



CURRENT APPROACHES TOWARD FURTHER ENHANCEMENT OF AIRPORT MANAGEMENT IN JAPAN

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1 . Background

- Airport management in Japan**
- Socio-economic motivation for reforms**

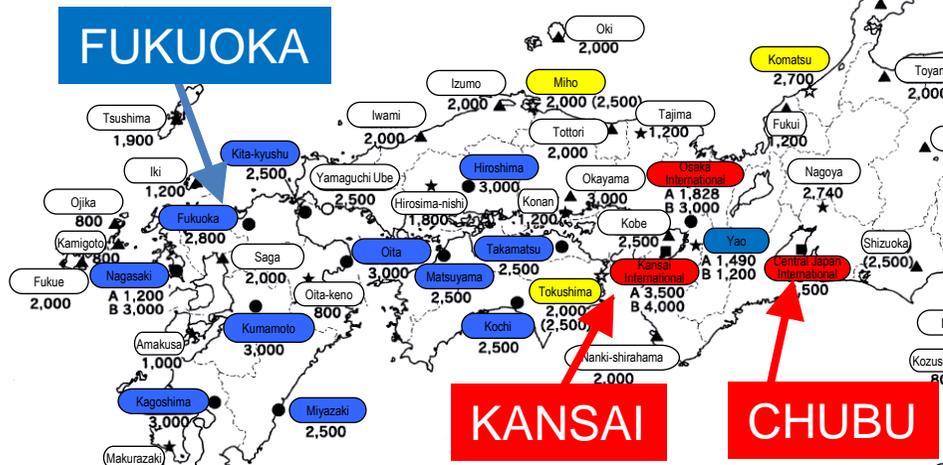
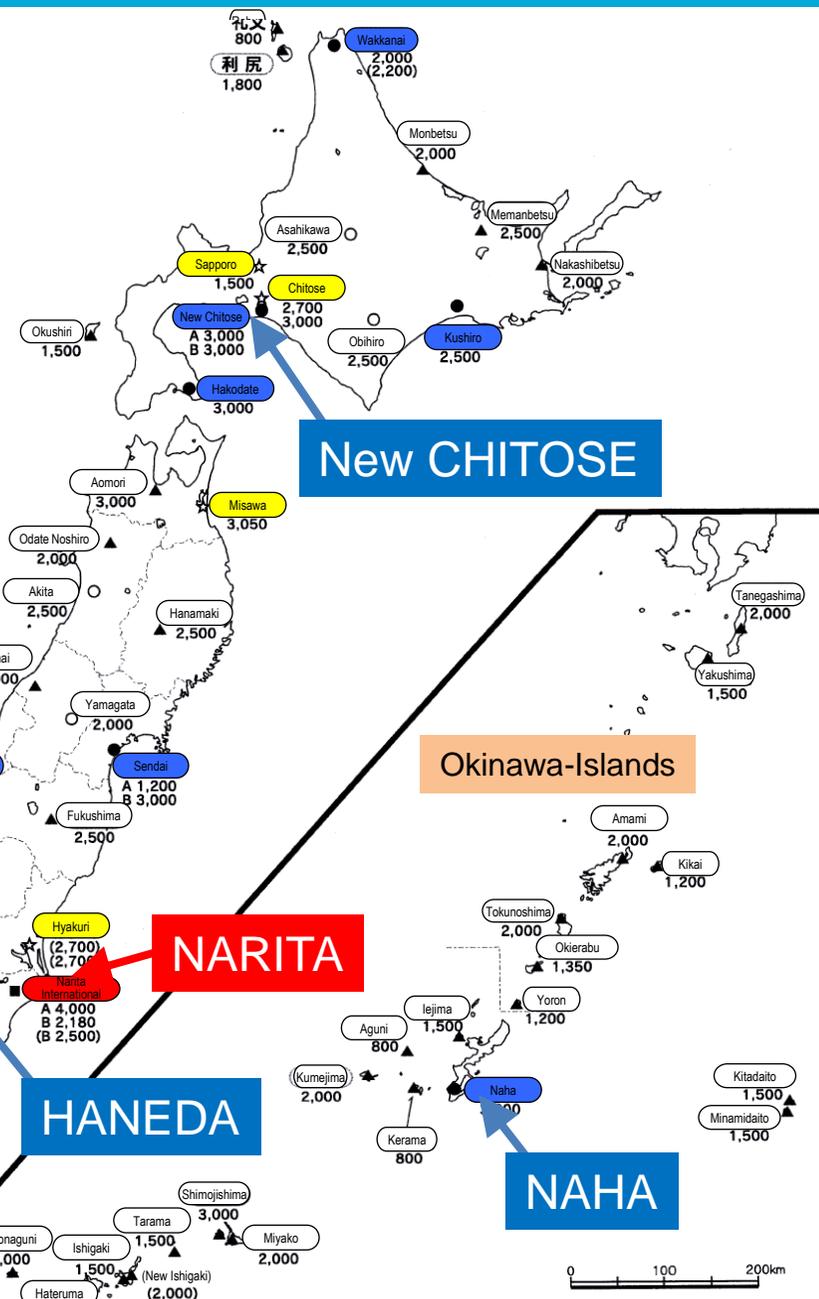
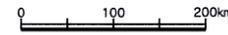
2. Examples

