

AIRPORT OPERATIONS NEWS

Airport Investment, Financing, Privatisation & Management

The privatisation of Davao International Airport (DVO) and Bohol-Panglao International Airport (TAG) in the Philippines are making significant progress while that of Ninoy Aquino International Airport (MNL) has been put on hold, according to the Department of Transportation (DOTr). Transportation Secretary Arthur Tugade has said that he hopes to see "pending issues involving the unsolicited proposals" for the two airports addressed by June and July 2021, respectively.

An unsolicited offer to modernise DVO has been submitted by Chelsea Logistics Holdings Corp., while the infrastructure arm of the Aboitiz Group is seeking to operate, maintain, and expand the new Bohol-Panglao International Airport. Both groups have been awarded the original proponent status for the respective airport projects. But while the privatisation of the two regional airports is expected to be approved, Tugade said that of the country's main international gateway would not. "The privatisation of MNL, defined as an unsolicited proposal, has been put on hold. It encountered a lot of problems and we thought improvements in MNL better be done by MNL itself. Why? Because it has the funds and because we can progress it further without the hassles of unsolicited proposal procedures," Tugade said.

In December 2020, the Manila International Airport Authority (MIAA) revoked the original proponent status granted to Megawide Construction Corp. and GMR Infrastructure Ltd. of India for their PHP 109 billion offer to upgrade and rehabilitate the airport. Two more companies - Philippine Airport Ground Support Solutions Inc. and San Miguel Corp. - have also submitted their respective unsolicited proposals for MNL and could be tapped by the government should it decide to engage in new negotiations with the private sector. The proposals, however, are not being studied at the moment. #1145.OPS1

Malaysia stands to lose its bid to be an aerospace and aviation hub in Asia Pacific if Sultan Abdul Aziz Shah Airport (SZB) in Subang is no longer part of Malaysia Airports Holdings Bhd's (MAHB) network. In saying this, MAHB said the country's cross-subsidisation model between profitable and loss-making airports would weaken. Kuala Lumpur International Airport's network connectivity would be cannibalised, thus impairing the airport operator's financial and business strength, the airport operator added. "Dividend returns contributed by MAHB to government-linked investment companies will also be impacted. Our revenue-sharing proportion with the government is currently the highest in Asean with over 12.6%, in comparison to neighbouring countries," said MAHB in response to WCT Holdings Bhd's recent proposal, via wholly-owned Subang Skypark Sdn Bhd, to re-concession SZB, allowing the company to operate the airport without having to take full ownership. MAHB's current shareholding includes 27% foreign shareholders with the majority of 62% stake owned by local institutional investors namely the Retirement Fund Inc, Employees Provident Fund, Khazanah Nasional Bhd and Permodalan Nasional Bhd. "The government has granted the concession and exclusive rights to MAHB to operate 39 airports. Following this, we have invested heavily to promote the growth of passenger traffic as well as airport network connectivity," said MAHB.

MAHB warned that a change in the direction for Subang Airport would also disrupt the ongoing Subang Airport Regeneration initiatives. MAHB's Subang Airport regeneration initiative will expand the current MRO and aerospace ecosystem, providing end-to-end, mid to high-value capabilities and solutions, anchored by top tier operators and supported by local value chain and SMEs. This is in line with the original intent of the government's aspiration to turn Subang Airport into an international aerospace centre and general aviation airport. "MAHB's development and plans are also fully aligned with the Malaysian Aerospace Industry Blueprint 2030 which has a vision of placing Malaysia as the number one

aerospace nation in Southeast Asia," the company said. MAHB has asked the Malaysian Government to review any proposal to re-concession the airport to a private entity, although it said proposals to acquire an airport by a third party/private entity was not uncommon. #1145.OPS2

The Estonian Government plans to increase Tallinn Airport's share capital value to more than EUR 45 million, mainly to bolster its creditworthiness, harmed by the coronavirus crisis, ahead of planned infrastructure development. The first stage of development is planned to start in 2021 and will run to 2023. The development will mainly focus on the southern end of the airport, whose single runway runs east-west. To the north of the airport lies the Ülemiste City hub, to the west, Lake Ülemiste, though the complex is bordered by some forested land to the south. Access roads, utility networks, aircraft aprons and entryways and cargo buildings are all planned, as is an expansion of the passenger terminal aimed at cutting down bottlenecks. This would include an increase in the size of the airport's border zone.

