

In 2017, Abu Dhabi will open a new \$3 billion airport passenger terminal. While it says much about the emirate's aviation hub ambitions, can it deliver the economic impacts the capital needs?

by Jennifer Gnana

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IT is well known that the UAE's aviation ambitions are sky high. Led by two regional airline superpowers, Emirates and Etihad, aircraft investment programmes are some of the most aggressive in the world, while Sharjah's low cost carrier Air Arabia also goes from strength to strength.

And the country's airport infrastructure is following suit. Dubai International Airport, the subject of massive capacity expansion over the years, registered 2.26 million more passengers than London's Heathrow Airport, the busiest airport in the world, in the first quarter of this year. It handled the second highest passenger numbers worldwide after Heathrow last year. Dubai's aviation credentials have been further bolstered by the addition of Dubai World Central - Al Maktoum International Airport, near Jebel Ali, which started handling commercial traffic last year.

Not to be outdone by its rival emirate up the road, Abu Dhabi is also making headway with aviation-related investment. Adjacent to its existing international airport facility, the emirate is building a new terminal which, the Abu Dhabi Airports Company (ADAC) claims, "will be one of the world's largest passenger terminals", designed to service 30 million passengers annually by the time it opens in mid-2017.

"Abu Dhabi Airports Company is here to facilitate the growth of aviation



Abu Dhabi's new terminal building is one of the largest in the world, but are these facilities too big for its boots?

within the emirates," said the firm's chief executive Tony Douglas, who previously oversaw the construction of Heathrow's Terminal Five, at a media gathering in Abu Dhabi last month. "Unashamedly, to be red-blooded capitalists and to make sure that it facilitates an adequate commercial return."

Abu Dhabi's Dhs10.8 billion (\$3 billion) Midfield Terminal Complex is spread over an area of 700,000 square metres, and will be, according to Douglas, "the biggest terminal building anywhere in the world". By comparison, Heathrow's Terminal Five is roughly half that figure.

The scale of the operation itself is immense. ADAC says the Terminal will be one of the region's most architect-

'Just imagine the sense of purpose and the sense of place that will it will give the traveller as the gateway to the capital city'

Tony Douglas, ADAC



naturally impressive structures. The central space of the terminal building, it claims, could hold three full sized football pitches. The complex will include 28,000 square metres of retail and food and beverage outlets.

For the usually conservative capital,

The airline has ordered 10 A380s, the first deliveries of which will be by the end of this year and which will be completed by 2017.

Indeed, the fortunes of Abu Dhabi's airport are closely linked to that of the UAE flag carrier, which placed some \$52 billion-worth of orders for 200 aircraft at last year's Dubai Airshow.

But it will also be the economic impact on Abu Dhabi of its new aviation hub, which will be of great interest. ADAC has already launched free zones at three of its airports - the capital's existing international airport, Al Bateen Executive Airport and Al Ain International Airport under the name Abu Dhabi Airports Business City. These parks are designed to attract clusters such as aviation, aerospace, logistics, manufacturing, technology, IT, marketing, consultancy, and knowledge and development. The goal, says ADAC, is to create a thriving economic "aerotropolis" as well as attract foreign direct investment into the country.

"The importance of Abu Dhabi International Airport continues to gather pace, aided by the brisk expansion of Etihad Airways, which is underpinning the importance of the airport as an air cargo hub," said Cluttons International research and business development manager Faisal Durrani on the sidelines of an airport show in Dubai last month. "This is evidenced by both the swift letting of warehouses at Logistics Park [located at Abu Dhabi International Airport's free zone] and the number of enquiries being reported. This is a pattern we expect to persist."

Independent aviation consultant John Strickland agrees that airports can be an important economic accelerator.

"There is a lot of direct work and indirectly airports can also attract more trade and can start to become airport cities in their own right, so you find that a lot of businesses are willing to relocate near the airport, precisely because of good links in and out of that city," he explains.

These economic impacts are crucial if Abu Dhabi is to further diversify its oil-dependent economy, create jobs and bring in the tourists and executives that the new facilities are

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John Strickland, independent aviation consultant

being geared for.

While comparisons to Heathrow are grand, Abu Dhabi's new terminal project will, at the end of the day, serve less than half the number of passengers currently handled by London's global aviation hub.

And it faces competition, too. Al Maktoum International, the new apple in Dubai's aviation eye for which big things are planned, is less than 100km away from Abu Dhabi's aviation hub. Qatar, meanwhile, recently opened its new Hamad International Airport to accommodate Qatar Airways' fleet expansion.

The sustainability of three competing hubs with high-flying carriers in close proximity is a question that has been raised by aviation experts. Differentiation, some believe, will be the key for Abu Dhabi.

"Perhaps Abu Dhabi would be looking to develop additional traffic with other airlines," adds Strickland, referring to Etihad's dominance of traffic at the existing facility.

"We see for example Dubai airport has a bigger variety of other airline customers. I think the commercial team in Abu Dhabi will be looking to probably add additional customers other than Etihad and I think that will be important for the airport's future."

Whether "the sense of purpose and place" that Douglas claims Abu Dhabi's new Midfield Terminal Complex will give travellers will transcend to it rivaling other regional and global aviation hubs in future, only time will tell. ■