(Current approaches for enhancement of airport management)

- NKIAC (Merger of KIX and ITM)**
- “National Airports”**

Airport development status in Japan (As of September 2012)

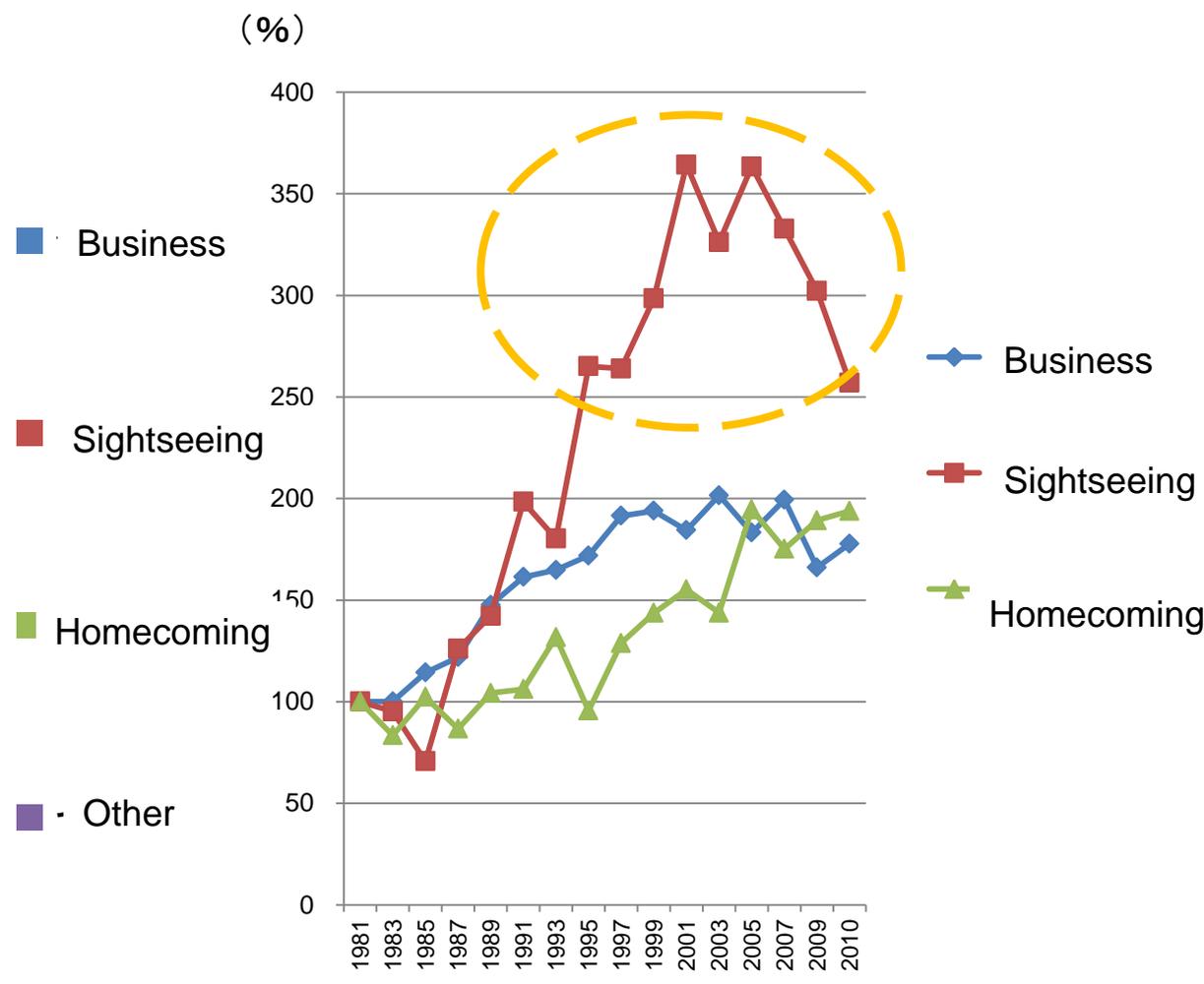
