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AIRPORTS VANUATU LIMITED

- **Owner and operator of the three International airports in Vanuatu since January 2000.**
 - **Port Vila – Bauerfield Airport**
 - **Espiritu Santo – Pekoa Airport**
 - **Tanna – White Grass Airport**
 - Contracted to operate and maintain 26 Outer Island airports on behalf of the Vanuatu Government



STRUCTURE

- The only shareholder in AVL is the Government of Vanuatu
- We employ 127 Ni Vanuatu citizens and 6 expatriates from France, Australia, New Zealand and Japan



PERSONNEL

- 70% of the staff came from the old government Department of Civil Aviation
- Well educated and highly motivated management staff working to create an efficient organisation and a bright future
- The major task of changing work habits and mental attitudes from Public Service to Customer focused and commercial is ongoing



OBJECTIVES

- The primary objective in corporatising the airport company is to:
- - **ASSIST TO IMPROVE THE ECONOMY OF VANUATU**
 - provide World class international facilities that comply with the Nation's obligations to international airlines and travellers.
 - provide facilities for the operation of larger Boeing 767 or Airbus A320 type of aircraft.
 - encourage growth of air traffic and passenger numbers.



SCOPE OF RESPONSIBILITIES

- Upgrade and commercially manage the three International airports
- Ensure the safety and security of aircraft and passengers
- Provide all Air Traffic, Aviation Security, Aviation Rescue Fire Fighting, Navigation and Communications services in Vanuatu to full international ICAO standards
- Train Ni Vanuatu personnel in aviation skills



TECHNICAL WORKS

- Major technical renovation and repair projects to provide international standard facilities that will encourage growth in air traffic and increases in passenger numbers
 - New night lighting systems
 - Installation of new long range navigation and precision approach aids
 - Introduction of new procedures and methods to comply with ICAO standards of safety and security

AVIATION RESCUE FIRE FIGHTING

- Introduction into service of new SIDES Aviation Rescue Fire Fighting Vehicles, provided by French Government aid, at Port Vila and Santo to provide the full ICAO safety standard for B-767 and B-737



PORT VILA (BAUERFIELD) INTERNATIONAL AIRPORT

- Runway and apron upgraded to allow Boeing 767 or A320 operations.
- This airport is very under utilised
- If more airlines or air freight carriers wish to come to Port Vila, the airport can handle it.





FUNDING

- ❖ AVL operations are funded by collection of landing & air navigation fees, passenger service charges and airport business concessions
- ❖ Major International Airport Upgrade Project funded by a mixed package of soft loans from the European Investment Bank and generous aid grants from France, Australia, New Zealand, the European Union and the Vanuatu Government to a total in excess of EURO 14 million



FUTURE FUNDING

- Essential to increase the number of international flights operating to Vanuatu for passengers and freight
- Development of air freight business and attract specialist airfreight services
- Resolve issues of Upper Airspace management which is currently controlled by Fiji above FL245 (24,500 feet)



HOW TO GROW TRAFFIC?

- Open skies policy has been legislated in the Civil Aviation Act of 1999
- International Airlines must be convinced of commercial viability
- Air Freight carriers must be encouraged to provide services – we are building a new freight terminal to facilitate handling



DIFFICULTIES - 1

- Pacific nations have small populations, and economies
- Air carriers must be confident of a viable business opportunity – foreign carriers will need a good business case to start a new route
- A national carrier will resist foreign carriers on competing routes and may perceive difficulties with any route. Many believe that a foreign carrier would not have a commitment to the country and will not stick with the routes when traffic is in decline
- Insufficient funds to grow the national airline
- Lack of GSE for larger aircraft



DIFFICULTIES - 2

- Many emerging nations believe they need to have a national airline
 - National prestige
 - A belief that they will not get reliable services from foreign airlines
- High costs of owning a national airline
- Problems when a one aircraft airline has technical difficulties – no back up
- A tendency to protect the national airline from foreign competition, leading to expensive services



SOLUTIONS

- Governments must simplify Bilateral Air Service Agreements – move toward real open skies
 - The Pacific Islands Air Services Agreement (PIASA) will be a major improvement if it is approved
- National carriers must enter into code-share, or other cooperative arrangements
- Foreign carriers should be encouraged on new routes from further afield – new market regions
- Airports must acquire GSE:
 - via aid funds
 - airline providing its own against discounted airport charges
 - commercial borrowing

