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## Newsletter

We are delighted to present our latest Newsletter with general news and details of some of our recent projects.

### Venice Marco Polo International Airport

Venice Marco Polo International Airport provides access to one of the few cities of the world that can be truly described as unique. When we think of Venice we tend to think of the romantic tourist city - the "Old Lady of the Lagoon" that in her prime ruled much of the Mediterranean.

However the city is also capital of Veneto one of the most forward-thinking cosmopolitan and economically dynamic regions of new Europe. Annually some 120 million pairs of shoes are made and its home to the world's largest eyewear manufacturer—Luxottica (Ray Ban) with numerous small family run enterprises underpinning a highly active business travel sector.

Venice itself is the second most visited city in Italy after Rome with nearly 40% of all visitors are of non-European origin. It is



Marco Polo International Airport across the Lagoon from the City of Venice

emerging as the dream week-end break destination. Feather Consulting has been assisting the airport with the development of a strategic market forecast.

### Extra 12 million Pax at UK Airports in 2005

Airport	2005	New Pax	Growth	
LUTON	9,134,613	1,614,146	21.5%	
GATWICK	32,693,005	1,301,469	4.1%	
MANCHESTER	22,083,008	1,113,845	5.3%	
STANSTED	21,991,733	1,084,710	5.2%	
LIVERPOOL	4,409,018	1,057,096	31.5%	
DONCASTER SHEFFIELD	600,651	600,651	-	
BRISTOL	5,199,220	596,114	13.0%	
HEATHROW	67,663,317	574,143	0.9%	
BIRMINGHAM	9,311,403	514,691	5.9%	
NEWCASTLE	5,187,182	479,364	10.2%	
EDINBURGH	8,448,604	456,151	5.7%	
BELFAST INTERNATIONAL	4,819,512	417,012	9.5%	
BOURNEMOUTH	829,108	336,226	68.2%	
LONDON CITY	1,996,397	321,590	19.2%	
SOUTHAMPTON	1,835,029	304,293	19.9%	
COVENTRY	718,845	256,528	55.5%	
PRESTWICK	2,404,654	245,687	11.4%	
LEEDS BRADFORD	2,608,721	241,004	10.2%	
EXETER	841,683	227,653	37.1%	
GLASGOW	8,775,365	218,308	2.6%	
ABERDEEN	2,851,784	217,976	8.3%	
BELFAST CITY	2,236,977	146,054	7.0%	
DURHAM TEES VALLEY	898,370	111,005	14.1%	
BLACKPOOL	376,808	110,629	41.6%	
KENT INTERNATIONAL	206,875	106,283	105.7%	
HUMBERSIDE	459,204	71,885	-13.5%	
CARDIFF WALES	1,764,753	108,582	-5.8%	
NOTTINGHAM EAST MIDLANDS INTL	4,181,900	193,465	-4.4%	
Source CAA	Total All Airports 2005	228,215,956	12,533,349	5.8%

An extra 12m passengers were handled at UK airports in 2005. It proved to be a particularly eventful year in the life of London Luton with the largest single increase in passengers (1.6m extra). This followed the airport's take over by Airport Concessions & Development Ltd., (ACDL) a company owned by Abertis Infraestructuras (90%), and Aena Internacional (10%) - both of Spain.

Liverpool John Lennon Airport along with Doncaster/Sheffield and Durham Tees Valley also turned in impressive performances for their owners Peel Airports with a combined addition of over 1.76m more passengers.

A less favourable year was experienced by Nottingham East Midlands, Cardiff and Humberside, which together saw a decline of over 370,000 passengers in the year.

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#### Special points of interest:

- T3 at SVO takes shape
- Fastest growing airports in China and Dubai
- Decision soon on defence training
- Ryanair charge for checked in baggage

## New Airbus A380 Wing Set from Wales to Toulouse

A new A380 wing set is transported by barge along the River Dee from Airbus' Broughton (Wales) manufacturing site. Before it reaches its final destination of Toulouse it will have already made a journey by road, barge, ship, barge and finally by road again. The sub-assembly is involved in a complex transport logistic that brings together the parts which make up the world's largest passenger aircraft.