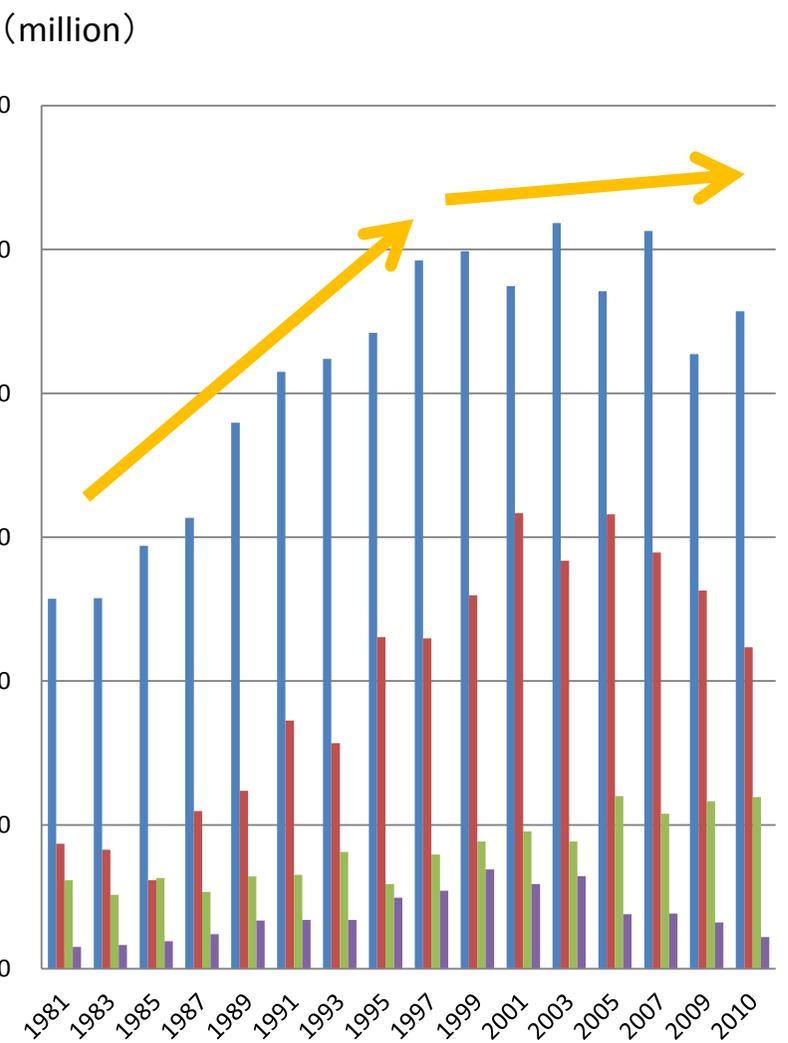
Administrator 2012.7~	
Corporation	3
Central Government (JCAB)	20
Local Government	67
MOD (Ministry of Defense) Or US Armed Forces	7
Total	97