The government plans to more than double the share capital, from EUR 20 million to EUR 45.6 million, according to a draft submitted to the Government of the Ministry of Economic Affairs and Communications. The airport's investment capacity fell by EUR 30 million because of the pandemic, and the state wants to boost capitalisation to ensure the airport can continue to invest. The airport also plans to raise EUR 16.5 million in loans to help implement its projects. #1145.OPS3

Ground Handling News

Swissport has won a major contract from easyJet at Berlin Brandenburg Airport (BER) in Germany. From 1 October 2021, Swissport will provide full ground handling services for easyJet passengers at check-in and gate and will also be responsible for aircraft handling on the apron, including baggage loading and pushback services. The new contract is valid until 2026 and covers 30 of the airline's daily flights from its Berlin hub, connecting the German capital with around 70 major destinations in Europe.

Since starting operations at the new BER Airport in late October 2020, Swissport Berlin has steadily added international airline customers. With around 200 employees, Swissport currently serves 17 airlines at Berlin Airport. In addition to the contract win in Berlin, Swissport has also renewed its contract for airport ground handling with easyJet for the carrier's two Swiss bases in Basel and Geneva by five years, retroactive to 1 September 2020. easyJet had around a dozen aircraft based at each airport and represented around 50% of Swissport's volume in Basel and Geneva pre-Covid. By intending to maintain its fleet size in Switzerland, travel volume permitting, easyJet underlines its confidence in the Swiss market as well as in the neighbouring regions. #1145.OPS4

Worldwide Flight Services (WFS) has won ground handling contracts with 12 airlines in North America, adding another 14,000 aircraft turns per annum to its growing operation. All of the contracts are for a three-year period and include: the provision of ramp handling for Emirates Airline's 250 flights a year from Dallas/Fort Worth (DFW) to Dubai International (DXB); Qatar Airways has chosen WFS in Dallas/Fort Worth for full ground handling services for its 520 flights a year to Hamad International Airport (DOH) in Doha; VivaAerobus has appointed WFS in DFW for full handling operations; Frontier Airlines has partnered with WFS in Wilmington International Airport (ILM), DE, and for its start-up operation in St. Thomas in the Virgin Islands; JetBlue has awarded WFS a cabin cleaning services contract at Las Vegas McCarran International Airport (LAS), NV; Houston, TX-based low cost carrier Avelo Airlines has appointed WFS to provide full above- and below-wing handling, cabin cleaning and security services at Bozeman Yellowstone International Airport (BZN), MT, Eugene Airport (EUG), OR, and Redmond Municipal Airport (RDM), OR; Southwest Airlines has also chosen WFS in Bozeman Yellowstone

to handle its below wing, deicing, facility and cabin cleaning services; Sun Country Airlines commenced full handling contracts with WFS in Newark and Honolulu in May 2021; Air France-KLM also commenced a new ramp handling contract with WFS at Houston George Bush Intercontinental Airport (IAH), TX, in May; Air France has appointed WFS to handle its seasonal services from Denver to Paris, commencing in summer 2021; Italian airline Neos has selected WFS to support its above-wing operations at New York JFK Airport; and Volaris has awarded below-wing handling at Los Angeles International Airport (LAX), CA. #1145.OPS5

TAP Air Portugal has filed an application in the Commercial Courts of Lisbon for the liquidation of its ground handling company, Serviços Portugueses de Handling, S.A. (SPdH), also known by its trademark Groundforce Portugal. The airline is a creditor of Groundforce, which to date has provided ground-handling services to TAP at Lisbon, Porto, Faro, Funchal, and Porto Santo Airports. At the end of April 2021, Groundforce's board of directors approved the cancellation of its ground handling contract with TAP, alleging that the contract, as it was structured, had been unviable. Groundforce is owned 50.1% by private entity firm Pasogal and 49.9% by the TAP Group, which, in 2020, became 72.5% owned by the Portuguese state. The TAP Group share is divided between subsidiaries Transportes Aéreos Portugueses SGPS SA (43.9%) and Portugália Airlines (6%). In a statement, TAP said the application has been made in the light of Groundforce's worsening financial situation; there being no apparent credible solutions for it to obtain financing following the refusal by the state-owned Caixa Geral de Depósitos and Banco Português de Fomento to provide financing and guarantees; and the fact that its majority shareholder had failed to restore the confidence of creditors. In an agreement signed on 19 March 2021, TAP bought Groundforce equipment for about EUR 7 million, a short-term solution that allowed the company to pay salary arrears for February and March 2021 to its 2,400 workers. #1145.OPS6

