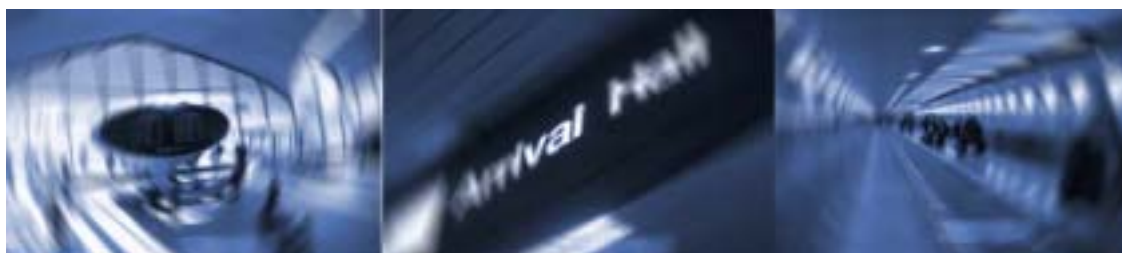


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Abbreviations

A/C	Aircraft	IFR	Instrument Flight Rules
ADF	Aircraft De-icing Fluid	IFRS	International Financial Reporting Standards
AFIS	Aeronautical Flight Information Services	ILS	Instrument Landing System
AIP	Air Information Pamphlet	Intl	International
AMSL	Above Mean Sea Level	ISPA	Instrument for Structural Policies for Pre-Accession
ANS	Air Navigation Services	LCC	Low-Cost Carrier
ANSP	Air Navigation Service Provider	LLZ	Localizer
AOC	Air Operator Certificate	LT	Local Time
APP	Approach Control Service	MATS	Malta Air Traffic Services Ltd
ATC	Air Traffic Control		
ATM	Air Traffic Movements		
BAAI	Bureau of Aircraft Accident Investigation	MBP	Mediterranean Business Park
BIP	Border Inspection Control	MIA	Malta International Airport
BOT	Build, Operate and Transfer	MIL	Military
CAA	Civil Aviation Authority	MPPA	Million Passengers per Annum
CCTV	Closed-circuit television	MTOM	Maximum Take-Off Mass
CF	Cohesion Fund	MTOW	Maximum Take-Off Weight
CTA	Control Area	NCASP	National Civil Aviation Security Programme
CTR	Control Zone		
CUTE	Common Use Terminal Equipment	NDB	Non Directional Beacon
DCA	Department of Civil Aviation	NG	New Generation
DCS	Departure Control System	OMAS	Office of Manager Airport Security
DME	Distance Measuring Equipment	PaPi	Precision Approach Path Indicator
Dom	Domestic	PAX	Passengers
EBRD	European Bank for Reconstruction and Development	PCN	Pavement Classification Number
ECAC	European Civil Aviation Conference	PRM	Persons with Reduced Mobility
EIA	Environmental Impact Assessment	RET	Rapid Exit Taxiways
EIB	European Investment Bank	RWY	Runway
EPNdB	Effective Perceived Noise Decibel	SITA	Internationale de Télécommunications Aéronautiques
GA	General Aviation	SMR	Surface Movement Radar
GH	Ground Handling	SRA	Segregated Restricted Area
GND	Ground	TMA	Terminal Maneuvering Area
GP	Glide Path	TWR	Tower
GPU	Ground Power Unit	TWY	Taxiway
GSE	Ground Support Equipment	UTC	Coordinated Universal Time [Greenwich Mean Time]
GYR	Green/Yellow/Red	VDF	Visual Direction Finder
HBS	Hold Baggage Screening	VFR	Visual Flight Rules
IATA	International Air Transport Association	VOR	VHF Omnidirectional Range
ICAO	International Civil Aviation Organisation	WCHC	Wheelchair for Cabin
		WTMD	Walk Through Metal Detectors

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3.1 General Introduction

3.1.1 Background



Malta is an archipelago located in the Mediterranean Sea, south of Sicily, with the three largest islands (Malta, Gozo, and Comino) being inhabited. The total land area is 316 km². The total population is just under 400,000, with over 25% living in the capital, Valletta. Malta has an extremely high population density of approximately 1,250 people per sq km. The terrain is mostly low and rocky, with flat to dissected plains and many coastal cliffs.

Great Britain formally acquired possession of Malta in 1814. The island staunchly supported the UK through both World Wars and remained in the Commonwealth when it became independent in 1964. A decade later Malta became a republic. Since the mid-1980s, the island has transformed itself into a freight trans-shipment point, a financial centre, and a tourist destination. Malta became an EU member in May of 2004.

3.1.2 Economic Overview

Other than limestone, Malta has limited natural resources and no domestic energy sources. Malta has very limited fresh water resources, consequently there is an increasing reliance on desalination. Malta produces about 20% of its food needs as a significant part of its land is difficult to farm (although agriculture makes a useful contribution to the economy with exports of grapes, potatoes and onions). For these reasons, Malta is dependent on imports while at the same time, the State concentrates on the development of tourism and financial services.

