

Major airport investment vital to meet travel demand, says ACI



ACI World Director General Angela Gittens

Airports Council International (ACI) World has emphasized the importance of investing in new and improved airport infrastructure to accommodate growth in traffic demand and maintain high levels of service expected by passengers.

Addressing a leadership network at CityAge: New York, under the theme “Build the Future”, ACI World Director General Angela Gittens said that the recent renewal of New York’s airports was a good example of airport infrastructure investment needed to meet increasing capacity and evolving passenger expectations.

According to ACI Data, global passenger traffic is expected to exceed 20 billion by 2039 with a long-term compounded annual growth rate (2017-2040) of 4.1% and 2.7% for North America.

“Investing in new and improved infrastructure, as well as making the most of existing infrastructure, is the bedrock on which smooth airport operations and improved passenger experience is built,” Gittens said. “Catering to the changing needs of passengers will be pivotal to airports’ success in an increasingly globalized and competitive environment, not least in New York and North America.”

As airports work to modernize their infrastructure to improve the passenger experience and spur more airline competition, airports face unprecedented challenges in securing much-needed financing.

ACI has found that, at airports around the world, private investment has provided a viable solution to global airport infrastructure gap, although it should be applied appropriately with specific regard to the local situation.

“Globally, airport privatization has become an important investment vehicle for the development of infrastructure to accommodate air service demand, to contribute to community and national

economic vitality, and to enhance the customer passenger experience,” Gittens said. “It has been applied in important aviation markets including Europe, Australia, Brazil, China and India.

“In the United States, nearly all airports are owned by state or local governments and are required by the federal government to be as self-sustaining as possible, and thus receive little or no direct taxpayer support. Modernizing the Passenger Facility Charge and increasing the robust Airport Improvement Program would be a crucial component of airport funding, allowing airports to utilize local resources to meet growing infrastructure needs and maintaining high levels of service for passengers.”

According to ACI’s Policy Brief: Creating Fertile Grounds for Private Investment in Airports, airports with private sector participation account for an estimated 14% of airports worldwide, handling over 40% of global traffic and investing 44% of global capital expenditure to develop both the aeronautical and non-aeronautical side of the business.