Menzies Aviation has won new cargo contracts with United Airlines, at Sydney and Melbourne Airports in Australia, as well as renewing ground handling contracts with the airline at the same stations. The agreements also include provision of services at Brisbane should United flights resume there. These new contracts mean that Menzies now provides handling services to United Airlines across all of its Australian network. From late May 2021, Menzies will begin its cargo partnership with United Airlines at Sydney and Melbourne, providing full cargo handling services to the airline for the next three years. These new contracts represent further significant growth for Menzies' highly successful cargo operations at the two largest airports in Australia. The renewed ground handling contracts will see Menzies continue to support United Airlines with passenger and ramp handling over the next three years at Sydney and Melbourne, building on the successful relationship over the last 14 years. Menzies' relationship with United Airlines now spans over 40 airports globally. #1145.OPS7

Commercial & Marketing News

The UK High Court has ruled against a legal challenge brought by members of the travel retail industry against the changes to tax-free shopping laws in the country. "The Treasury has baked-in a competitive disadvantage for UK tourism by making this the only country in Europe not to offer tax-free shopping." That was the reaction from travel retail industry leaders after the UK's High Court and Court of Appeal blocked a legal challenge against the country's new duty free laws. The case, brought by Heathrow Airport, Dufry and Global Blue, sought to challenge a decision by the Government to withdraw the VAT Retail Export Scheme (RES) and the Extra Statutory Concession (ESC) on duty free and tax-free shopping. The two changes came into effect at the start of January 2021. As the UK officially

left the EU, the UK Government reintroduced tax-free alcohol and tobacco shopping for travellers from the UK to Europe, but simultaneously cut all other tax-free shopping for travellers to all destinations. A legal challenge against the plan at the end of 2020 was rejected and another, lodged at the High Court and Court of Appeal, has also been dismissed

In a joint statement, Dufry, Global Blue and Heathrow branded the Government's decision as "ill-considered" and argued the process which led to it was "flawed". They called on ministers to reconsider. Global Blue believes the new policy will lead to travellers spending GBP 1.4 billion less at UK retailers and create 40,000 additional redundancies. "We find it particularly astonishing that the Government took this decision, considering its own HMRC survey of international travellers concluded that Tax Free Shopping plays a strong role in attracting overseas visitors and that most visitors go on to spend all or some of their savings in the UK, with other sectors including hospitality and entertainment services also benefitting," said Global Blue UK Managing Director, Derrick Hardman. #1145.OPS8

Marshall Retail Group (MRG) has opened two new retail spaces, District Market and AMERICA!, at Baltimore/Washington International Airport (BWI)'s Concourse D. MRG designed District Market with inspiration from local Baltimore communities. The brand-new retail space provides travellers with regionally themed gifts, souvenirs, logo apparel, gourmet and artisan foods, travel essentials and more. Offering an array of neighbourhood brands such as Charm City Chocolate, Popsations Popcorn, Woot! Granola, Otterbein's Cookies, Fisher's Popcorn, Jody's Popcorn and Route 11 Potato Chips, District Market extends visitors trip to Maryland and delivers an immersive shopping experience.