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The tourism sector is dominant, contributing approximately 25% to GDP; in 2004 Malta catered for over 1.1m tourist arrivals with a further 291,000 cruise passengers¹. The economy is also dependent on foreign trade, such as manufacturing (especially electronics and textiles).

For many years the British naval dockyards were the backbone of the Maltese economy. After their closure in 1958, the docks were nationalised (1973) and converted for use as a commercial shipyard for shipbuilding and shipping-repairs. Business at Malta's docks has remained resilient despite the recession in merchant shipping.

Malta Economic Statistics	Unit
Population	398,534 (July 2005)**
Population Growth	0.42% (2005)**
GDP	€4.14 billion (2003)*
Surface area of country	316 sq. km (2005)**
Population density	1192.5 (1999)**
Urbanisation	92% (1999)#
GDP per head	€10,619 (2004)*
GDP growth rate	3.2% (2004)*
Unemployment rate	5.65 (2004)*
Inflation rate	2.79% (2004)*
Imports	€3.56 billion (2004)*
Exports	€3.23 billion (2004)*
External Debt	€258.25m (2004 est.)*
Internet hosts	7,156 (2004)**
Internet users	120,000 (2002)**

Source : *National Statistics Office, Malta. **US Central Intelligence Agency Factbook # IMF, OECD, World Bank

Table 1

¹ National Statistics Office, Malta; Main Indicators

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3.2 Main issues in the Air Transport sector

3.2.1 Air Malta

Air Malta became the National airline of Malta in March 1973. It started flying operations with two wet-leased Boeing 720Bs on 1st April 1974 with scheduled services to London, Birmingham, Manchester, Rome, Frankfurt, Paris and Tripoli. In December 1997 Malta's House of Representatives unanimously approved a change in Air Malta's memorandum and articles of association and was registered as Air Malta p.l.c. In its last reported financial period (August 2002 – July 2003), Air Malta carried 1.6 million passengers on combined scheduled and charter services.

Recently, Air Malta has been facing difficulties as a result of erosion in yields, depressed passenger growth, escalation of operating costs and a depletion of its cash reserves. In its last reported financial period (August 2002 – July 2003), Air Malta made an Operating loss of EUR 21.9m on a turnover of EUR 215.8m (with the Net Loss was EUR 59.7m). Operating losses were also recorded in 2001/2000.

In May 2004 the airline reached a wide-ranging 'Rescue Plan' Agreement with the four Unions representing the airline's employees. The three-year agreement paved the way for a restructuring exercise without the airline engaging itself in forced redundancies. Air Malta and the Unions also agreed to a far reaching cost-cutting exercise, the setting up of a Works Council, a moratorium on wage increases for the duration of the agreement and changes in restrictive work practices amongst other things.

During the summer of 2005, Air Malta will operate 189 flights to 50 destinations in Europe, North Africa and the Eastern Mediterranean.

At present, Air Malta has a fleet of aircraft consisting of 14 aircraft; four Airbus A320s, five Airbus A319s and five Boeing 737-300s. Air Malta is currently undertaking a fleet replacement programme. The first new Airbus A320 joined Air Malta's fleet in January 2004 (168-seater aircraft). The second new aircraft, an Airbus A319, joined in February 2004. The fleet replacement project is on schedule and the airline received its 8th new aircraft in February 2005. By the year 2008 the average age of the fleet will go down to 2.7 years.

In March 2004 Air Malta started its own low-cost service between Malta and London Stansted branded as 'Fare 4U'. In summer 2005 Air Malta extended this service to Cologne in Germany.

After Malta joined the EU in May 2004, the airline immediately took the initiative and started operating intra-European flights between Catania and London's Gatwick airport. Air Malta also set up bases in the UK and started to operate charter flights from the UK to a number of holiday destinations in Europe.

The Air Malta Group also incorporates a number of subsidiaries that reflect the parent company's operation; including;

- Two major hotels (the Crowne Plaza Malta and the Grand Hotel Mercure Selmun Palace).
- Sterling Travel & Tourism
- Holiday Malta Company Ltd.
- Air Supplies & Catering Co. Ltd.
- Middlesea Insurance (stake)
- Shield Insurance Company (Guernsey) Ltd.
- Osprey Insurance Brokers Ltd.

Currently, the Government of Malta holds a 97.9% share of Air Malta. The remaining 2.1% is split between four investors. In July 2005, the Minister responsible for the National airline stated that the government have no plans in the near future for the sale or part sale of their stake in the carrier.