Airport	Operator	Key Facility			Air Traffic Control Facility	Passenger Terminal
		Runway	Taxiway	Apron		
Haneda	JCAB	JCAB	JCAB	JCAB	JCAB	Private Company
Narita	Private Company	Private Company	Private Company	Private Company	JCAB	Private Company
Kansai	Private Company	Private Company	Private Company	Private Company	JCAB	Private Company
Chubu	Private Company	Private Company	Private Company	Private Company	JCAB	Private Company
Other Hub Airports	JCAB	JCAB	JCAB	JCAB	JCAB	Private Company
Regional Airports	Local Gov.	Local Gov.	Local Gov.	Local Gov.	JCAB	Local Gov / Private Company

The number of domestic air passengers (1981 to 2010)

Trend change by purpose of trip (1981 = 100)



Efficiency and effectiveness

- Airport management is top agenda, as investment in airport development has become the final phase
- Japan's stable growth rate leads austerity measures

Flexibility

- Ensuring user-friendly airport management for competitiveness of airports
- Meeting local demand for revitalizing local economy by attracting more tourists etc. at the midst of aging society

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Kansai International Airport (KIX)

[The day of opening of the airport]
4 Sep, 1994
[Runways]
3,500 meters (1) , 4,000 meters (1)
[Total Landing & Departure]
108,000 slots
[Total passengers]
13.86 million persons



Osaka International (Itami) Airport (ITM)

[The day of opening of the airport]
18 March, 1958
[Runways]
1,828 meters (1) , 3,000 meters (1)
[Total Landing & Departure]
123,000 slots
[Total passengers]
12.91 million persons



Active strengthening of KIX and ITM by balance sheet reform

“New-Kansai International Airport Co. Ltd (NKIAC)”

- Accompanying **the management integration of KIX and ITM**, two airports are now managed by NKIAC, which equity is totally funded by government,
- NKIAC takes the **hub airport strategy** by attracting Japan's LCCs and US's FedEx etc.
- NKIAC is preparing for transferring the management rights of NKIAC's airports to the private sector through a **concession agreement**.

Characteristic of “National airports” (1)

● “National Airports” administered by the National Government

● “Military Airports” ※
※It's open for private aviation within an extent that doesn't hinder the military activities



Each airport has its own conditions and constraints.

