



RESOLUTION ON AIRPORT PRIVATIZATION AND CORPORATIZATION

NOTING the provision of airport infrastructure as a key public service, serving as an essential economic generator for any country and region by ensuring connectivity for passengers, goods and services;

UNDERSTANDING the critical need for the development of advanced, functional and efficient airport infrastructure, which is aligned to the market growth needs of airline passengers and cargo customers;

ACKNOWLEDGING the large amount of investment capital required to finance airport infrastructure development to support capacity demand projections;

RECOGNIZING that the lack of competition in the airport sector can lead to abuse of market power in setting prices and service levels.

EXPRESSING CONCERN that the result of introducing privatization in the monopoly airport sector has not, overall, resulted in the consumer benefits of improved efficiencies and reduced costs that have been realized from privatization in the competitive airline sector.

RESOLUTION

The 74th IATA Annual General Meeting:

- 1) REQUESTS governments to consult with airlines, their representative associations and consumer groups, during any plan to change governance or ownership of airports;
- 2) URGES governments, when considering the value of airport assets, to prioritize longer-term economic and social benefits generated by the airport over short-term cash income that may be generated by any sale or concession;
- 3) RECOMMENDS governments to consider alternative ownership and operating models to privatization, using combinations of models for:
 - a. corporatization of the airport business entity;
 - b. alternative financing to facilitate access to investment and support capacity growth; and
 - c. introduction of management or service contracts to access private sector expertise and efficiency.

- 4) RECOMMENDS governments pursuing privatization of airport assets or operations to:
 - a. define clear strategic objectives, using wide stakeholder consultation, and determine expectations for improvement in infrastructure, service and efficiency levels;
 - b. use business case validation to select appropriate ownership models and bid selection criteria for the best interests of passengers and cargo consumers.
- 5) URGES governments to protect consumer interests and airport users by establishing appropriate strong regulatory safeguards, for any privatization or corporatization, that will ensure cost efficiency in charges, and improvements in investments and service levels; and
- 6) RECOMMENDS any airport privatization or corporatization be periodically monitored, through public consultation, with corrective action taken to ensure benefits are realized for the passengers, for airlines and for cargo consumers