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The following table presents the name, ownership and aircraft type of all the Maltese registered carriers:

Air Carrier	Aircraft Type	Ownership Status
Air Malta plc	<ul style="list-style-type: none"> 4 x A320-200 5 x A319 5 x B737-300 	97.9% State owned; 2.1% private investors
Medavia Co. Ltd.	<ul style="list-style-type: none"> 3 x CASA 212 	Private Company
Eurojet Ltd.	<ul style="list-style-type: none"> 1 x Learjet 	Private Company

Source: JP Fleets

Airline Capacity shares in Malta (scheduled flights) Source: OAG

Airline	Code	Nationality	Share of Scheduled Capacity (March 05)
Air Malta	KM	Malta	65%
Alitalia	AZ	Italy	8%
British Airways	BA	United Kingdom	6%
Lufthansa German Airlines	LH	Germany	5%
Emirates	EK	United Arab Emirates	3%
Britannia Airways	BY	United Kingdom	3%
Libyan Arab Airlines	LN	Libyan Arab Jamahiriya	2%
Excel Airways	JN	United Kingdom	2%
Austrian	OS	Austria	2%
Condor Flugdienst	DE	Germany	1%
Romavia	WQ	Romania	1%
Tunis Air	TU	Tunisia	1%
Fischer Air	8F	Czech Republic	1%
Finnair	AY	Finland	1%
Maersk Air	DM	Denmark	1%
SAS Scandinavian Airlines	SK	Sweden	1%
Jat Airways	JU	Serbia and Montenegro	1%
Luxair	LG	Luxembourg	1%

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3.2.2 Government policies

Sale of Malta Airport Stake

At present, Malta International Airport is owned by the State of Malta (40%); a consortium headed by Vienna Airport operator Flughafen Wien (40%), with the remaining 20% held by private individual shareholders (shares traded on Maltese Stock Exchange).

In April 2005, the Maltese government announced that it would sell half of its remaining 40% stake in Malta International Airport by the end of 2005. Malta Airport indicated that they are still waiting for the government to give further details regarding the time-frame although they do expect this to be sometime in late-November or early December 2005. The Airport acknowledged that these shares would be sold via the stock exchange and not to any consortium directly.

Low Cost Carrier Discussions – Please see below

3.2.3 Low cost airline market penetration

At present, Malta is not served by any of the major LCCs. However the government and Malta International Airport are currently engaged in talks with a number of LCC's, including Ryanair, easyJet and Germanwings.

The current government and airport policy is to consider "opening" up to low-cost carriers on specific underserved markets, and could possibly provide incentives, such as reductions on landing and passenger charges. Any incentive schemes will be applied only to those countries and possibly regions that are deemed to be underserved.

A concern of LCCs (and indeed all airlines) are passenger and security taxes and airport charges, which are set to increase in the near future. Airport tax from August 1st for travel ex-Malta will be nearly EUR 50.00 with an additional EUR 17.00 in airport passenger and security charges.

Ryanair have previously announced their intention to operate over 30 routes from Malta, bringing a total of 1m passengers per annum. In June 2005 the airline held talks with airport, government and tourist officials. The government announced that in principle, Ryanair had agreed to the government's request to fly to the low-serviced routes first, starting with flights to Girona in Spain and Porto in Portugal. However, Ryanair have publicly stated their objection to the current and future charging regime.

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3.2.4 Airports

Maltese Airports Summary: 1 x International Airports

	Malta International Airport (Luqa)
IATA Code	MLA
ICAO Code	LMML
Use	Commercial
Country Population	398,534
Annual Passengers (2004)	2,813,972
Annual Freight (tonnes) (2004)	17,104
Annual ATM (2004)	32,477
Ave. Departures per day (2004)	89
Total Revenues (€m) (Year ending 31st Mar 05)	€38,616,355
Annual Terminal Capacity (2004)	3,000,000
No. of destinations (2004)	+100
No. of Airlines (2004)	+50
Runway 1 Length (m) – 06/24	2377x45m
Runway 2 Length (m) – 14/32	3544x60m (14) 3355x60m (32)
Elevation (metres)	90

1 x General Aviation Aerodromes (with asphalt / concrete runways)

	Gozo Heliport
ICAO Code	Domestic – No ICAO code
Use	Commercial helicopter service
Runway Length	190m

0 x Military Aerodrome (with asphalt / concrete runways)

0 x General Aviation Aerodromes (with grass runways)

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3.3 Civil Aviation Structure

3.3.1 Aviation Safety Regulation

<p>Organisation responsible for the following activities:</p>	
<p>“Flight safety of civil airline operations”</p> <ul style="list-style-type: none"> ▪ Corresponding organisation funding mechanism? ▪ Corresponding supervision? 	<p>Department of Civil Aviation – DCA.</p> <p>DCA is Government financed.</p> <p>It is a Department of the Ministry for Competitiveness and Communication.</p>
<p>“Civil aircraft approved design, production and maintenance organisations”</p> <ul style="list-style-type: none"> ▪ Corresponding organisation funding mechanism? ▪ Corresponding supervision? 	<p>DCA approves Aircraft Maintenance Organisations.</p> <p>No ‘design’ or ‘production’ organisations exist in Malta.</p> <p>DCA is Government financed.</p> <p>It is a Department of the Ministry for Competitiveness and Communication.</p>
<p>“Flight crew and engineer licensing; Control of aircraft registration”</p> <ul style="list-style-type: none"> ▪ Corresponding organisation funding mechanism? ▪ Corresponding supervision? 	<p>DCA is responsible for flight crew licensing and aircraft registration.</p> <p>DCA is Government financed.</p> <p>It is a Department of the Ministry for Competitiveness and Communication.</p>
<p>“Airworthiness of commercial and general aviation aircraft”</p> <ul style="list-style-type: none"> ▪ Corresponding organisation funding mechanism? ▪ Corresponding supervision? 	<p>DCA is responsible for airworthiness certification and control of continued airworthiness of all civil aircraft.</p> <p>DCA is Government financed.</p> <p>It is a Department of the Ministry for Competitiveness and Communication.</p>

