



Agenda Item 3

Ownership, Governance and Control of Airports





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Financial situation

- Improvement noted in recent ICAO surveys
- Most sampled airports fully recover their costs/make a profit (81% of the 348 reporting airports)
- Due to increased autonomy of operating entities



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Ownership & Control

- About 30% operated by Government/CAA
- 40% of sampled airports are autonomous
- 80% of autonomous entities are State-owned (20% privately owned)
- 25% are operated under concession/lease



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Financial independence

- Improve financial situation and managerial efficiency
- Finance investments
- Relieve States from major investments
- Facilitates development of non-aeronautical activities



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Advantages of autonomy

- Closer control of revenues and expenses
- Stronger negotiating position
- Take advantage of special offers and discounts
- Access to generated convertible currency
- Better financial terms for staff



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Additional advantages

- Breeding business culture
- Lower expenses per traffic unit
- Reduced financing burden on Governments
- Improved quality of service
- Clear distinction between regulator and operator



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Government ownership

- Government entity or department
- Regional/municipal entity
- Civil Aviation Authority



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Private involvement

Options available:

- Management contract
- Lease/concession
- Transfer of minority ownership
- Private sector ownership



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Airport networks

- States to decide
- Full transparency
- Avoid cross-subsidization



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Economic oversight – States' responsibilities

- Regulatory and operational functions clearly separated



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Economic oversight - Objectives

- Minimize the risk of abuse of dominant position
- Ensure non-discrimination and transparency in charges
- Ascertain that capacity meets current and future demand
- Protect interests of passengers and other end users
- Ensure adherence to ICAO's policies



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Economic oversight (cont.)

To promote these objectives, States should ensure that:

- Consultations between interested parties take place
- Appropriate performance management systems are established



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Economic oversight - Forms

- Competitive forces/fallback regulation
- Institutional arrangements
- Third-party advisory commission
- Contract regulation
- Economic measures/regulatory body



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Economic oversight - Selecting

- According to States' specific circumstances
- Keep regulatory interventions at a minimum, as required
- Take into account the degree of competition, costs and benefits of the forms of oversight, and the legal, institutional and governance frameworks



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Discussion

- What is the financial situation of airports in your State?
- How are airports owned and operated in your State?
- Is there a clear separation between regulatory functions and operation of airports in your State?





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Group activity

- How is economic oversight performed in your State?
- Discuss the different forms of economic oversight and suggest one form suitable for the States represented in the group giving the reasons.