MRG also operates AMERICA!, a modern, convenient store offering an assortment of merchandise reflecting the ever-changing American trends in the market. According to MRG, the AMERICA! store engages visitors by conveying a regional sense of place, set against a contemporary, patriotic backdrop while providing an eclectic mix of products from the current administration, branded apparel and novelty gifts, White House souvenirs, collectibles and more. #1145.OPS9

The main JR/Duty Free store at Tel Aviv Ben Gurion International Airport (TLV) Terminal 3 in Israel resumed operations on 11 May 2021 after being closed for 14 months due to the impact of the Covid pandemic. All international flights were diverted to Terminal 3, where the flagship JR/Duty Free store is located in March 2020. This followed the closure of Terminal 1 as the number of flights nosedived as a result of the pandemic. The James Richardson and Gebr. Heinemann joint venture secured the 10-year liquor, tobacco perfume and cosmetics and confectionery contract covering Terminal 1 and Terminal 3 at TLV in 2017. #1145.OPS10

Duty free shopping is set to land at Teesside International Airport (MME) in the UK once again after World Duty free revealed that they will be returning to the airport after an eight-year absence. The duty free retailer has signed a 12-year deal with the airport. The new store will be the company's 25th in the UK. Work is set to begin immediately on the new 173-sqm store. World Duty free is the latest firm to sign up to the airport following the multimillion-pound terminal overhaul. Following the Government's reintroduction of duty free purchases for all passengers leaving the UK, people flying from the airport will be able to pick up all of their duty free favourites, along with a range of beauty brands and accessories. It comes just weeks after Ryanair confirmed it will be expanding operations from MME with a flight to Corfu taking to the skies from July 2021, joining other international destinations such as Palma, Alicante and Bulgaria. #1145.OPS11

Airport Operations

Amsterdam Schiphol Airport (AMS) in the Netherlands has opened its Polderbaan Runway for air traffic after completing major maintenance works. The maintenance project, which started in January, was carried out for nearly 13 weeks. As part of the project, the airport has replaced the Instrument Landing System (ILS) of Air Traffic Control the Netherlands (LVNL) and added Precision Approach Path Indicator (PAPI) on the runway. The airport carried out numerous checks and test flights for confirming the accuracy of these newly deployed navigation systems.

Once the functioning of the ILS is approved, the Polderbaan Runway can be used again for landings in all visibility conditions. During the overhaul, the airport refurbished an area of around 600,000 m². For the maintenance of the runway and nearby taxiways, around 150,000t of asphalt were provided and processed. About 60% of the asphalt was removed and recycled for laying down a new layer of asphalt on the Polderbaan Runway. The airport has used Flightflex, a new asphalt mixture, for the runway renovation. The airport deployed around 70 km of new cabling, along with the replacement of 2,100 runway lights. In partnership with construction firm Heijmans, AMS executed the maintenance project on the runway. The renovation work has been done under the category of 'period of major maintenance', where only annual regular maintenance will be required for the next seven years. #1145.OPS12

The Canadian Government is rolling out two new funding programmes to help the country's airports recover from the Covid-19 pandemic. A press conference on 11 May 2021 with Minister of Transport Omar Alghabra further defined the Airport Critical Infrastructure Programme (ACIP) and the Airport Relief Fund (ARF), which were originally introduced in the Fall Economic Statement last November. The new ACIP will provide almost CAD 490 million in funding to larger airports, distributed over five years, for eligible critical infrastructure projects such as runway repairs, airfield lighting, terminal building investments and connecting airports to mass transit networks.

The ARF is a new programme that will provide an additional CAD 64.8 million in financial relief to maintain operations at airports whose 2019 revenues were less than CAD 250 million. The amount of funding for qualified airports in this category will be calculated using a tiered formula tied to their 2019 revenues. In addition, Alghabra announced that Transport Canada's existing Airports Capital Assistance Programme (ACAP) is being topped up with an additional CAD 186 million over two years. This programme provides financial support to local and regional airports for projects that help ensure safe operations. In addition to the increase in available funding, the ACAP Programme has been temporarily expanded to allow National Airport System airports with less than one million annual passengers in 2019 to apply for funding during 2021-22 and 2022-23. This expansion allows airports in Gander, Charlottetown, Saint John, Fredericton, Moncton, Thunder Bay, London, and Prince George to apply. #1145.OPS13