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<p>“Regulation of Air Navigation Services”</p> <ul style="list-style-type: none"> ▪ Corresponding organisation funding mechanism? ▪ Corresponding supervision? 	<p>DCA oversees Malta Air Traffic Services Ltd which is the Government owned company and ANSP.</p> <p>DCA is Government financed</p> <p>It is a Department of the Ministry for Competitiveness and Communication.</p>
<p>“Licensing and Certification of Aerodromes”</p> <ul style="list-style-type: none"> ▪ Corresponding organisation funding mechanism? ▪ Corresponding supervision? 	<p>DCA is responsible for the licensing and Certification of aerodromes.</p> <p>DCA is Government financed.</p> <p>It is a Department of the Ministry for Competitiveness and Communication.</p>
<p>“Regulation of environmental standards (emissions and noise policies)”</p> <ul style="list-style-type: none"> ▪ Corresponding organisation funding mechanism? ▪ Corresponding supervision? 	<p>DCA is responsible to ensure the application of environmental standards.</p> <p>Aircraft are restricted to Chapter III. Duty Officers from the DCA access commercial aircraft request or flight plan (private air carrier) to confirm aircraft type is not restricted on the basis of noise.</p> <p>DCA is Government financed</p> <p>It is a Department of the Ministry for Competitiveness and Communication.</p>
<p>“Setting and control of airspace policy, and the regulation of airspace design and classification, including the navigation and communications infrastructure”</p> <ul style="list-style-type: none"> ▪ Corresponding organisation funding mechanism? ▪ Corresponding supervision? 	<p>DCA in consultation with the Malta Air Traffic Services Ltd. (MATS) is responsible for the setting and control of airspace policy. The Head of Air Navigation Services at the DCA works closely with MATS. Proposals can come from both sides and MATS attend all meetings on the matter. However, the DCA has the final sign-off.</p> <p>DCA is responsible the regulation of airspace design and classification, including the navigation and communications infrastructure.</p> <p>DCA is Government financed</p> <p>It is a Department of the Ministry for Competitiveness and Communication.</p>

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3.3.2 Air Navigation Services

Organisation responsible for the following activities:	
<p>“Provision of air navigation services for airfields”</p> <ul style="list-style-type: none"> Corresponding organisation funding mechanism? Corresponding supervision? 	<p>Malta Air Traffic Services Ltd. (MATS).</p> <p>Currently no terminal charge at Malta International Airport (MIA) but by January 2006, a terminal charging system will be in place.</p> <p>MATS currently have a 10 year contract with MIA to recover funds for Maintenance equipment.</p> <p>Ministry of Environment and Information Technology.</p>
<p>“Provision of en-route Air Navigation Services”</p> <ul style="list-style-type: none"> Corresponding organisation funding mechanism? Corresponding supervision? 	<p>Malta Air Traffic Services Ltd.</p> <p>Generates its own funds to cover its expenses through en route charges recovery system (EUROCONTROL).</p> <p>Government refunds MATS for the provision of Military ANS provision.</p> <p>Ministry of Environment and Information Technology.</p>

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3.3.3 Economic Regulation

<p>Organisation responsible for the following activities:</p>	<p>The Airport Charges Regulatory Board set up under the Airport Economic Regulations 2001 Act (LN299/01) is the body responsible for the establishment of Airport Charges including Landing Charges, Parking Charges and Passenger Service Charge.</p> <p>The Airport Charges Regulatory Board comprises of members from the Department of Civil Aviation (DCA), members from the Airport and members from the Airlines operating to MIA. This economic regulation regulates the aeronautical revenue.</p> <p><i>The formula:</i></p> <ul style="list-style-type: none"> • Airport charges for the period ending on the 31st March, 2007 may be increased on the 1st April of each year by no more than the rate of inflation in the one-year period ending on the 30th September of the preceding year minus 0.5%. • Thereafter, airport charges are to be permitted to increase or shall be required to decrease for five-year periods on the 1st April of every fifth year by a percentage amount equal to the rate of inflation in the five-year period ending on the 30th September of the preceding year. <p>Handling Charges are not regulated and are established by the Ground Handling Agents.</p> <p>Central Government.</p> <p>Ministry for Competitiveness and Communications.</p>
<p>“Regulation of ATM terminal charges”</p> <ul style="list-style-type: none"> ▪ Corresponding organisation funding mechanism? ▪ Corresponding supervision? 	<p>None are presently charged.</p> <p>Not applicable.</p> <p>Not applicable.</p>

