

READY FOR TAKE OFF

The sharp rise in air travel in recent years means airport operators are gearing up for the future. The growth of international trade, greater accessibility to passenger flights, including a drop in prices – in Europe and the US fares have fallen by 30% in the last 10 years – has paved the way for an acceleration in sky traffic. On the ground, airports are being expanded to cope, adding new terminals, runways and everything in between. At the same time, there is greater demand from today’s savvy passengers for retail services, as well as other facilities inside the terminal itself.

The UK has been at the forefront of airport development from the early years of aviation. As the first country to privatise its airports, British industry expertise is held in high regard all around the world; BAA plc, the British Airports Authority, is especially in demand because of its proven success.

Overall, the UK airport industry now supports around 100,000 employees across a wide variety of disciplines. A major international airport is like a city, home to bars and restaurants, shops, as well as air traffic control, customs, security and baggage handling. Key sector disciplines where British firms lead include design and architecture, project management, construction, security systems, privatisation, operations and maintenance.

This expertise is much sought after overseas. British airport companies have worked all over the world, not only on design and construction projects like the new Kuala Lumpur, Hong Kong, John F Kennedy (New York), Beijing terminal three and Madrid airports, but more recently in the operation, ownership and commercial development of airports. BAA runs a number of high-profile operations abroad.

According to David Scotter, manager of the British Airports Group, which represents many of the major firms in the industry, there is strong international competition for business, yet the UK is holding its own. In the recent contest to design the new terminal

in Beijing, there were two British groups in the final three. “The areas where we have been strong are in design and consultancy and also equipment,” he adds.

On the design side, engineering consultants Arup provided a range of services on the Toronto Pearson International re-development in Canada. The opening of the new terminal in 2004 realised the Arup masterplan to replace the existing three terminal structures with a single integrated terminal facility that could accommodate 50 million passengers a year. The departure hall has a clear span roof of 71 metres with an elegant arching shape developed by Arup.

As the first country to privatise its airports, the UK has a wealth of experience in privatisation, a model which is of increasing interest to operators worldwide. A financial services team from Leeds provided private finance input during the development of the new Athens International Airport in Greece before the Olympic Games last year. The UK also leads the world in the commercial development of airports achieving revenues per passenger that set an industry benchmark. UK operators are involved in airports in the US, Australia, Italy, Denmark, Sweden, Germany and the Czech Republic. World market value over the next five years is put at around £500 billion.

“We have a strong and diverse industry in the UK, from the initial planning and financing advice through to construction and supply,” says Scotter.

The British Airport Services & Equipment Association (BASEA) covers baggage handling, security systems, screening and scanning and aircraft towing. Brenda Jackson, the trade body’s business manager, says that China is its main market because of the speed of growth and number of airports. “We are also interested in Poland and have just returned from a trade mission to Libya,” she adds.

Although North America and Western Europe offer significant potential, the British Airports Group is keen to help companies make their mark in longer haul markets. Scotter also singles out the dynamic Chinese market for special attention. British firms Arup and Foster and Partners are currently engaged on the new terminal building in Beijing, for instance. “We see China as a market with huge potential but it has taken three or four years of relationship building to reach this stage,” he says. The Middle East, especially Dubai and Abu Dhabi, Qatar and Bahrain, also holds great potential. In the coming months, the British Airports Group is planning to lead trade missions to other high potential markets like Russia and Turkey. Other priority markets identified by UK Trade & Investment include India, Poland and the Baltic states. Indeed, air traffic growth in Europe – a strong driver of airport development – is expected to be highest among the new European Union members in the coming years.

Terminal 5 at Heathrow is now 50% complete. The image below shows its proximity to the M25.

