

COMMITTEE ON INNOVATION, COMPETITIVENESS AND PPP'S

AIRPORT PPP STANDARD

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2011 European Commission Transport White Paper

“It is difficult to conceive of vigorous economic growth which can create jobs and growth without an efficient transport system” (...)



Airport Capacity



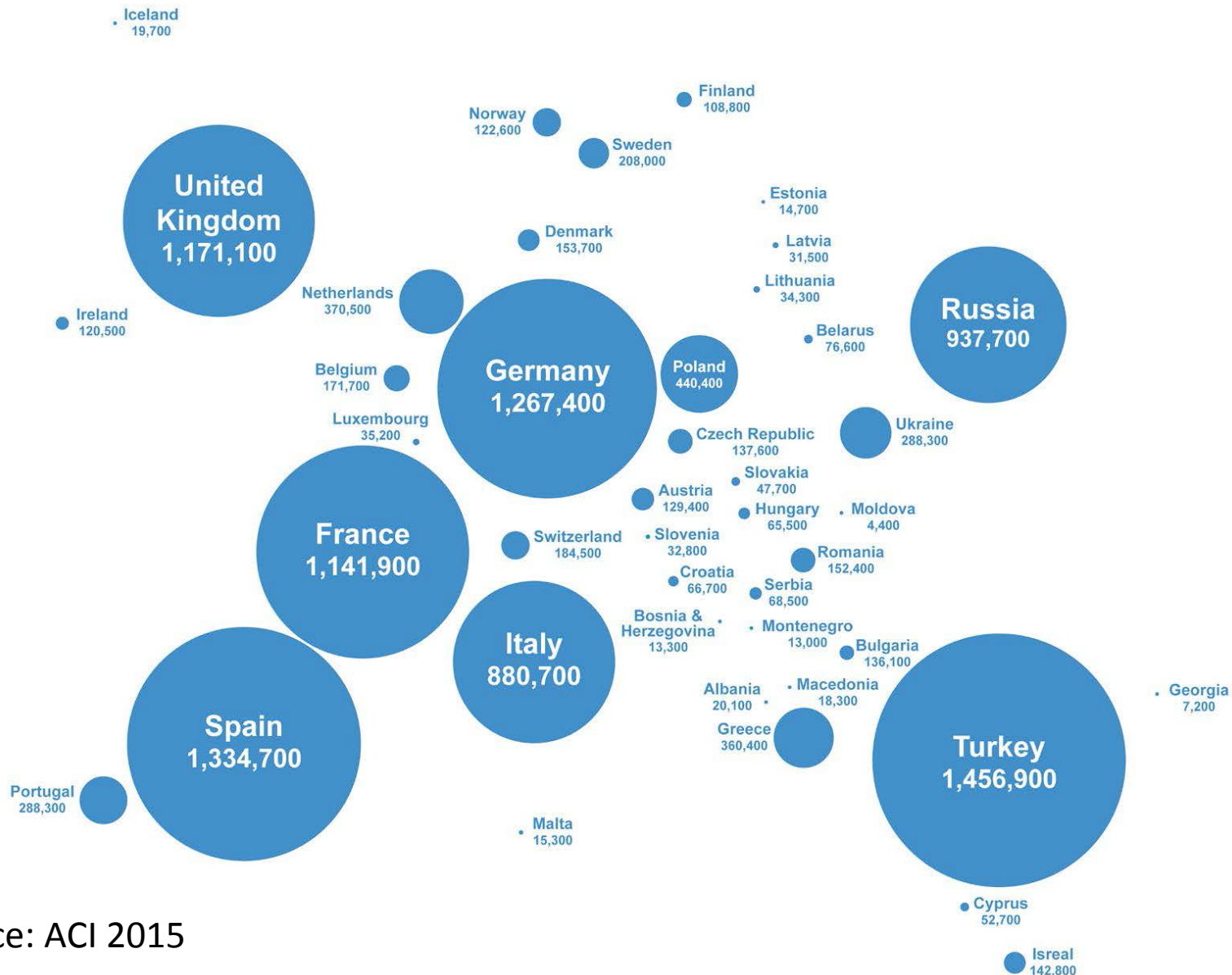
- Nearly two million flights/a un-accommodated by 2035 (at least 120 M PAX unable to make their planned trips)
- By 2035, more than 20 airports running at or close to capacity (just three in 2012) - at the same time, overcapacity at many regional airports
- Impact of unmet demand on growth and jobs

It's about the Jobs...