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<p>“Regulation of en-route charges”</p> <ul style="list-style-type: none"> Corresponding organisation funding mechanism? Corresponding supervision? 	<p>En-route charges are regulated in accordance with EUROCONTROL multilateral agreement.</p> <p>Not applicable.</p> <p>Not applicable.</p>
<p>“The issue of tour operator licences”</p> <ul style="list-style-type: none"> Corresponding organisation funding mechanism? Corresponding supervision? 	<p>No such licences are issued in Malta.</p> <p>Not applicable.</p> <p>Not applicable.</p>
<p>“The issue of travel agency licences”</p> <ul style="list-style-type: none"> Corresponding organisation funding mechanism? Corresponding supervision? 	<p>Travel Agency licences are regulated only under commercial activity licensing regulations.</p> <p>Not applicable.</p> <p>Not applicable.</p>
<p>“The issue of air operator licences and air operator certificate”</p> <ul style="list-style-type: none"> Corresponding organisation funding mechanism? Corresponding supervision? 	<p>Department of Civil Aviation issues air operator licences and air operator certificate.</p> <p>DCA is Government financed.</p> <p>It is a Department of the Ministry for Competitiveness and Communication.</p>
<p>“The issue of ground-handling licences or approvals”</p> <ul style="list-style-type: none"> Corresponding organisation funding mechanism? Corresponding supervision? 	<p>Ground handling activities are neither licensed nor approved.</p> <p>However Ground Handling providers have to satisfy the aerodrome operator of their capability and competency. The DCA can however at any time decide to licence such providers.</p> <p>Not applicable.</p> <p>Not applicable.</p>

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3.3.4 Air Transport Facilitation

<p>Organisation responsible for the following activity:</p> <p>“Policy and regulation of ICAO facilitation requirements under Annex 9 of the Chicago Convention, with respect to;</p> <ul style="list-style-type: none"> • Entry and departure of aircraft, • Entry and departure of persons, baggage and cargo; and • Facilities and services for traffic at international airports” <ul style="list-style-type: none"> ▪ Corresponding organisation funding mechanism? ▪ Corresponding supervision? 	<p>Entry and departure of aircraft:</p> <ul style="list-style-type: none"> ▪ Department of Civil Aviation (DCA); <p>Entry and departure of persons, baggage and cargo:</p> <ul style="list-style-type: none"> ▪ Immigration Police and Customs Department; <p>Facilities and services for traffic at international airports:</p> <ul style="list-style-type: none"> ▪ Immigration Police and Customs Department + Department of Civil Aviation + Office of Manager Airport Security (OMAS). <p>DCA, OMAS, Immigration Police and Customs Department are funded from Government finance.</p> <p>DCA is a Department of the Ministry for Competitiveness and Communication. OMAS and Immigration Police and Customs Department are Departments in the Ministry of Justice and Home Affairs.</p>
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3.3.5 Air Transport Security

<p>Organisation responsible for the following activity:</p>	<p>Airports: Office of Manager Airport Security (OMAS).</p> <p>Airlines: Office of Manager Airport Security (OMAS) and DCA (in so far as enforcement of JAR-OPS requirements are concerned).</p> <p>Airspace: Office of Manager Airport Security (OMAS).</p> <p>DCA and OMAS are funded from Government finance.</p> <p>DCA is a Department of the Ministry for Competitiveness and Communication.</p> <p>OMAS is under Minister for Justice and Home Affairs and the Aviation Security Committee of which the Minister is the Chairman (refer to Airports and Civil Aviation (Security) Act).</p>
<p>“Regulation of aviation security with respect to;</p> <ul style="list-style-type: none"> • Airports • Airlines • Airspace” 	<ul style="list-style-type: none"> ▪ Corresponding organisation funding mechanism? ▪ Corresponding supervision?

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3.3.6 Air Accident Investigation

<p>Organisation responsible for the following activity:</p>	
<p>“Air Accident Investigation”</p> <ul style="list-style-type: none"> ▪ Corresponding organisation funding mechanism? ▪ Corresponding supervision? 	<p>Bureau of Aircraft Accident Investigation (BAAI) whose Inspectors of Accidents are appointed and operate in accordance with the Civil Aviation (Investigation of Air Accidents and Investigations) Regulations 2002 (LN135/02).</p> <p>The Bureau of Aircraft Accidents Investigations is responsible directly to the Minister for Communications and Competitiveness and is funded by this Ministry.</p> <p>The Bureau of Aircraft Accidents Investigation is a State organisation.</p>

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3.4 Malta International Airport

3.4.1 Basic Airport Information

Airport Name	<input type="text" value="Malta International Airport plc"/>		
Airport Address	<input type="text" value="Vjal l-Avjazzjoni
Luqa LQA 05
MALTA"/>		
Website Address	<input type="text" value="www.maltaairport.com"/>		
IATA Code	<input type="text" value="MLA"/>	ICAO Code	<input type="text" value="LMML"/>
Managing Director / Chief Executive	<input type="text" value="Mr. Peter Bolech - CEO"/>		