London Heathrow Airport (LHR), UK is planning to set up a dedicated terminal for travellers arriving on direct flights from red-list destinations that have a greater risk of Covid-19. The move comes after the UK Government and the airport authorities faced criticism for making passengers from red list countries queue with other travellers in the arrivals hall. Beginning from June 2021, passengers arriving from red list countries will transit through terminal three, which was shut down by the airport authorities for the past year. Passengers will be then moved to a hotel, where they will be quarantined for 10 days. In a statement, Heathrow said: "Our hope is that it will enable Border Force to carry out its duties more efficiently as passenger volumes increase in line with the green list. Red list routes will likely be a feature of UK travel for the foreseeable future as countries vaccinate their populations at different rates. We're adapting Heathrow to this longer-term reality by initially opening a dedicated arrivals facility in Terminal 3 from June 1st for red-list passengers arriving on direct flights."

The airport said that the arrival terminal for those landing from countries on the red list would eventually be moved to Terminal 4 and that the arrangement was likely to be in place for some time. Going forward, Heathrow Airport plans to move passengers from the red list countries to Terminal 4 upon completion of the necessary arrangements. The UK has implemented a traffic light system, namely red, amber and green, which segregates countries that have a high risk of Covid-19. The red list countries have been classified as the countries with a high risk of Covid-19, while the countries with the amber tag are at moderate risk and the countries in the green category are at the least risk. Officials will be reviewing the list every three weeks and countries can be moved at short notice. Currently, European Union (EU) is reportedly working on an expanded 'white list' of countries, whose citizens can enter the EU freely. #1145.OPS14

Budapest Airport (BUD) in Hungary has reopened connections with one of Germany's major cities, welcoming the return of Eurowings' link to Stuttgart. Initially operating a twice-weekly service in May 2021 (Mondays and Fridays), the German low-cost carrier has already confirmed the 756-km sector will see a frequency increase to four-times weekly in June, adding Thursdays and Sundays to the schedule. Using its fleet of 150-seat Airbus A319s, Eurowings will resume services to one of Budapest's consistent largest country markets served, significantly boosting connections to Western Europe once again. Recognising the importance for the Hungarian gateway, Balázs Bogáts, Head of Airline Development at Budapest Airport said: "Stuttgart is well-known as a manufacturing hub and the return of Eurowings' flights will prove an essential uplift to the redevelopment of a route network with a proven strong market. Our customers have demonstrated pent-up demand for vital links such as Stuttgart, and Eurowings' commitment to these services is hugely encouraging for those passengers keen to start travelling again." #1145.OPS15

UAE-based airline, flydubai has announced the launch of two new summer routes to Mykonos International and Santorini Airports in Greece from Dubai International Airport (DXB). The flights will operate three times a week between 18 June 18 and 29 September 2021. Flights to the Greek islands will begin in June, with plans to add Naples and Salzburg from July. The inauguration of these services means the carrier now has a total of six destinations in its summer schedule – including Bodrum and Trabzon in Turkey, Batumi in Georgia and Tivat in Montenegro. "We are excited to grow our network and give passengers more options to travel this summer," said Ghaith Al Ghaith, CEO at flydubai. "Demand for travel has started to increase as more countries gradually lift restrictions on international travel. The UAE has recently added Bahrain, Greece and Serbia to the safe travel list which has encouraged more people to start planning their summer holidays. Mykonos and Santorini will be popular choices for travel from the UAE and GCC." From 18 May, fully vaccinated passengers have been able to travel between the UAE and Greece without having to quarantine. Flight operations to Batumi and Tivat will restart on 25 June, with flights to Bodrum and Trabzon beginning from 4 and 24 June, respectively. #1145.OPS16

Financial & Traffic News

In April 2021, Frankfurt Airport's (FRA) passenger figures continued to be severely impacted by the Covid-19 pandemic, when Germany's largest aviation gateway served a total of 983,839 passengers. This represents a 423.1% increase year-on-year. However, this figure is based on a low benchmark value recorded in April 2020, when traffic largely came to a standstill amid the rapidly spreading pandemic. Compared to the pre-pandemic traffic figures in April 2019, FRA registered an 83.7% decrease in passenger traffic for the reporting month.¹ During the January-to-April 2021

period, FRA served more than 3.4 million passengers. Compared to the same cumulative period in the previous two years, this represents a decline of 69.3% versus 2020 and 83.3% versus 2019.

