



## Public Private Partnership (PPP) – Case study

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*Infrastructure Management Program  
Economic Development of Air Transport*

**Region:** Latin America and the Caribbean

**State:** Brazil

**Airports:**

- Rio de Janeiro–Galeão International Airport (ICAO: SBGL, IATA: GIG)
- São Paulo–Guarulhos International Airport (ICAO: SBGR, IATA: GRU)
- Natal Aluzio Alves International Airport (ICAO: SBSG, IATA: NAT)
- Viracopos International Airport (ICAO: SBKP, IATA: VCP)
- Tancredo Neves International Airport (ICAO: SBCF, IATA: CNF)
- Brasília International Airport (ICAO: SBBR, IATA: BSB)

**1. Airport:** Rio de Janeiro–Galeão International Airport (ICAO: SBGL, IATA: GIG)

**Rio de Janeiro/Galeão–Antonio Carlos Jobim International Airport**, formerly known as Galeão International Airport, is the largest airport in Brazil in terms of total area and has been managed single-handedly by the state owned company **Empresa Brasileira de Infra-Estrutura Aeroportuaria (Infraero)** until the government signed concession agreements in March 2010.

A contract was signed in April 2014 between the **National Civil Aviation Agency (NCAA)** and the concessionary **Aeroporto Rio de Janeiro S/A**, which won Galeão's privatization auction in November 2013. **Aeroporto Rio de Janeiro S/A** is composed of **Odebrecht TransPort** (60 per cent) and **Singapore's Changi** (40 per cent) and forms a consortium with the government owned company **Infraero** (49 per cent) in order to expand, maintain and operate Galeão Airport for at least a period of 25 years.

Major infrastructure projects are included in the investment plan and by 2016 the investment will mount up to R\$2 billion including the set-up of 26 new jet bridges and 68 new check-in desks. The apron area serving both terminals will expand by 80 per cent, increasing to 97 aircraft parking spaces. The consortium will also heavily invest in the airport's car park expansion comprising smart, computerized systems and more than 2,640 new parking lots.



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### 2. Airport: São Paulo–Guarulhos International Airport (ICAO: SBGR, IATA: GRU)

**São Paulo/Guarulhos–Governador André Franco Montoro International Airport**, formerly known as Cumbica Airport, was officially inaugurated in January 1985. As one of the largest airports in Brazil, it transports more than 26 million passengers and records more than 250,000 aircraft movements annually.

A concession agreement between the **Federal Government** and the concessionaire **Concessionária do Aeroporto Internacional de Guarulhos S.A** was signed in June 2012. The concessionaire was formed by **Grupar** (51 per cent) and **Infraero** (49 per cent). Grupar consists of **Invepar** (90 per cent) and the **Airport Company South Africa – ACSA** (10 per cent) and manages and operates the airport.

Invepar is a Brazilian group and operates in the national and international transportation infrastructure sector, concentrating on the operation of airports, toll roads and urban mobility systems. ACSA was formed to own and operate nine principal South African airports and provides secure infrastructure for airlines to transport people and goods. Infraero is a state owned airport operator, linked to the Secretariat of Civil Aviation (SAC).

The private consortium built the new terminal 3, with initial capacity for 12 million people per year and exclusively focused on international flights. It also constructed a new garage building, new yards and runways and revamped the parking areas. Renovations at terminals 1 and 2 commenced and will be completed by the second half of 2016.



### 3. Airport: Natal Aluzio Alves International Airport (ICAO: SBSG, IATA: NAT)

The **Natal Aluzio Alves International Airport**, also known as São Gonçalo do Amarante Airport, is located in São Gonçalo do Amarante near Natal, built to replace Augusto Severo International Airport and is expected to have the highest aircraft traffic in the Northeast. It has capacity for 8 million passengers per annum.

The \$435 million facility, inaugurated in May 2014, was the first airport in the country to be awarded a private operator's concession with 100 per cent private equity ownership by the **National Civil Aviation Agency of Brazil (ANAC)**. Having won the auction, the consortium **Inframerica** now manages the airport. Inframerica consists of the Brazilian construction firm **Engevix** (50 per cent) and Argentinian operator **Corporación América** (50 per cent).

The Argentinian holding operates the airport and cargo terminals at fifty-three airports of Latin America and Europe, including the following activities: operational and commercial management, fueling, cargo and other related services.

After the change in management took place, construction commenced in 2011 and Inframerica had 3 years to build the terminals and is authorized to commercially explore the facility for 28 years.

At this point, negotiations between Engevix and Corporación América are in process considering the purchase of Engevix' shares. Consequently, the Argentine holding would be the sole owner of Inframerica.