IATA Slot Coordination Level	<input type="text" value="Level No. 2 – Schedules facilitated airport"/>
(Level 1: Non-coordinated airport or Level 2: Schedules facilitated airport or Level 3: Fully coordinated airport)	

<u>Air Traffic Control & Navigation</u>	
ATC Coverage (local or area control, who provides service)	<input type="text" value="Malta Air Traffic Services Ltd. (MATS)"/>
NDB	<input type="text" value="Yes"/>
DME	<input type="text" value="Yes"/>
VOR	<input type="text" value="Yes"/>
Other	<input type="text" value="LAMPEDUSA VOR/NDB/DME/(LPD) is also located within Malta FIR."/>

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Fire Fighting	
Fire Fighting Category	CAT 9 (B747-400 size)
Maximum Aircraft Size	Up to not including 76metres tail to nose.

Key airport contacts
<p>Mr Peter Bolech – CEO Malta International Airport – Luqa LQA 05 – MALTA Tel: +356 2369 6276 peter.bolech@maltaairport.com</p> <p>Mr Austin Calleja – Chief Financial Officer Malta International Airport – Luqa LQA 05 – MALTA Tel: +356 2369 6279 austin.calleja@maltaairport.com</p>

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Section 3 – Malta International Airport	

3.4.2 Airport Ownership and Management

Current ownership structure of the airport	
Private ownership (MIA plc.)	
Detail of ownership split:	
<i>Owner</i>	<i>Share</i>
Mediterranean Malta Link Ltd (comprising Vienna International Airport, SNC-Lavalin of Canada and Airport Investments Limited)	40%
State owned	40%
Shareholders (shares traded on local stock exchange)	20%

Current management structure at the airport
Managers and Division Managers are Maltese Nationals, reporting directly to CEO, Mr. Peter Bolech.

Number of employees working for the airport operator
396 employees including management (February 2005)

Ground handling service provision at the airport
2 Service Providers: Airmalta plc and Servisair Globeground Malta Ltd.
Both companies provide the following services:
<ul style="list-style-type: none"> • Passenger handling • Baggage Handling • Aircraft Cleaning • Ground Transport • Ramp Services

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Section 3 – Malta International Airport	

Brief history of the airport, highlighting major events

1958 - 1987:

- Malta's passenger air terminal at Luqa was inaugurated on March 31, 1958. The air terminal consisted of two floors including facilities such as a restaurant, a Post office, a Cable and Wireless office and a Viewing Balcony for the public.
- In October 1977, a new, longer runway was launched and works commenced on the extension and refurbishing of the air terminal. An arrival lounge and another dedicated to VIP's were added and the older part of the terminal was used for departures.
- Immediately after the change in Government in 1987, the new administration decided that the 35-year old terminal was redundant and gave the green light for the construction of a new air terminal along Park 9.

1987 – Present:

- The foundation stone of the present air terminal was laid in September 1989 and inaugurated in February 1992. Malta International Airport became fully operational on March 25, 1992, effectively closing down the old Luqa airport after 35 years.
- On July 26, 2002 Malta International Airport was privatised when the government sold 40% of its shares to Malta Mediterranean Link Consortium Ltd (MML), a joint venture between Vienna International Airport of Austria, SNC-Lavalin Inc. of Canada and Airports Investments Ltd of Malta.
- On December 16 2002, the government reduced its stake further by selling another 20% of its holding via an IPO (MIA is now a quoted company on Malta's Stock Exchange).
- In 2004, the airport catered for 2.8m passengers from over 100 destinations and handled over 17,000 tonnes of cargo.

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Section 3 – Malta International Airport	

3.4.3 Financial Issues

Financial performance	
Year Ending March 2005 (rate 1 MTL – EUR 2.33)	
Turnover:	
Aeronautical	EUR 27,649,762
Non aeronautical	EUR 10,966,593
Total	EUR 38,616,355
Operating Profit before tax:	EUR 11,958,544
Net Profit:	EUR 7,505,600

User charges

User Charges From 1st April 2005

Landing Fees:

	Unit	EUR
M.T.O.W. < 12,000kgs	Per 500kgs	1.31
M.T.O.W. > 12,000kgs	Fixed Charge + per 500kgs in excess of 12,000 kgs	30.44 + 1.85

Parking fees

	Unit	EUR
M.T.O.W. < 12,000kgs	Per 24 hr period exceeding 6 hrs	0.75
M.T.O.W. > 12,000kgs	Per 10m ² of space occupied or part thereof for each 24 hr period or part thereof exceeding 6 hrs.	0.10

Passenger Service Charges

Unit	EUR
Per departing passenger	15.56

Security Charge

Unit	EUR
Per departing passenger	2.15

Regulation:

Aeronautical charges are regulated by the Civil Aviation Act (cap 232) Airport Economic Regulations 2001 Legal Notice 299 of 2001.