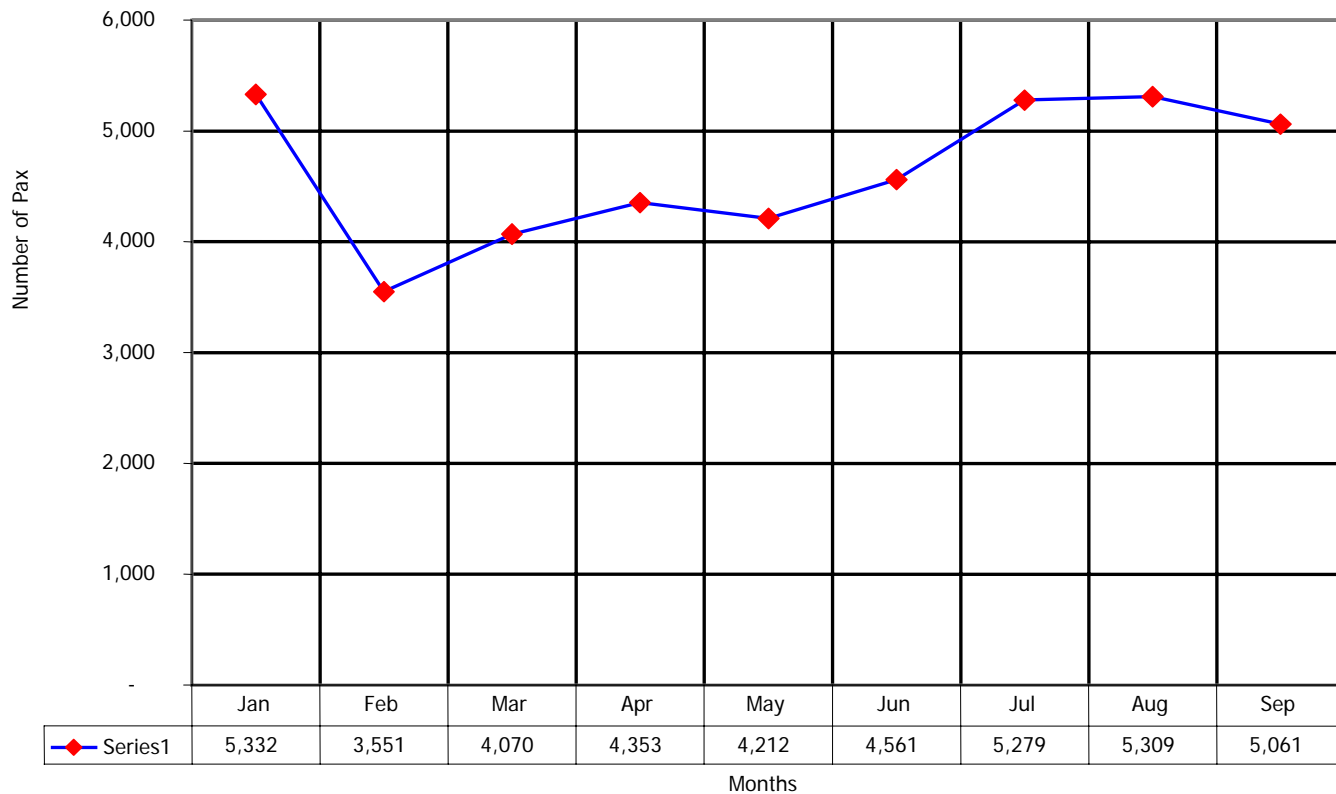


MARKETING & DEVELOPMENT

- Airports should market themselves to airlines as a potential destination
- Ensure that operating costs are competitive with other airports in the region to attract air traffic
- Complement tourism marketing efforts
- Provide user friendly facilities
- Airport terminals are the visitors first and last impressions of a country

INTERNATIONAL PASSENGER TRENDS - 2002

PAX by month, 2002



ESPIRITU SANTO (PEKOA) INTERNATIONAL AIRPORT

- Runway strengthened to allow operations of Boeing 737, or similar, aircraft
- 3 x B737 and 2 x B727 flights have been to Pekoa since completion of the work
- Plans have been made for a new International Terminal Building



TANNA (WHITE GRASS) INTERNATIONAL AIRPORT

- Opened to International turbo prop aircraft of Dash-8 or ATR-42 type.
- We hope that International services will start between Noumea and Tanna within the next year.



OUTER ISLAND AIRPORTS

- There are 26 airports in the Outer Islands of the Republic of Vanuatu.
- AVL is responsible for maintenance of all of these airports, although this may change in future.





OBJECTIVES for YEAR 2003

- Completion of renovations and extensions of ITB at Bauerfield
- First flight to Port Vila by a B 767 or A320 aircraft
- Tenders to be let for building of Terminal at Pekoa
- Completion of renovations of Domestic terminal at Bauerfield by AVL
- Construction of new Air Freight Terminal
- Graduation of first Ni Vanuatu personnel as licenced Air Traffic Controllers
- Installation of an ATC simulator



VITAL NATIONAL ASSETS

- Airports are an integral part of the tourism industry
- Vital to the success of general business activities
- indispensable to a modern market economy



AVL has a mission to provide World class service to our customers, whether airlines or individual passengers. When they visit our airports in Vanuatu we will do all we can to ensure they have a safe and enjoyable visit to Vanuatu