- Every 1 million passenger supports:
 - 2950 jobs nationally
 - 2000 jobs regionally
 - 1425 jobs locally / sub-regionally
- 1000 extra passengers create 1 additional direct job

(Source: 2015 ACI study on the socio-economic impact of airports)

Total Number of Jobs created by European airports (direct, indirect and induced)



Source: ACI 2015

Operational Inefficiencies: Overstaffing

- Overstaffing and overly bureaucratic processes are common at state-owned enterprises, e.g. airports
- It reduces profitability and available funds for capacity investments
- It increases costs to airlines, reducing the potential to attract new airlines and new routes

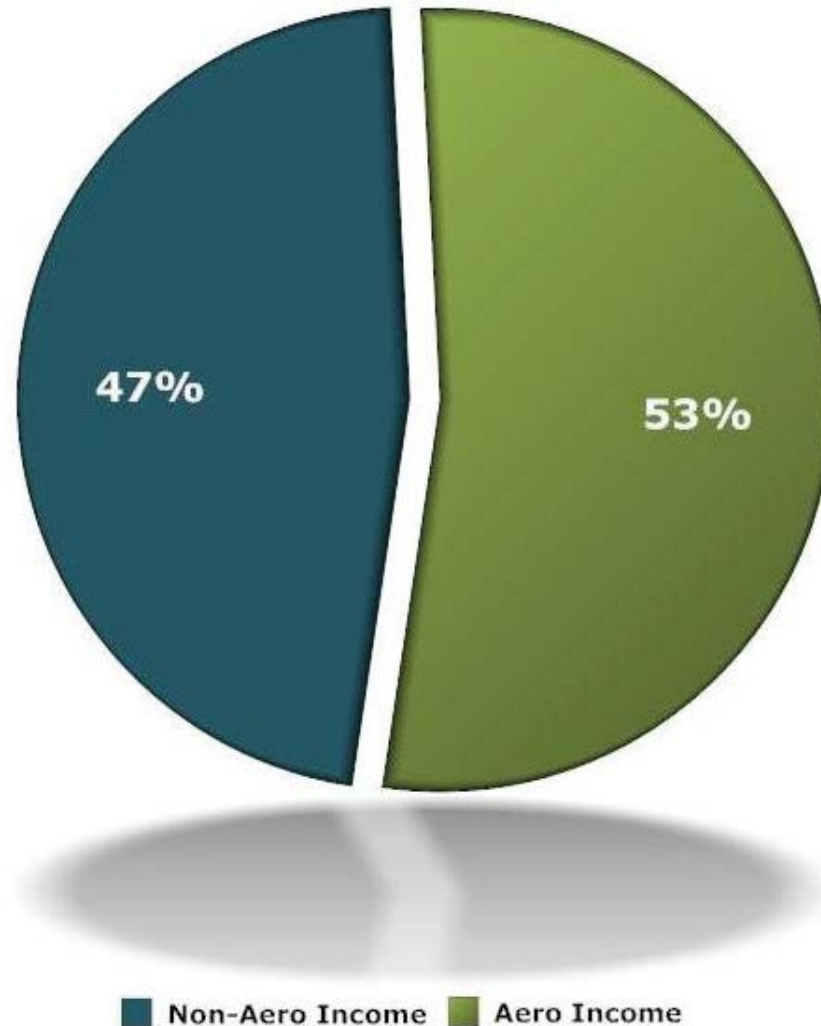


Operational Inefficiencies: Overstaffing, cont'd

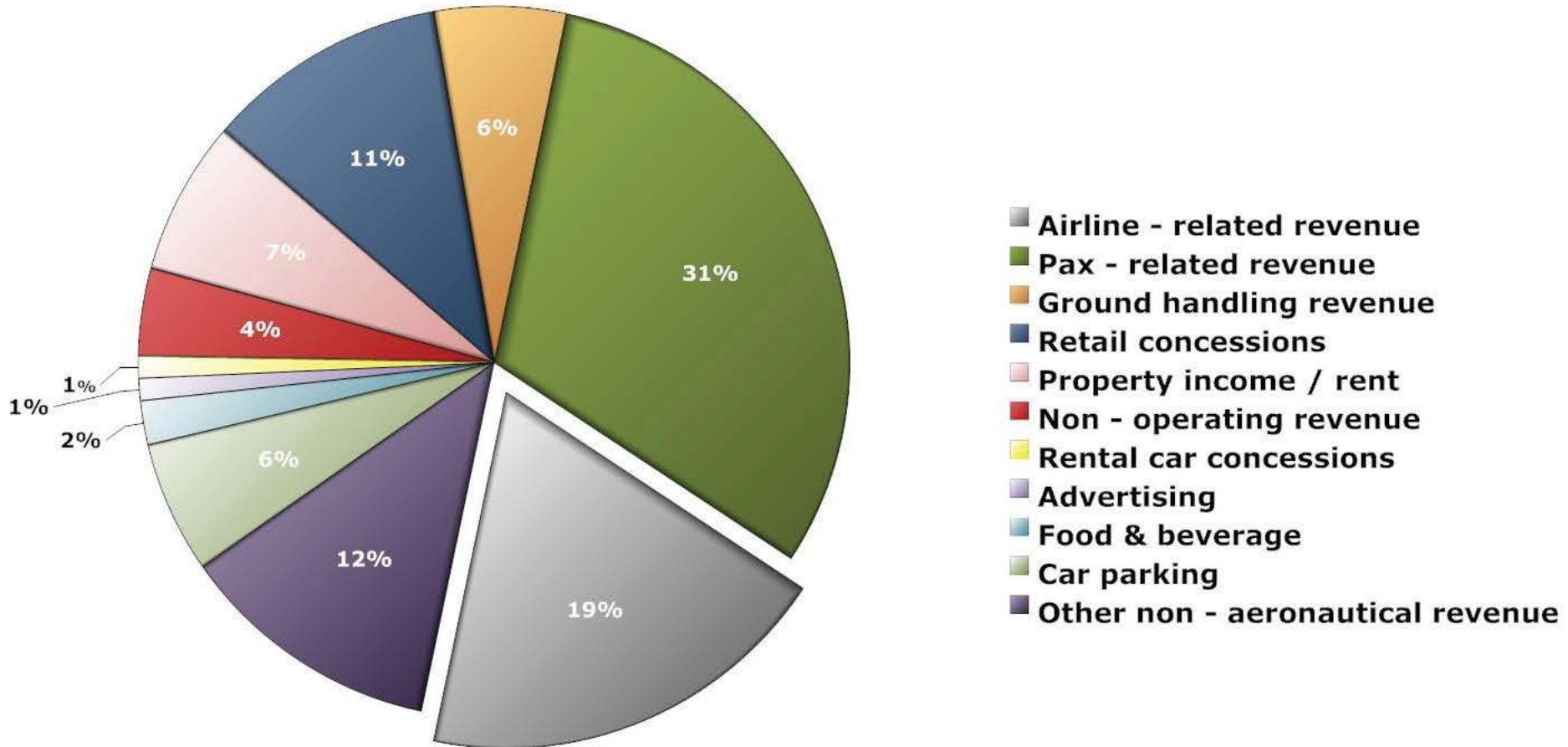
- It limits an airport's function as a catalyst for economic development
- UN Millennium Development Goal 1.B.:
 - *“Achieve full and productive employment and decent work for all (...)”*



Out of the Blue: Where the commercial potential is (and the new jobs)



Where the New Jobs are



Why Airport PPPs ?

- *'The purpose of a business is to create a customer'* (Peter Drucker)
- Accordingly, the purpose of an airport is to 'create a passenger'
- The private sector is best placed to 'create passengers' through innovation in design, operation, financing and business development
- Private parties bring operator know-how, operational efficiency, entrepreneurial drive
- PPP has emerged as the most effective way to establish an efficient airport system

Why Airport PPP Standards ?

- High risk of failure due to the complexity of planning and implementing airport PPPs
- PPP consultants (while needed) are *a priori* not interested in knowledge transfer and capacity-building
- Document best (and worst...) practices re: choice of procurement method, tender procedures, training, communications, etc.
- Learn from the experience of successful PPP programmes, public and private sector practitioners
- **PPP Airport Standard will establish best practice in the conception, development and implementation of PPP programmes**

Thank You for Your attention

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