The Airport Charges Regulatory Board comprises of members from the Department of Civil Aviation (DCA), members from the Airport and members from the Airlines operating to MIA. This economic regulation regulates the aeronautical revenue.

The formula: Airport charges for the period ending on the 31st March, 2007 may be increased on the 1st

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April of each year by no more than the rate of inflation in the one-year period ending on the 30th September of the preceding year minus 0.5%.

Thereafter, airport charges are to be permitted to increase or shall be required to decrease for five-year periods on the 1st April of every fifth year by a percentage amount equal to the rate of inflation in the five-year period ending on the 30th September of the preceding year.

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3.4.4 Airport Traffic

Airport traffic history

Historic Traffic

Year	Pax	Freight (tonnes)	Transport Movements
1998	2,875,473	11,989	33,091
1999	2,984,558	12,489	34,734
2000	3,004,714	13,699	36,489
2001	2,806,013	12,925	32,652
2002	2,667,776	13,351	31,028
2003	2,675,781	15,944	32,179
2004	2,813,972	17,104	32,477

Source: Airport

2004 Traffic Breakdown

Unit	2004	Unit	2004
Schengen Passengers	1,366,898	Non Schengen Passengers	1,384,161
International Passengers	2,776,164	Domestic Passengers	37,808
Scheduled Passengers	1,996,547	Non Scheduled Passengers	750,585
Fright (tonnes)	No Freight / Mail split	Cargo – Mail	No Freight / Mail split

Source: Airport

Passenger Traffic by destination

Destination Airport	Code	2004
London Gatwick	LGW	343,791
Manchester	MAN	225,434
London Heathrow	LHR	170,497
Frankfurt	FRA	161,636
Rome Fiumicino	FCO	148,176
Milan Malpensa	MXP	111,171
Catanina – Fontanarossa	CTA	96,574
Paris Orly	ORY	86,722
Amsterdam	AMS	85,058
Birmingham	BHX	84,054
Brussels	BRU	61,924
Munich	MUC	60,855
Tripoli	TIP	55,802
Vienna	VIE	54,252
Glasgow	GLA	48,312
Düsseldorf	DUS	48,124
Zurich	ZRH	44,289
Bristol	BRS	35,705
Stuttgart – Echterdingen	STR	33,133
London Stansted	STN	32,951
Others		816,797

Source: Airport

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Current Flight Schedule

2005 Scheduled Flights (Summer)

Airline	Destination Airport	Airport Code	Flights per week
Airmalta	Aberdeen	ABZ	1
Air Algerie	Algiers	ALG	1
Airmalta	Amsterdam	AMS	9
Transavia	Amsterdam	AMS	2
Airmalta	Stockholm ARN	ARN	2
SAS	Stockholm ARN	ARN	2
Airmalta	Athens	ATH	3
Airmalta	Barcelona	BCN	2
JAT	Belgrade	BEG	2
Airmalta	Belfast	BFS	4
Airmalta	Birmingham	BHX	4
British Jet	Birmingham	BHX	1
Airmalta	Bristol	BRS	1
Airmalta	Brussels	BRU	7
Airmalta	Budapest	BUD	2
Malev	Budapest	BUD	1
Airmalta	Cairo	CAI	4
Airmalta	Glasgow	GLA	2
SAS	Gothenburg	GOT	1
Airmalta	Geneva	GVA	1
Airmalta	Hamburg	HAM	2
Finnair	Helsinki	HEL	2
Airmalta	Istanbul	IST	2
Aerosvit	Kiev	KBP	1
Airmalta	Krakow	KRK	1
Airmalta	Leeds Bradford	LBA	1
British Jet	Leeds Bradford	LBA	1
Airmalta	Larnaca	LCA	3
Airmalta	Lourdes	LDE	3
Airmalta	St.Petersburg	LED	1
Airmalta	London Gatwick	LGW	15
British Jet	London Gatwick	LGW	8
British Airways	London Gatwick	LGW	16
Airmalta	London Heathrow	LHR	16
Airmalta	Lisbon	LIS	2
Airmalta	Ljubljana	LJU	1
Luxair	Luxembourg	LUX	1
Airmalta	Lyon	LYS	2
Airmalta	Madrid	MAD	3
Airmalta	Manchester	MAN	10

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2005 Scheduled Flights (Summer).....Continued