The 45-metre wings are assembled in several new facilities, including a £350 million aerospace building known as the "West Factory" at the Broughton site. The A380 wing itself comprises some 32,000 individual parts. Once completed, the wings are brought to Mostyn Docks before being picked up by the specially designed roll on/roll off (ro-



The A380 wing transport *Afon Dyfrdwy* approaches the *Ville de Bordeaux* at Mostyn Dock North Wales  
Photo: (Airbus SAS)

from Saint Nazaire, France, Fuselage and cockpit sub-assemblies from Méaulte, France.

After final assembly in Toulouse the cabin installation and painting take place finally in Hamburg, Germany. A truly European project.

ro) ship the *Ville de Bordeaux* for transportation to Toulouse.

There is no doubt Airbus is one of the proud success stories of Europe not only with its 159 orders for the A380 itself but also in the way that the main components are sourced from around the continent.

The principal items including the Wings from Broughton involve Fuselage parts from Hamburg, Germany, Tailfin from Stade, Germany, Rudder from Puerto Real, Spain, Tail cone and horizontal tail plane from Getafe, Spain, Nose

## New Terminal 3 at Sheremetyevo Moscow

Spearheaded by Aeroflot Russian Airlines, the new Terminal 3 at Moscow Sheremetyevo Airport is rapidly taking shape. Work on the 168,000-square-metre facility is being project managed under the watchful eye of Bovis Land Lease. The general building contractor is Turkish company Enka.

Under a new agreement, a joint stock company will take overall responsibility for the development with Aeroflot holding the majority of the shares. The Russian Bank Vneshtorgbank will hold a large slice and the rest will go to banks and other investors. Total cost for the venture is around \$430 million and is expected to be completed in September 2007.

In 2005 the whole airport handled 12,174,000 passengers through Terminals 1 and 2. When complete the new T3 facility will be able to process a further 12 million passengers per annum. Feather Consulting has been involved with IATA assisting with business planning and financial modelling for the project.



Construction continues around the clock on the New Terminal 3 at Moscow Shremetyevo Airport.

## Köszönöm szépen<sup>1</sup> Budapest and Por Favor BAA?



BAA takes Budapest Airport

In December 2005, via its wholly owned subsidiary, BAA International Holdings Limited (BAA International), agreed to acquire 75%, minus 1 share, of Budapest Airport Rt, plus the 75-year asset management contract and associated moveable assets, for a total cash consideration of £1.255 billion.

No sooner is the ink dry on the deal when it was at the centre of much rumour speculation as the Spanish investor Grupo Ferrovial SA announced it was mulling over a bid for BAA itself.

At the time of writing the BAA board had rejected a bid of £8.10 per share from Grupo Ferrovial which values the company at over £8.75bn. Much interest still surrounds the deal as other potential purchasers including Macquarie Bank eye this key aviation asset.

## World Airports Handle Four Billion Passengers in 2005

According to preliminary figures released by Airports Council International (ACI), the World's airports handled over four billion passengers in 2005, up 6% on the year earlier. Atlanta with 85.8 million passengers continued to be the world's largest followed by Chicago O'Hare, 76.7m, London Heathrow 67.9m, Tokyo, (Haneda) 63.3m, and Los Angeles 61.4m.

Beijing Capital Airport was the fastest growing airport in the world's top 30 handling nearly 41m passengers, up a significant 17% on the year. This news, coupled with relaxing travel restrictions is prompting the country to spend CNY 140 billion yuan (USD17.4bn) to expand its airport infrastructure over the next five years.

London Heathrow is the world's largest international airport with 61m international passengers. This was followed by Paris with 49m, Frankfurt nearly 45m, Amsterdam nearly 40m and Hong Kong with just under 40m international passengers. Dubai was the fastest growing international airport up 16.2% in 2005, taking its throughput to nearly 24m passengers.

Memphis Airport, the home of Fedex remains the world's larg-



Air China A340 taking off Beijing Capital Airport the World's fastest growing major airport

est cargo airport processing nearly 3.6m tonnes of freight in 2005. However it only grew at 1.2% and if Hong Kong, which handled 3.4m tonnes, continues its strong growth of 9.5% for the next year it may well overtake Memphis.