In contrast, FRA's cargo throughput (airfreight and airmail tonnage) continued its growth momentum during April 2021. The Frankfurt global hub even achieved a new April cargo record, with traffic soaring by 42.7% year-on-year to 201,661 t (up 13.1% on April 2019). This robust growth was achieved despite the ongoing shortage of belly capacity normally provided by passenger aircraft. Aircraft movements rose by 137.8% compared to April 2020 with 15,486 take-offs and landings. Accumulated maximum takeoff weights (MTOWs) grew by 78.8% year-on-year to nearly 1.2 million metric tons.

All of Fraport's Group airports worldwide recorded high growth rates in April 2021 – for the first time again since the onset of the coronavirus crisis. At some airports, passenger numbers increased by several hundred%, albeit on the basis of strongly reduced air traffic in April 2020. However, the airports in Fraport's international portfolio continued to experience noticeable traffic declines when compared to pre-pandemic April 2019.

Ljubljana Airport (LJU) in Slovenia served 8,751 passengers in April 2021. Combined traffic at the Brazilian airports of Fortaleza (FOR) and Porto Alegre (POA) rose to 291,990 passengers, while Peru's Lima Airport (LIM) recorded 544,152 passengers in the reporting month. At the 14 Greek regional airports, traffic increased to 162,462 passengers in April 2021. The Twin Star airports of Burgas (BOJ) und Varna (VAR) on the Bulgarian Black Sea coast registered 26,993 passengers overall. Antalya Airport (AYT) on the Turkish Riviera saw traffic rise to 598,187 passengers. In Russia, St Petersburg's Pulkovo Airport welcomed some 1.2 million passengers, while more than 3.7 million passengers travelled through Xi'an Airport (XIY) in China during April 2021. #1145.OPS17

Corporación América Airports reported a 1,342.4% YoY passenger traffic growth in April 2021, and 75.7% decline when compared to the same period of 2019.

Passenger Traffic, Cargo Volume and Aircraft Movements Highlights (2021 vs. 2020)

Statistics	Apr'21	Apr'20(3)	% Var.	YTD'21	YTD'20(1)(2)(3)	% Var.
Domestic Passengers (thousands)	1,090	67	1,525.7%	5,458	9,928	-45.0%
International Passengers (thousands)	328	29	1,042.9%	1,364	5,376	-74.6%
Transit Passengers (thousands)	201	17	1,118.6%	1,333	1,920	-30.6%
Total Passengers (thousands)	1,620	112	1,342.4%	8,155	17,223	52.6%
Cargo Volume (thousand tons)	30.1	17.4	72.4%	97.9	101.1	-3.2%
Total Aircraft Movements (thousands)	30.5	6.7	356.3%	128.9	185.3	30.4%

Passenger Traffic, Cargo Volume and Aircraft Movements Highlights (2021 vs. 2019)

Statistics	Apr'21	Apr'19(1)(3)	% Var.	YTD'21	YTD'19(1)(3)	% Var.
Domestic Passengers (thousands)	1,090	3,734	-70.8%	5,458	11,545	-52.7%
International Passengers (thousands)	328	2,306	-85.8%	1,364	6,754	-79.8%
Transit Passengers (thousands)	201	622	-67.6%	1,333	2,272	-41.3%

Total Passengers (thousands)	1,620	6,661	-75.7%	8,155	20,571	-	60.4%
Cargo Volume (thousand tons)	30.1	37.2	-19.1%	97.9	105.1	-	-6.8%
Total Aircraft Movements (thousands)	30.5	68.5	-55.5%	128.9	212.7	-	39.4%

Total passenger traffic in April 2021 grew by 13.4 times, YoY, compared to the same period in 2020. When compared to 2019, overall passenger traffic declined by 60.4%, while international and domestic passenger traffic dropped by 79.8% and 52.7%, respectively.

In Argentina, total passenger traffic increased by 28.7 times YoY. When compared to 2019, overall passenger traffic declined by 78.5%, with international and domestic passenger traffic declining by 92.5% and 71.6%, respectively.