### 4. Airport: Viracopos International Airport (ICAO: SBKP, IATA: VCP)

The **Viracopos International Airport** is located 22 km from the city Campinas and is an important center of scientific, technological and industrial development. Viracopos Airport is now also harboring major university centers and a large industrial park in its metropolitan area. Furthermore, it is the second largest cargo terminal in Brazil. The new Viracopos Airport was developed in cooperation with **Dutch NACO designers**, a consulting firm specializing in the engineering of airports, and with **Flughafen München GmbH (FMG)**, operator of the Munich Airport, and the sixth largest in Europe.

In February 2012 the Viracopos Brazil Airports concession was signed between the state owned airport operator **Infraero** (49 per cent) and the concessionaire **Aeroportos Brasil** consortium, formed by **UTC Participações SA** (45 per cent), **TPI - Triunfo Participações e Investimentos SA** (45 per cent) and **Egis Airport Operation** (10 per cent), which won the right to manage the airport for a period of 30 years by means of an auction. The consortium offered \$2.2 billion for the project, which is 159.75 per cent above the minimum price proposed. From February 2013, the private consortium will take over management entirely, without the backing of the state and will operate the airport single-handedly.

UTC participates not only in the heavy construction and real estate area, but also in industrial assembly and the oil and gas industry. The French operator Egis Airport Operation is fully devoted to air transport, offering a full line of services and products in the areas of air transport management, airports and air operations while TPI is an expert in the infrastructure industry.

Over the concession period of 30 years, the consortium will need to invest R\$9.9bn and pay 5 per cent of gross revenues which will be divided into 5 investment cycles:

- 1st cycle: from 14 million to 25 million passengers (2014 by 2021);
- 2nd cycle: from 25 million to 45 million passengers (early prediction in 2021);
- 3rd cycle: from 45 million to 65 million passengers (2032);
- 4th cycle: from 65 million to 80 million passengers (2039);
- 5th cycle: over 80 million passengers (2042).



### 5. **Airport:** Tancredo Neves International Airport (ICAO: SBCF, IATA: CNF)

**Tancredo Neves International Airport** is the main airport serving Belo Horizonte and its metropolitan area and is located in the state of Minas Gerais, Brazil's second most populous state. The airport was built by Infraero and inaugurated in 1984.

The **Federal Government** promoted an auction for the concession of the Tancredo Neves International Airport in December 2013 in order to speed up the much needed renovations and improvements. The concessionaire **Aero Brazil** (51 per cent), which won the right to modernize the airport with a premium of 66 per cent above the minimum value proposed, is a consortium comprised of **Grupo CCR** (75 per cent) and **Zurich Airport International** (25 per cent). **Infraero** will retain the remaining 49 per cent. With the execution of the concession agreement, BH Airport was born.

Grupo CCR is one of the largest infrastructure concession companies in Latin America, controls 3,284 kilometers of roads in Brazil and is shareholder in several airports in Latin America. Flughafen Zürich AG is the legal entity owning and operating Switzerland's most important transport hub – Zurich Airport, while Infraero is a state owned airport operator, linked to the Secretariat of Civil Aviation (SAC).

The modernization and maintenance project of the Belo Horizonte International Airport predicts considerable investments for the 30-year period concession. The BH Airport intends to transform the complex into an “airport city”, by offering numerous facilities inside the airport area, so that it can become a hub – point of flight concentration – for airlines.



### 6. **Airport:** Brasília International Airport (ICAO: SBBR, IATA: BSB)

**Brasília International Airport** (also called Juscelino Kubitschek International Airport) receives and distributes over 400 flights a day, trafficking more than 14 million passengers by year to 44 destinations in all regions of the country. It was built in 1957, but the new airport location was opened in 1971 and some of its facilities are shared with the Brazilian Air Force.

In February 2012, the consortium **Inframérica** won the bid for \$2.2 billion and was awarded a 25-year concession for operating and maintaining the airport. The consortium consists of the Brazilian construction firm **Engevix** (50 per cent) and Argentinian operator **Corporación América** (50 per cent). **Infraero**, the state-run organization remains with 49 per cent of the shares of the company incorporated for the administration.

The renovations include a new 3.300 square metre eight-floor hotel, a new ramp area, an inspection room in the landing area, extension of the departure lounge, expansion of terminal 1 and new parking lots. The consortium is required to invest \$1.6 billion on terminals and parking and works are divided in 2 phases. The first phase covers \$410.82 million and should finance the expansion of the airport's built-up area from 80.000 square metres to 175.000 square metres by the end of 2014.

At this point, negotiations between Engevix and Corporación América are in process considering the purchase of Engevix' shares. Inframérica would consequently be owned solely by Corporación América.

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