## France Imposes Ticket Tax in July 2005



A tax to finance development in July 2006

A letter from the French President Jacques Chirac has been sent to 145 Heads of State and Government inviting them to join in establishing an international tax on air tickets to finance the fight against the major pandemics, such as HIV/AIDS, tuberculosis and malaria. The French themselves will implement the tax on passengers in July 2006. It will range from €1 to €40 depending on distance travelled and type of ticket and is expected to raise around €10m.

Airlines are concerned at the idea of a new air passenger tax at a time when many of them are already having to levy extra fuel surcharges on tickets because of high oil prices. United Nations chief Kofi Annan has shown his support for the French plans applauding the effort to find innovative sources of financing to help the world achieve the Millennium Development Goals.

## New UK Military Academy

The UK Ministry of Defence (MoD) has yet to decide whether a new military academy should be at St Athan in south Wales or Cosford in the West Midlands.

Members of Parliament from both regions have been lobbying John Reid, the defence secretary, to bring the academy to their area. It will effectively mean building a small town in which trainees will live and work, bringing an estimated £60m to the local economy and creating an additional 5,500 jobs.

The academy, part of the "defence training rationalisation" programme following a review by the MoD, will cost £10 billion to set up and run over the next 25 years. A private consortium to lead the project will be chosen later this year.

The skills taught at the academy include more classroom-based activities such as languages, intelligence and photography and engineering — so-called "second tier" training.



The arrival of the military academy will generate an estimated 5,500 jobs for a region

## Ryanair model for Mexico

The Ryan family, founders of Europe's very successful low-cost airline Ryanair, has teamed up with one of Mexico's largest bus companies IAMSA to create a new low cost airline in Mexico.

The company whose commercial name is still being decided is expected to launch in September, carrying 1.5 million passengers during the first year of operation and include US cities among its destinations. It is expected the new company would start operations with a USD\$50 million investment and two aircraft. But the fleet, which will operate under leasing contracts, is likely to grow to 10 by 2007.

Meanwhile Ryanair in Europe is to charge for checking in luggage from 16th Mar 2006. It will charge £2.50 per checked in bag if booked in advance on website and £5 per bag if presented un-booked at the airport. This new departure for the carrier further segments the travel offering but runs the risk of causing delays as more passengers try to squeeze greater amounts of hand luggage into the cabin overhead lockers.

Further news for the airline when Boeing delivered in March 2006 the 100th Next-Generation 737. The 737-800 is noise-



100th Next-Generation 737 to be delivered to Ryanair - note the blended winglets.

equipped with blended winglets. These 2 metre long wingtip extensions enhance range, fuel efficiency and takeoff performance while lowering engine maintenance costs and

## easyJet to Start Africa Service



EasyJet takes to Africa

EasyJet is expanding its empire with three new routes – all outside the European Union, including its first route to Africa. It will become one of the first northern low-cost players to serve the African continent.

The budget carrier will start flying to Marrakech in Morocco, Istanbul in Turkey and Rijeka in Croatia. Daily flights from London Luton to Istanbul will start 29 June, soon to be followed by the launch of four weekly flights from Luton to Rijeka and then daily service from London Gatwick to Marrakech. Basel to Istanbul service will also operate four times weekly.

Feather Consulting is an independent research group providing advice to airports, airlines, financial institutions, governmental organisations and other clients throughout the world. Our flexible approach allows us to deliver a bespoke service generating balanced and informed solutions.

A range of research methodologies and comprehensive modelling techniques coupled with in-depth industry knowledge permits us to deliver discrete commercial advantage for our clients.

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**feather consulting**

Economics, research & strategy

61 Sylvan Avenue  
Timperley  
Altrincham WA15 6AD  
Greater Manchester  
United Kingdom

Contact: Frank Elder  
Phone/fax: +44 161 718 5808  
Email: [frank@featherconsulting.co.uk](mailto:frank@featherconsulting.co.uk)