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CHINA

# OPEN FOR GROWTH

THE OUTLOOK FOR CHINA'S AIRPORT DEVELOPMENT

By Kamal Latham





**C**hina plans to spend an estimated \$65 billion to build 97 new airports by 2020, according to the Civil Aviation Administration of China (CAAC). Robust growth in passenger and cargo volume and limited air service in many areas are key drivers for this large-scale aviation infrastructure development initiative.

China counted 147 civil airports at the end of 2006. According to the national airport development plan, there will be 190 airports by 2010 and 244 by 2020. The 97 new airports will be distributed among five major geographic areas: 24 in Northern China; 26 in Northwest China; 21 in Southwest China; 14 in South and Central China; and 12 in East China.

Passenger traffic and cargo volume have experienced steady growth during this decade. Chinese airports handled a combined total of 388 million passengers in 2007, which represented a 17 percent increase over 2006. Passenger traffic was 332 million in 2006, which was 2.5 times the volume in 2000. Total cargo volume in 2007 was 8.6 million tons, which was a 14.3 percent rise over 2006.

Providing more accessible air service to average Chinese citizens is an important priority for central government officials. After the 97 new airports are online, 82 percent of China's inhabitants will live within 62 miles — or approximately a 90-minute drive — of an airport. At the end of 2007, only 61 percent of the population lived within this range, according to CAAC.



Tianjin is a typical city in Northern China that is in the midst of an airport expansion program. In 2007, Tianjin Binhai International built a new terminal and was ranked the 12<sup>th</sup> busiest airport in China. It was also among the fastest growing airports in China with a 40 percent increase in passenger traffic in 2007. The airport is expected to handle 40 million passengers annually after additional expansion phases are completed within a few years.


Yunnan Province in the Southwest also will benefit from China's airport development plans. In 2007, there were 11 airports in Yunnan that recorded combined passenger volume of 21 million passengers and cargo volume of 246,000 tons. By 2010, five new airports will be built in the province, and three existing facilities will be expanded. The increased capacity will help Yunnan accommodate the tens of millions of tourists that visit the province each year.

Kunming, the capital of Yunnan Province, will boast the fourth largest aviation hub in China — after Beijing, Shanghai and Guangzhou — when a new airport is completed. In 2007, Kunming International ranked seventh in China in passenger traffic, cargo volume and aircraft movements. Due to capacity constraints, the central government approved construction of a new airport with an estimated total investment of \$3.3 billion.

As a gateway hub linking China to Southeast Asia, the new Kunming International will have four runways and more than 100 gates. Traffic forecasts indicate that passenger volume will increase to 43 million people and cargo volume will rise to 700,000 tons by 2020. The facility is expected to handle 70 million passengers by 2035.

CAAC has designated the new Kunming International as the first “green” airport in China. The country's emerging emphasis on sustainable development and

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energy efficiency potentially could create business opportunities for airports and other enterprises in the U.S., as China wants to deepen its understanding of the American experience in harnessing modern technology and developing green airports. 

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