In Italy, passenger traffic grew by 68.4 times YoY. Total passenger traffic against April 2019 declined by 94.7%, while international and domestic passenger traffic dropped by 97.1% and 85.4%, respectively.

In Brazil, total passenger traffic was up 7.1 times YoY. Compared to the same month in 2019, overall passenger traffic declined by 69.1%, while international and domestic passenger traffic dropped 94.5% and 69.5%, respectively.

In Uruguay, total passenger traffic increased by 3.8 times YoY, although it declined by 92.7% when compared to April 2019.

In Ecuador, passenger traffic increased by 24.9 times YoY. When compared to 2019, total traffic declined by 64.8%, while international and domestic passenger traffic dropped by 56.7% and 71.8%, respectively.

In Armenia, total passenger traffic increased by 24.0 times YoY. Compared to April 2019, however, passenger traffic declined by 38.2%.

Cargo volume increased by 72.4% YoY, mainly due to growth of 84.5% in Argentina, 501.9% in Brazil, 185.4% in Armenia, 68.2% in Ecuador and 23.5% in Italy. This was partially offset by a decline of 33.8% in Uruguay. When compared to April 2019, total cargo volume dropped by 19.1%.

Aircraft movements increased by 356.3% YoY, driven by increases of 486.6% in Argentina, 214.9% in Brazil, 317.6% in Ecuador and 495.1% in Armenia. Aircraft movements also increased 477.1% in Italy, 219.7% in Peru and 150.1% in Uruguay. When compared to April 2019, Aircraft movements declined 55.5%. #1145.OPS18

Cambodia Airports recorded an increase in air traffic in April 2021 compared to the same period last year. According to the statistics from the three international airports in Cambodia, Phnom Penh, Siem Reap, and Preah Sihanouk, passenger traffic increased by 0.7%, while aircraft movements rose by 21.7% and cargo handled increased by 75%. However, between January and April 2021, Cambodia Airports data disclosed that passenger traffic at the three airports was down by 94.9%, aircraft movements dropped 85.5% and cargo was down by 8.6%. Passenger traffic at the three international airports in 2020 compared to 2019 also declined by 81.3%, aircraft movements were also down by 74.2% and cargo dropped by 30%.

The number of foreign tourists to Cambodia dropped by 93.9% in Q1 2021 to some 70,900, according to the quarterly report from the Ministry of Tourism. Thai tourists topped the list with 35,294 arrivals, accounting for 49.8% of the total foreign arrivals in Cambodia, followed by Chinese tourists (23,837), Vietnamese (3,562), Indonesians (2,331), and South Koreans (1,124). #1145.OPS19

Cargo Terminal News

Dnata has signed a five-year lease with Sydney Airport (SYD) in Australia to expand its existing cargo facility at the international airfreight terminal by 4,800 sqm. The enlarged 16,300 sqm site, which has direct ramp access, will feature an increased number of landside and airside docks as well as enhanced processing capacity and throughput with the flexibility to scale. An additional truck hoist will be in place by mid-2021 to complement the on-airport warehouse's existing hoist. In Australia, Dnata runs six cargo terminal operations across Sydney, Adelaide, Brisbane, Darwin, Melbourne, and Perth, moving approximately 300,000 t year nationally for more than 20 airline customers. Dnata operates cool chain facilities in both Sydney Airport and Melbourne Airports. #1145.OPS20

Latvian airline airBaltic is to build its Baltic Cargo Hub (BCH) at Riga Airport (RIX) as it looks to boost e-commerce and mail volumes. The new terminal, capable of handling more than 30,000 t of cargo a year, will be the largest dedicated air cargo facility in the Baltic Region, at an initial size of 6,000 sqm. Construction is expected to start in 2022 and end in early 2024. The project will be financed through banks and operated by airBaltic's cargo handling subsidiary, Baltijas Kravu centrs, according to airBaltic CEO, Martin Gauss. #1145.OPS21

