The contracts are expected to generate upwards of \$50 million over the life

of the agreements, making Vancouver one of Hudson's largest programs. For the news/gift component of the domestic terminal program, Hudson will create a state-of-the-art Hudson News.

**Grupo Aeroportuario del Pacifico (GAP)** said that total traffic increased 15.2 percent in October, compared with October 2006, driven by domestic passenger traffic, which grew 19.5 percent, as well as a recovery in international passenger traffic, which increased 5.9 percent compared with October 2006.

**The Civil Aviation Authority of Singapore** said that four airlines will move their operations to Singapore Changi Airport's Terminal 3. The four airlines — China Eastern Airlines, Jet Airways, Qatar Airways and United Airlines — will join Singapore Airlines in operating from Terminal 3. Terminal 3, currently undergoing tests and trials, opens for flight operations Jan. 9, 2008.

**Air China** announced strong results for its third quarter ended Sept. 30 and continued growth for 2007 year to date. The company's net profit for the quarter jumped 93 percent compared with the same period last year, excluding a one-off gain in the 2006 quarter. Passenger traffic for the third quarter rose 5.4 percent systemwide. Cargo traffic in the quarter grew 9.2 percent. For the year to date, passenger traffic is ahead of 2006 by 10.9 percent.

**EU Consumer Commissioner Meglena Kuneva** announced that an EU-wide investigation of Web sites selling airline tickets showed that more than 50 percent used misleading advertising and unfair practices. The investigation covered Europe's leading airlines, low-cost carriers and other websites selling airline tickets. Companies will be asked to correct their websites or clarify their position. Kuneva said that she is giving compa-

nies four months to respond.

Indonesia's largest private airline, **Lion Air**, plans to raise up to \$600 million to acquire stakes or set up new airlines in a number of Asian countries, according to published reports. Lion Air is considering possible expansion in six countries — Thailand, Malaysia, Vietnam, Bangladesh and the Philippines. The airline recently ordered an additional 22 Boeing 737-900 series planes as part of its expansion plans.

**GOL Linhas Aereas Inteligentes S.A.**, the parent company of Brazil's low-cost airlines GOL Transportes Aereos S.A. and VRG Linhas Aereas S.A., announced an interline agreement between VRG and Delta Air Lines. Beginning this month, passengers of both airlines can purchase tickets to all destinations served by VRG and Delta Air Lines.

**MAXjet Airways** announced the launch of its MAXjet Cargo operations. MAXjet Cargo will offer 15,000 kilos of freight on each Boeing 767-200ER aircraft between London Stansted and the U.S.

**The Vancouver International Airport Authority** announced that it has agreed to issue a private placement of \$200 million of 5.020 percent Series E Debentures due Nov. 13, 2015. The airport authority will use a portion of the proceeds of such placement to repay its Floating Rate Notes, Series C Debentures and will use the balance of the proceeds for general corporate purposes and to fund its ongoing capital program.

The **U.K.** and **Brunei** have signed a new aviation agreement that opens up additional areas of commercial aviation for development. The agreement replaces the previous bilateral that has been in effect since 1990.