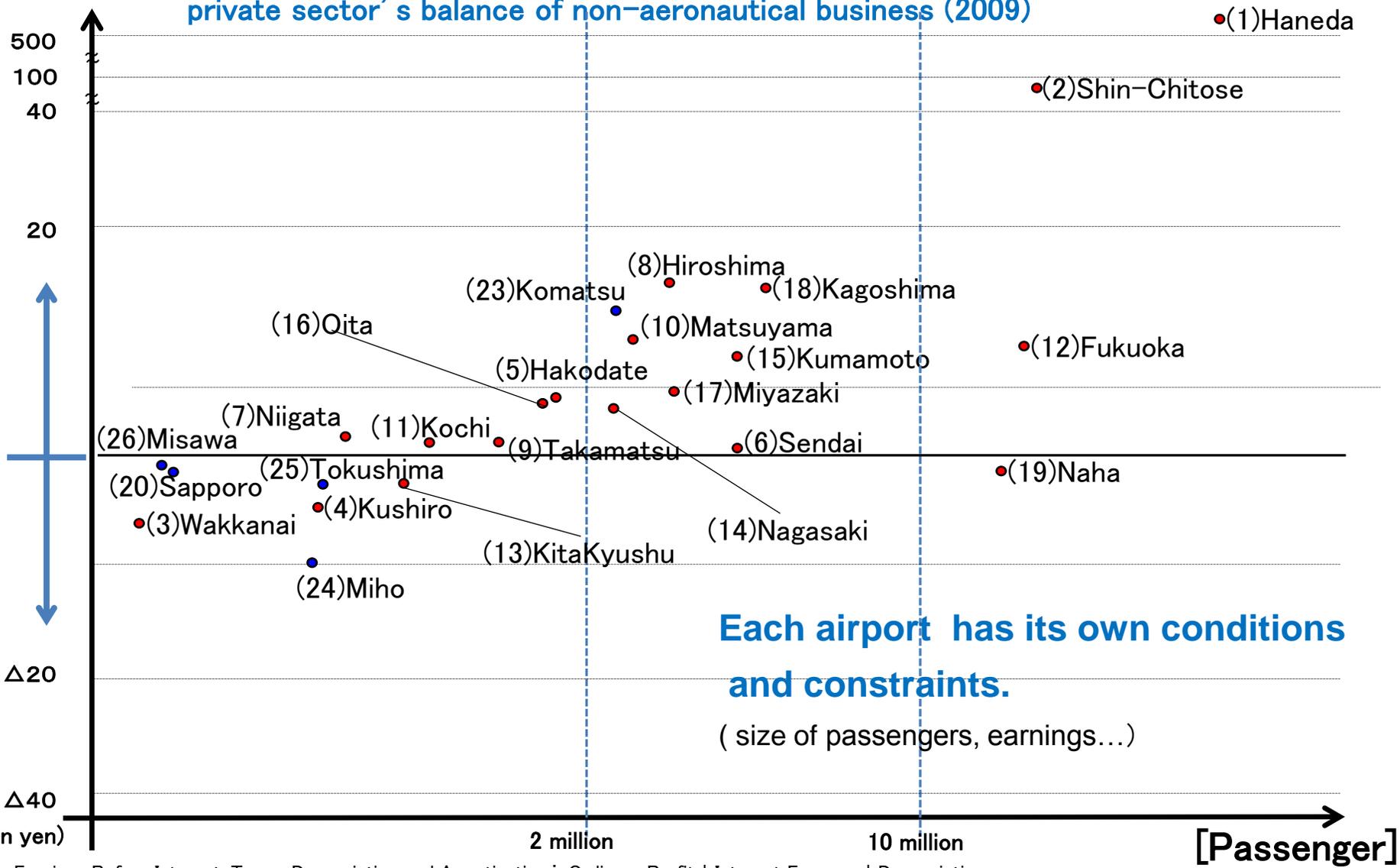
(size of airports, climate, location of airports...)



Characteristic of “National airports” (2)

[EBITDA]

※1 The Total of MLIT’s airports balance of aeronautical business and the private sector’s balance of non-aeronautical business (2009)



Each airport has its own conditions and constraints.

(size of passengers, earnings...)

※ EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization ≡ Ordinary Profit + Interest Expense + Depreciation

※ (21)Chitose airport, (27)Yao airport and (22)Hyakuri airport are not mentioned because Chitose and Yao have no passenger and Hyakuri airport opened in March 2009.

National airports' approach for enhancement of management

Key Objective

- To make airport operation **more flexible**, based on diverse characteristics of each airport, extracting expertise from private sectors through concession

Key Drivers

- To make each airport **more attractive**, revitalizing local communities
- To increase number of flights and visitors to each airport, **expanding aviation network**
- To increase **competitiveness and efficiency** by improving non-aeronautical business



Preparing framework for concessions of the whole or a part of 27 “National Airports” by providing the airport management rights to private sectors

Current

Landing charges on 27 airports are uniform nationwide and managed in one account

Future

Unite “air-side” and “land-side” operation and management

Managing income & cost enables each airport to set landing charge accordingly

Thank you for your attention

Civil Aviation 航空
Maximizing Airport Operations



Ministry of Land, Infrastructure, Transport and
JAPAN CIVIL AVIATION BUREAU



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