AVIATION EXPERTS CAUTION STATES ON AIRPORT PROJECTS

News / Airports / Routes



NO fewer than four **state** governments have unveiled plans to build **airports** in their respective states. The latest with such plan is Ekiti State. Besides Ekiti, Bayelsa, Abia, Osun and Ogun states are at various stages in their plans to build an airport each.

By the time the airports are completed, they would have spent close to N150b on the projects that may not be different from the ones in Delta, Akwa Ibom and Imo states, which are presently not viable. The airports in these areas have not significantly improved the economies of the states, because of little traffic.

Many of the state owned airports have become liabilities to the aviation agencies, even when they do not have direct impact on the people.
There are fears also that the ongoing Bayelsa airport project may go the way of Jigawa airport. The state governor is said to be shopping for N40b loan facilities from commercial banks for the

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project.

Stakeholders also expressed fears over the planned Ekiti airport. They said even Akure airport, that is not too far away has been dormant for many years. They are afraid it might be another waste of public fund to build an airport in that zone.

They have therefore called on state governments to carry out project feasibility studies to determine the viability of airports in their states before venturing into such. They argued that airports should be built for commercial reasons and not for political consideration.
Presently, Federal Airports Authority of Nigeria (FAAN) manages 22 airports nationwide. Of the 22, only Lagos, Abuja, Port Harcourt and Kano International Airports are said to be commercially viable. Others can hardly sustain their operational costs.

The Dutse airport, built by Jigawa State government, took a whooping N15.5b from the state's loan purse. But the airport, which was commissioned last October is yet to attract scheduled domestic flights, except for charter operations and during airlifting of pilgrims for Hajj.

Aviation and Security Consultant, John Ojikutu said what is needed now is the establishment of specialised airports, adding that states could collaborate to establish airports based on their comparative advantages.

According to him, it will not be economical to have another airport in the South West as Akure and Ibadan airports have been ‘‘dormant" for a long time.

According to him, only two out of 25 airports in the country are viable, adding that government could adopt the privatisation strategy for other airports to make them viable.
‘‘We have about 25 airports in the country; seven of them are owned by state governments. But these airports cannot boast of more than 500,000 passengers each year."
Ojikutu, also a retired Group Captain, said total air traffic in Nigeria is about 14 million, adding that Lagos and Abuja alone control about 10m, while the remaining passengers of four million traffic is shared among other airports.

Condemning the move to establish more airports in the country, particularly by states, Ojikutu said all the existing state government airports cannot airlift 20,000 passenger to any destination within the country in a year.

> "You need money for landing and parking. You need money to pay for services and salaries. So, why building airports that will not be viable? Federal Airport Authority of Nigeria (FAAN) and Nigerian Airspace Management Agency of Nigeria (NAMA) are using money they generated from the two viable airports in Lagos and Abuja to sustain other airports. The unviable airports cannot even pay their workers.

To build an airport, he said traffic and money must be available, adding that apart from Lagos and Abuja, there is no airport that is viable to sustain itself.
"You need money for landing and parking. You need money to pay for services and salaries. So, why building airports that will not be viable? Federal Airport Authority of Nigeria (FAAN) and Nigerian Airspace Management Agency of Nigeria (NAMA) are using money they generated from the two viable airports in Lagos and Abuja to sustain other airports. The unviable airports cannot even pay their workers. FAAN is managing the airports in terms of security and NAMA is also helping them. They take money made in Lagos and Abuja airports to run these airports that are

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not viable.”
Continuing, he said there is need to privatise the airports to make them viable.

It is easy to build an airport, but it is another thing to maintain them. It is even a different thing to build them to national and international standard. The existing airports are being run by FAAN and the Nigeria Civil Aviation Authority (NCAA) cannot certify many of them because they were not built to the required national standard. There are over 15 dormant airports in the country. They have less than 100,000 passengers in a year. Abuja and Lagos airports generate 10 million passenger traffic yearly, while the remaining four million passenger traffic is shared by other airlines every year.

The ones owned by the states have only 20,000 passengers in a year. Obudu and Osubi airports have traffic. They have more traffic in terms of passengers, aircraft landing and take-off than many of the federal airports, so when states say they want to build airport, how many passengers will their airports generate? Well, they can become viable by selling low flight tickets and see if they can attract the required passengers to the areas.”

