



Public Private Partnership (PPP) – Case study

<http://www.icao.int/sustainability/Pages/im-ppp.aspx>

*Infrastructure Management Programme
Economic Development of Air Transport*

Region: Asia and Pacific

State: China

Airports:

- Macau International Airport (ICAO: VMMC, IATA: MFM)
- Xi'an Xianyang International Airport (ICAO: ZLXY, IATA: XIY)
- Guangzhou Baiyun International Airport (ICAO: ZGGG, IATA: CAN)
- Wuhan Tianhe International Airport (ICAO: ZHHH, IATA: WUH)

The Civil Aviation Investment Fund

The **Civil Aviation Investment Fund** was established in 2014 through the Civil Aviation Management Company Co. and is to boost the fast growing civil aviation industry in China.

In 2013 a total of 754 million people took to the air, which is an increase by nearly 86 per cent from 2008. According to the Civil Aviation Administration of China (CAAC), the country will have completed 100 new airports and carried out expansion works on another 120, with a total investment of CNY360 billion (USD58.2 billion), by the end of 2015. Aviation economic zones have been set up by 62 Chinese cities which, through the establishment of plane manufacturers such as Airbus Group NV and Embraer SA, as well as parts suppliers and logistic companies.

However, a slower growing economy and a lack of profitability remain a challenge as only 25 per cent of the airports are making profit.

The Civil Aviation Investment Fund is expected to raise CNY20 billion (USD3.3 billion), with 80 per cent coming from the private sector, in order to better cope with fast-growing travel demand and higher passenger numbers. More specifically, the fund is intended for the development of airport infrastructure, aviation economic zones, low cost carriers (LCCs), and other aviation related projects.



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Airport: Macau International Airport (ICAO: VMMC, IATA: MFM)

The **Macau International Airport** was inaugurated in November 1995 and is operated by **Sociedade do Aeroporto Internacional de Macau S.A.R.L. (CAM)**, a private company founded in 1989 with the initial share capital of MOP4.000 million (USD488 thousand). Macau International Airport is the first large airport in the Special Administrative Region of Macau, China.

The **Society of Travelling and Entertainment of Macau Limited** and the **Government of the Macau Special Administrative Region** are the major shareholders of the CAM, owning respectively 34 per cent and 55 per cent, along with some mainland Chinese, Hong Kong and local investors.

The agreement covers a concession period of 50 years (until 2039) during which CAM is charged with the objectives of operating, maintaining, developing, modernizing and financing the Macau International Airport. The purpose is to enhance efficient managing of the airport to apply international standards.

The expansion work on the north side of passenger terminal building for improving dwelling areas will finish in 2015.

Airport: Xi'an Xianyang International Airport (ICAO: ZLXY, IATA: XIY)

Xi'an Xianyang International Airport is a provincial capital airport in Shaanxi Province.

Xi'an Xianyang International Airport Co. Ltd is a joint venture, established as a consortium of three major companies: **China West Airport Group, China National Aviation Corporation (Group) Limited**, and **Fraport Asia Ltd** (24.5 per cent), which was awarded with the tasks of developing, operating and maintaining the airport.

The consortium took over the operation and modernization of fundamental infrastructure elements, such as administration buildings, parking facilities, terminals, and other related facilities. In March 2012, a new terminal and the second runway opened with the purpose of meeting higher traffic demand resulting from massive growth and higher passenger traffic.



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Airport: Guangzhou Baiyun International Airport (ICAO: ZGGG, IATA: CAN)

Guangzhou Baiyun International Airport is the main airport in the capital province of Guangdong and was inaugurated in August 2004. It is furthermore the second busiest airport in China in passengers and aircraft movements.

Guangdong Baiyun International Airport Co. Ltd is responsible for operating the airport. Although the company is majority owned by **Guangdong Airport Management Corporation**, a state-owned company subordinated by the provincial government of Guangdong, it is also quoted on the **Shanghai stock exchange** (600004.SS). This shows that private participation is a possible.

Airport: Wuhan Tianhe International airport (ICAO: ZHHH, IATA: WUH)

A Hong Kong company owns 30% share of Wuhan Tianhe airport.

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