Beirut Rafic Hariri International Airport (BRHIA) a Hub for the Middle East Once Again

1.231 Airport Systems Planning & Design

Thursday, December 10, 2009
Presentation Outline

► Introduction & Historical Background
► Reconstruction of BRHIA
► Why Transform BRHIA into a Hub?
► Criteria for a Successful Hub
► Conclusion
First Airport was built in 1938

The hub for two Lebanese Airlines

In 1954, new Airport in Khalde, 9km south of Beirut

It was the leading hub in Middle East

In 1968, Israeli Commando blowing up 14 planes

From 1975-1990, severely damaged, regularly closed, interesting activities
Reconstruction of BRHIA

- 10 year reconstruction started in 1994
- Three runways (50 OPS/HR)
- Terminal Building (6 mill. pax.)
- Runways severely damaged in 2006
  Fuel Tanks burned
Why Transform BRHIA into a HUB?

- Put Beirut back on the World Map as a Financial and Services Center
- Recover the reconstruction cost ($450 million)
- Economic and Public Benefits (revenues, creation of jobs, etc…)
- Allows airlines to offer an extensive network of flights at a lower cost
- Offers travel options to travelers

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Criteria to be a Successful Hub

→ Right Geographic Location
→ Highly Developed Airport Facilities & Infrastructure
→ Sufficient Demand & Available Capacity
→ Presence of a Strong Airline
→ Possibility for Expansion
→ Government Policy

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Right Geographical Location—Centrally Located
Highly Developed Facilities and Infrastructure
Sufficient Demand & Available Capacity

**Annual Pax. Traffic at BRHIA**

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<td>Total No. of Pax.</td>
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**Annual Cargo at BRHIA**

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**Annual No. of Transfer Pax. at BRHIA**

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**Annual Aircraft Movements at BRHIA**

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Future Expansion Plans

Ambitious Plans:
- Expand the airport to handle 16 million pax. in 2035
- Build a Free Zone
- Do the necessary infrastructure work to accommodate the A380
- Build 12 hangars for general aviation terminal
- Add seven wide body gates

Constraints:
- Land Constraint
- Airspace Constraint
- Disruption to airport (A380)
Presence of a Strong Airline

- Currently BRHIA is the base for MEA-AirLiban
- MEA is State owned by Central Bank of Lebanon since 1996
- Went into a 3 year restructuring plan to survive accumulating heavy losses of $323 million between 1975 and 1997
- In 2008, net profit $92 million
- Network: 26 destinations in Europe, Middle East and Africa
- Plans: Expand the aircraft fleet mix, increase frequencies to existing destinations, add two new destinations Berlin and Baghdad

Conclusion: MEA may not have plans to convert BRHIA into a transfer hub in the near future

Other airlines considered this option: Air Arabia
Unfortunately they opted for Egypt
Government Policy

- In 1968, Lebanese Government gave MEA exclusive rights for air passenger transportation till 1989 and extended to 2012. (possibility of extension once again??)

- In 2000, Lebanon adopted “open skies” policy under Third, Fourth, Fifth freedom traffic rights

- Signed bilateral agreements with UAE, Bahrain and Malaysia

- Failed to sign an agreement with the EU because of MEA’s objection

- Difficult to assess the impact of open skies policy

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Conclusion

- Need a politically and security stable environment to transform BRHIA into a tourism and business hub in the region.

- Need a strong airline able to compete in a highly subsidized and regulated market to transform BRHIA into a transfer hub.

- Need commitment from the Lebanese Government to implement its reform and liberalization plans.

In conclusion, there is hope but not in the near future.

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THANK YOU