According to the retired group captain, to build an airport in a particular location, the promoters will have to take into consideration the availability of passengers and cargoes.

On what it would take to build an airport and how long it could take to complete an airport, he said the size and the duration for putting the facility in place would depend on the type of aircraft that will be visiting the airport.
‘‘This depends on the airport you want to build. It also depends on the contractor. But to build a standard airport, it should not take more than 24 months. Once you have the runway, the parking area, the Tower and perimeter security fence, planes are good to land and take off. The type of aircraft that will patronise the airport will determine the kind of airport to be built. The runway in Obudu for instance, cannot accommodate a Boeing 767 aircraft, so is Warri airport.”

On the source of financing for airports, Ojikutu said the major source of financing for Aviation sector is NEXIM bank, adding that it would be nice if Nigerian banks could complement the Export, Import bank.
He advised state governments to look at their area of comparative advantage and plan their airport project in line for their airport to be viable.
‘‘The state governments should look for technical partners, who are willing to invest in Aviation. They have to do a lot of business plan to know if their airport project will be viable. The states that are neighbours too should come together to have a joint project. Osun and Oyo can partner to buy Ibadan airport and turn it into agricultural cargo airport. Ondo and Ekiti that are near can do the same and buy Akure Airport and turn it into international agricultural airport. Lagos and Ogun can develop another agric airport. So all the intentions for states to have their own airport is all about ego, political consideration, not for commercial purpose.

Airport location is done considering a lot of factors. Is it going to be a commercial airport? What would be the benefits? Is it for tomorrow? Is the place industrialised? Is it for the export of agric products? You must name the business reasons for building an airport, which should ordinarily be built, where there is big movement of people or where it is capable of attracting people. People that travel to Ekiti do so by road,” he said.

The Managing Director of IRS, Captain Yemi Dada said availability of capital and good location are the major determinants of localisation of an airport, while the size could be determined by the promoters’ intention.
‘‘If you have money and a good location, you can build an airport, but the size of the airport

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depends on what you want to build. You can build a moderate airport with basic navigational infrastructure. The time it will take to complete the airport depends on the contractor handling the project. Airport is under the exclusive list of the Federal Government. It requires the permission of the Federal Government. There are several processes; it involves environmental impact assessment, feasibility studies to get approval. So in all, it could take between two and three years to come up with a functional airport," he said.

Like Ojikutu Dada said, airports are built to bring air transport service to a particular locality. But he was quick to ask, is that airport needed in that area? If the strategy of a state is to encourage tourism, fine A larger demand for air services, is a natural requirement for an airport. You can create the demand for this service by making it a specialized airport. It can be for agricultural purpose. One of the big challenges we have now is to set our priorities right. Looking at states as they are today, it is a misplaced priority to want to build an airport. Maybe they want to have it as a long-term project.

Ekiti is not far from Akure airport. It is just a 30 minutes drive in distance. Unless Ekiti State has other reasons for the airport, which I don't know. There are so many airports in the country that are not viable. So Ekiti State government should focus its attention on other things rather than airport. The proliferation of airports is one of the challenges FAAN is facing today. The airports that are doing well, like Lagos, Abuja, Enugu and Port Harcourt should be privatized to be able to sustain the others and stimulate traffic in their direction," he said.

The Corporate Affairs Manager of Federal Airport Authority of Nigeria (FAAN) Mr. Yakubu Dati, said airports in Nigeria are located for reasons beyond economic factors. He said localisation of airports should be seen from other social factors other than from ''balance sheet."

He described airports as necessary economic drivers as they could be used to stimulate development of a community and for employment generation.
''Airports are windows of any community in a country. They are inevitable for a community that wants to be connected to other communities within and outside a country, and this is more important than profit and loss. It will generate employment where they are located, there will be emergence of other social services anywhere they are located," he said.

Although, he argued that there is need for cargo and human traffic to sustain an airport, Dati said since it has an advantage of opening up an areas for development, create hundreds of jobs locally, the considerations for the location will be beyond the balance sheet of the airport because once an airline begins to patronise an airport, other airlines will be attracted to the place.
"The impact and contribution of airlines to the development of a society is very important," he said.

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