**CONFERENCE ON THE ECONOMICS OF AIRPORTS AND
AIR NAVIGATION SERVICES**

(Montreal, 19 - 28 June 2000)

Agenda Item 2:   Organizational issues

**AIRPORT DEVELOPMENT AND PRIVATIZATION AND
AIR TRAFFIC GROWTH AT EGYPTIAN AIRPORTS**

(Presented by Egypt)

SUMMARY

This paper presents a brief description of the measures taken by the Arab Republic of Egypt for the development and privatization of Egyptian Airports through contracts with investors using the "Build, Operate and Transfer" (BOT) method or through the application of market-based operations by airport administration. The paper also reviews air traffic growth at Egyptian airports and the measures taken to address the problem of airport congestion. Recommended action by the Conference is at Paragraph 5.

1.   **Introduction**

1.1   In the past few years, the Egyptian airports have witnessed major developments in various fields including technical aspects, human resources development and airport management methods.

1.2   The Egyptian government has also embarked on a trend to privatize airports after it proved to be successful in many other countries.

1.3   Egyptian airports have seen an increase in air traffic growth rates in recent years. This trend is expected to continue thus leading to a high-density traffic at those airports. The Egyptian Civil Aviation Authority has taken many measures to address this development and organize air traffic from and to Egyptian airports.

2.   **Egyptian Airports' Development**

2.1   The Egyptian government has adopted in recent years an ambitious plan to build new airports and develop currently existing ones. The projects were implemented according to the plans that were prepared reflecting the following.

2.1.1   **Establishing and commissioning new airports**

a) Airports that were not used for long periods of time were re-opened such as the airports of Assiut, Port Said, Matrouh, Taba and Tor.

b) New airports were built in East Awanat, Dakhla and Kharga.

c) It is planned to build several new airports throughout Egypt to accommodate growth in the tourism section, urban development and industrial expansion, and to provide adequate means of transport for investors and large investment projects. This includes building airports in Marsa Allem, Ras Sidr and Alamein.

2.1.2   **Development of current airports through the following measures**

a) **Development of air control systems**

Considerable progress has been made in improving the air control systems covering the Egyptian airspace as well as air control towers within Egyptian airports in the past few years covering the following areas;

-   Implementation of radar control systems on Egyptian routes, as well as air control towers and approach systems at the International Cairo Airport.

-   Coverage of the Egyptian airspace with a network of primary and secondary radar units.

-   Provision and installation of approach and terminal area radars at 7 Egyptian airports in Luxor, Hurghada, Sharm El Sheikh, Taba, El Arish, Aswan and Burg El Arab.

-   There is a plan to build an air traffic organization center in the Luxor area similar to the Cairo air navigation center, providing for a mutual and complementary usage between them.

-   National studies are being prepared and coordinated with the appropriate bodies on the regional level for the global implementation of the CNS/ATM systems.

-   Air control systems are being developed at the air control tower of the Cairo International airport, using the latest technologies such as IRMA and APDPS for air traffic data processing systems.

- Development of air control systems at the Cairo air navigation center (area control and approach control) through the provision and installation of the latest radar screens, aviation information processing, and EUROCAT 2000 radar information.

- Building a modern model training center in the Middle East and Africa region to increase the efficiency of training and qualifications on the national and regional levels. The center could also be used as a Training and Back Up System for the implementation of shadow operations while experimenting modern systems.

- Modernization of airport air control towers to provide the best working conditions and advanced capabilities for air traffic controllers.

- Paying special attention to the human element by developing training policies for air traffic controllers, development of training manuals and dispatching trainers and air traffic controllers to attend training courses on modern air traffic control systems at highly advanced training institutes in accordance with ICAO's recommendations.

- Development and modernization of navigational aids, instrument landing systems and light aids at Egyptian airports and on air routes.

b) **Development and automation of flight information**

- A project for the development and automation of flight information was implemented to increase the efficiency of operations and exchange of information and NOTAMS, as well as flight plans between information centers on the national, regional and international levels through a fully automated system.

- The project was implemented in 5 Egyptian airports and the second phase is currently covering another 6 Egyptian airports, in addition to the development and automation of a process to prepare, issue and amend aviation publications including navigation publications and AIPs.

c) **Communication systems development**

- With the objective of developing the exchange of messages and information between communication centers and units at the national, regional and international levels, the Cairo Communication Center was equipped with the latest systems including CIDIN.

- Communications in the Egyptian airspace are currently based on satellite systems with various alternatives with the same efficiency, operational worthiness and automated systems.

d) **Increasing the capacity and efficiency of Egyptian airports**

- Implementation of numerous projects for the reinforcement of primary and secondary runways as well as extending their length and resistance at several Egyptian airports.