Covid-19 Update

Research based on the latest Air Passenger Duty (APD) statistics published by HM Revenue and Customs (HMRC) in the UK shows the scale of the financial impact of Covid-19 on aviation. In the first year of the pandemic from March 2020 to February 2021 - HMRC collected less in APD at GBP 638.3 million than it did in just the two summer months July and August 2019 (GBP 729.9 million). In total, HMRC collected GBP 3 billion less tax in the March 2020 to February 2021 period than it did in the same period in 2019/20. Airport Operators Association CEO, Karen Dee, commented: "The latest UK Government figures on APD show just how near-complete the collapse in air traffic has been as a result of the pandemic. With aviation being a driver of economic growth and prosperity and 1.6 million jobs relying on aviation and tourism in the UK, our economic recovery hinges upon allowing the safe re-opening of international travel." Dee went on to say: "It is disappointing that the number of nations on the green list remains extremely limited and that vaccinated people are subject to restrictions when travelling to low-risk nations. This is not the meaningful restart aviation and the UK economy need right now." #1145.OPS22

Eurocontrol has issued a new forecast looking at the possible evolution of domestic and international air traffic in Europe over the coming four years, taking account of the expected evolution of the Covid-19 pandemic. The report's key finding is that traffic is not expected to reach 2019 levels until 2024 at the earliest. Eamonn Brennan, Director General of Eurocontrol, said: "The situation remains very challenging for European aviation. We're heading into summer 2021 and most restrictions are still in place despite encouraging progress on the vaccination front. So while we are anticipating an uptick in summer traffic, our most likely medium term scenario envisages a coordinated lifting of restrictions by Q1 2022 between regions, which facilitates more long-haul travel. We'll probably have around 50% of 2019 traffic for all of 2021 (some 5.5 million flights). By the end of next year, traffic will only have recovered to 72% of 2019 levels and will only get back to close to where we were pre-pandemic by 2025."

The first scenario foresees traffic returning to 2019 levels by 2024, assuming widespread vaccination take-up across the European network by summer 2021 coupled with a coordinated easing of travel restraints, and the resumption of a few long-haul flows. This scenario is aligned with the airlines' plans

for the summer months built on the pent-up demand effect, particularly for the VFR (Visiting Friends and Relatives) market. However, this first scenario is considered optimistic given the current state of vaccine rollout progress, with a coordinated approach across States less likely to be reached in the coming months.

The second scenario remains most likely, whereby 2024 traffic recovers to 95% of the 2019 figure based on widespread vaccination take-up across Europe and coordinated easing of travel restraints being reached by Q1 2022 between global regions, with more long-haul flows starting to return.

The third, most pessimistic scenario assumes traffic in 2024 will only reach 74% of the 2019 figure, with a full recovery not before 2029. This scenario envisages persistent restrictions over the coming years owing to patchy vaccine uptakes and/or renewed outbreaks of new virus strains, with passenger confidence negatively impacted.

This forecast updates the previous version, which was issued in November 2020, with new information related to the expected evolution of the pandemic. #1145.OPS23

Airports Council International (ACI) World has published its 2021 Economics Report and industry Key Performance Indicators (KPI) which explore the fundamentals of the industry as airports plan their long-term recovery from the impact of the Covid-19 pandemic.

The report includes analysis for 2019 and includes data from more than 950 airports of all sizes and business models in all regions which represents 81% of worldwide air traffic. In 2019, total airport revenue was USD 180.9 billion, up from USD 178.4 billion in 2018). This 1.4% increase at the global level, however, is well below the 3.5% increase in air traffic over the same period, testifying to a real decrease in airport revenues on a per-traffic unit basis before the catastrophic loss in revenues brought on by the pandemic. As airport competition has intensified, aeronautical revenue generated from airport charges per passenger remained stable, increasing at the same pace as global air transport demand.

ACI World Director General, Luis Felipe de Oliveira, commented: "As the aviation industry plots a recovery from the catastrophic impacts of the Covid-19 pandemic, the economic fundamentals of our industry serve as a benchmark to assess the recovery - and transformation - of the airport business, paving the way to return to the pathway of growth. Our Economics Report shows that, though industry revenues continued to grow in at the same pace as passenger traffic before the pandemic, revenue per passenger decreased slightly year-over-year since 2015 which is testament to a wide array of competitive forces shaping the industry. This shows the commitment of the industry to keep the cost basis stable, facilitating the further development of aviation." #1145.OPS24

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