- Expansion and development of aprons to accommodate a larger number of aircraft of different types.

- Building and developing terminals and associated passengers clearance areas, carrier counters, passports clearance areas, luggage belts, parking areas, administration offices and other ground handling services in many Egyptian airports, such as Aswan, Luxor, Hurghada, Sharm El Sheikh and other airports.

2.1.3   **Development of airport and air traffic services management based on economic principles**

- Governmental management systems of airports are currently being changed to implement economic principles whereby the airport is considered an autonomous economic unit with an independent budget.

- The operation and administration of air traffic services are undergoing the same changes so as to be implemented on economic principles in keeping with the requirements of highest safety and efficiency for Egyptian air navigation services.

- While applying economic principles to airports and air navigation services, the tasks of control and supervision were planned in such a way as to ensure operational safety and compliance with ICAO's standards.

- The Egyptian Civil Aviation Authority is continuing its efforts in that direction guided by other countries' experiences in implementing economic principles, including privatization, while drawing benefit from their experiences and their experts as well as from international expertise in that field.

3.   **Enhance the role of the private sector in air transport and building airports using the B.O.T. system**

In line with the Egyptian national economic policy towards economic liberization and enhancing the role of the private sector in investment projects, the Egyptian Civil Aviation Authority has also adopted policies to enhance the role of the private sector in building and operating airports and incorporating air carriers. Many of these policies were already implemented. They include the following:

3.1   **Building airports through investments programs**

- In view of airport needs to keep up with technological developments and the high cost of research and development which can stretch the governmental budgets as well as the desire at the same time to continue building and developing airports, Egypt has opened the door for national and foreigner investors to enter that field through the "Build, Operate and Transfer" (B.O.T.) system.

- Contracts were concluded with investors to build airports in various areas of Egypt such as the airports of Marsa Alam, Al Alamain, Al Wahat, Al Farafra, Ras Sidr and Sohag.

- Preparations are on-going for building new airports using the B.O.T. system.

- It is expected that these airports begin providing services during the next two years.

3.2   **Enhancing the role of the Private Sector in Air Transport**

- Many measures, decisions, regulations and instructions were adopted to open the door for the private sector to play an active role in the field of air transport to provide services for passengers, cargo and air taxis.

- This had led to the incorporation of many national companies providing air transport services and ground services while increasing the quality of their services and reducing prices.

4.   **Air transport growth rate at Egyptian Airports**

4.1   There has been a considerable increase in air traffic growth rates in terms of the number of aircraft and passengers using Egyptian international airports in the past few years as shown in the statistical tables for passengers and airports (attachment 1).

4.2   With the continuous increase in air traffic growth rates, where some of the on-going projects have not yet been completed for the development of Egyptian Airports, some airports, particularly Hurghada and Sharm El Sheikh, were highly congested due to large volumes of traffic.

4.3   The Egyptian Civil Aviation Authority has followed several policies and measures to address airport and air traffic congestion including:

- Coordination with air carriers to organize air traffic from and to these airports to distribute them over different times during the day and different days during the week instead of concentrating them on specific times and days.

- Enhancement of coordination activities between air traffic control units and development of communications systems.

- Modification of the air routes network by separating approach (arrival) routes from departure (out-bound) routes.

- Finding prompt solutions to cases of congestion in terminal clearance areas and on luggage belts through re-organization and expansion efforts.

- Finding strategic solutions to increase airport capacity and efficiency to cope with the expected increase in air traffic volume in terms of passengers and aircraft from and to these airports.

5.   **Action by the Conference**

5.1   The Conference is invited to call for taking note of the policies and procedures adopted by the Egyptian Civil Aviation Authority in developing airports and enhancing the role of the private sector in civil aviation, as well as addressing the continuously increasing problem of congestion at Egyptian airports.

5.2   The Conference is invited to recommend the following:

a)   Exchange expertise, information and technical missions between Contracting States regarding subjects related to economic principles of management and privatisation of airports and air traffic services.

b)   The provision of technical assistance by the International Civil Aviation Organization (ICAO) and the International Air Transport Association (IATA) to states facing problems of airport congestion to help them in addressing such situations pending the completion of airport development projects to increase their capacity.

c)   Compliance with arrangements concluded between air carriers regarding the organization of air traffic and schedules, in cooperation with relevant Civil Aviation Authorities in spreading flights, as much as practicable, on the days of the week and times of the day.

d)   Assuming a more active role by the International Civil Aviation Organization in promoting international and regional coordination measures for the universal implementation of CNS/ATM systems, particularly in the Africa and Middle East Region towards achieving the principal goal of enhancing safety and efficiency of air traffic.

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