Airline	Destination Airport	Airport Code	Flights per week
British Jet	Manchester	MAN	4
British Airways	Manchester	MAN	5
Airmalta	Monastir	MIR	1
Tuninter	Monastir	MIR	5
Hello Airlines	Basel	MLH	2
SAS	Malmo	MMX	1
Airmalta	Marseille	MRS	2
Airmalta	Munich	MUC	4
Condor	Munich	MUC	1
Airmalta	Milan Malpensa	MXP	9
Alitalia	Milan Malpensa	MXP	7
Club Air	Milan Malpensa	MXP	1
Airmalta	Nice Cote D'Azur	NCE	1
Airmalta	Newcastle	NCL	2
Airmalta	Nantes	NTE	2
Air Berlin	Nuremberg	NUE	1
Airmalta	Norwich	NWI	1
Airmalta	Cork	ORK	1
Airmalta	Paris Orly	ORY	10
Airmalta	Oslo	OSL	2
SAS	Oslo	OSL	1
Airmalta	Bucharest	OTP	1
Airmalta	Palermo	PMO	2
Airmalta	Prague	PRG	3
Airmalta	Thessaloniki	SKG	1
Airmalta	Sofia	SOF	2
Airmalta	London Stansted	STN	5
Airmalta	Tripoli	TIP	7
Airmalta	Toulouse	TLS	1
Airmalta	Tunis	TUN	2
Tuninter	Tunis	TUN	3
Airmalta	Berlin Tegel	TXL	2
Airmalta	Venice	VCE	1
Airmalta	Vienna	VIE	5
Austrian Airlines	Vienna	VIE	3
Atlant Zoyuzq	Moscow VKO	VKO	1
Club Air	Verona	VRN	1
Central Wings	Warsaw	WAW	1

Source: Airport

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2005 Charter Flights

Airline	Destination Airport	Airport Code	Flights per week
Royal Jordanian	Amman	AMM	1
Spanair	Barcelona	BCN	2
Brittania	Birmingham	BHX	1
My Travel	Birmingham	BHX	1
Thomas Cook	Birmingham	BHX	2
Excel Airways	Bristol	BRS	1
First Choice Airways	Bristol	BRS	1
TUI Belgium	Brussels	BRU	2
Euralair	Paris CDG	CDG	1
Air Germania	Dusseldorf	DUS	1
Air One	Rome Fiumicino	FCO	1
Air Germania	Frankfurt	FRA	1
Aeroflight	Frankfurt	FRA	1
Brittania	Glasgow	GLA	1
My Travel	Glasgow	GLA	1
Thomas Cook	Glasgow	GLA	1
Hamburg International	Hamburg	HAM	1
Air Finland	Helsinki	HEL	2
Air Germania	Leipzig	LEJ	1
Hamburg International	Leipzig	LEJ	1
Astraeus	London Gatwick	LGW	1
Brittania	London Gatwick	LGW	1
Excel Airways	London Gatwick	LGW	2
First Choice Airways	London Gatwick	LGW	2
Thomas Cook	London Gatwick	LGW	2
Brittania	Luton	LTN	1
Air Mediterranee	Lyon	LYS	1
Spanair	Madrid	MAD	2
Swiftair	Madrid	MAD	1
Brittania	Manchester	MAN	1
Excel Airways	Manchester	MAN	2
First Choice Airways	Manchester	MAN	1
My Travel	Manchester	MAN	1
Thomas Cook	Manchester	MAN	2
Air Mediterranee	Marseille	MRS	1
Air Germania	Munich	MUC	1
Air One	Naples	NAP	1
My Travel	Newcastle	NCL	1
Corsair	Paris Orly	ORY	2
Air Germania	Stuttgart	STR	1
Styrian Air	Salzburg	SZG	2

Source: Airport

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Future Traffic Forecast

A traffic forecast exercise is currently being undertaken in co-operation with Malta International Airport's owners (Vienna Airport & SNC-Lavalin) whereby short, medium and long term growth rates are being taken into consideration, depending on the success of various projects / areas of business development during the coming years.

Various scenarios are being studied including the possibility (and also timeline) of significant developments at Malta International Airport such as the possible introduction of low cost carriers, the development of a Mediterranean Passenger Hub as well as the full development of the Cruise and Fly Business. MIA has taken up a leading role in the pursuit of this area along with the Valletta International Seaport Termina (VISET), of which MIA is an 11% shareholder.

Based on the above, the Airport provided 3 forecast scenarios (Best / Real / Worst) for Passenger flows, Cargo and Air Traffic Movements 2005-2025 forecast:

Best Case scenario:

- Realisation of Cruise & Fly Concept (2007 onwards)
- Acquisition of a major low cost carrier (2006 onwards)
- Realisation of Malta as a mini-hub concept (2007 onwards)
- For cargo traffic, only "Real" case considered.

Year	Pax (Best Case)	Cargo Tons (Real Case)	Movements (Best Case)
2005	2978633	17000	26934
2006	3171186	17493	28395
2007	3786564	18000	36412
2008	4151877	18522	39335
2009	4270566	19059	39611
2010	4392648	19612	40447
2015	4835779	20181	42900
2020	5323613	20766	46350
2025	5860659	21368	50082

Real Case Scenario

- Realisation of Cruise & Fly Concept (2007 onwards)
- Acquisition of a major low cost carrier (2006 onwards)

Year	Pax (Real Case)	Cargo Tons (Real Case)	Movements (Real Case)
2005	2978633	17000	26934
2006	3171186	17493	28395
2007	3451249	18000	30127
2008	3601934	18522	30992
2009	3704902	19059	31527
2010	3810814	19612	32129
2015	4195249	20181	33761
2020	4618466	20766	36309
2025	5084377	21368	39050

Source: Airport

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Worst Case Scenario

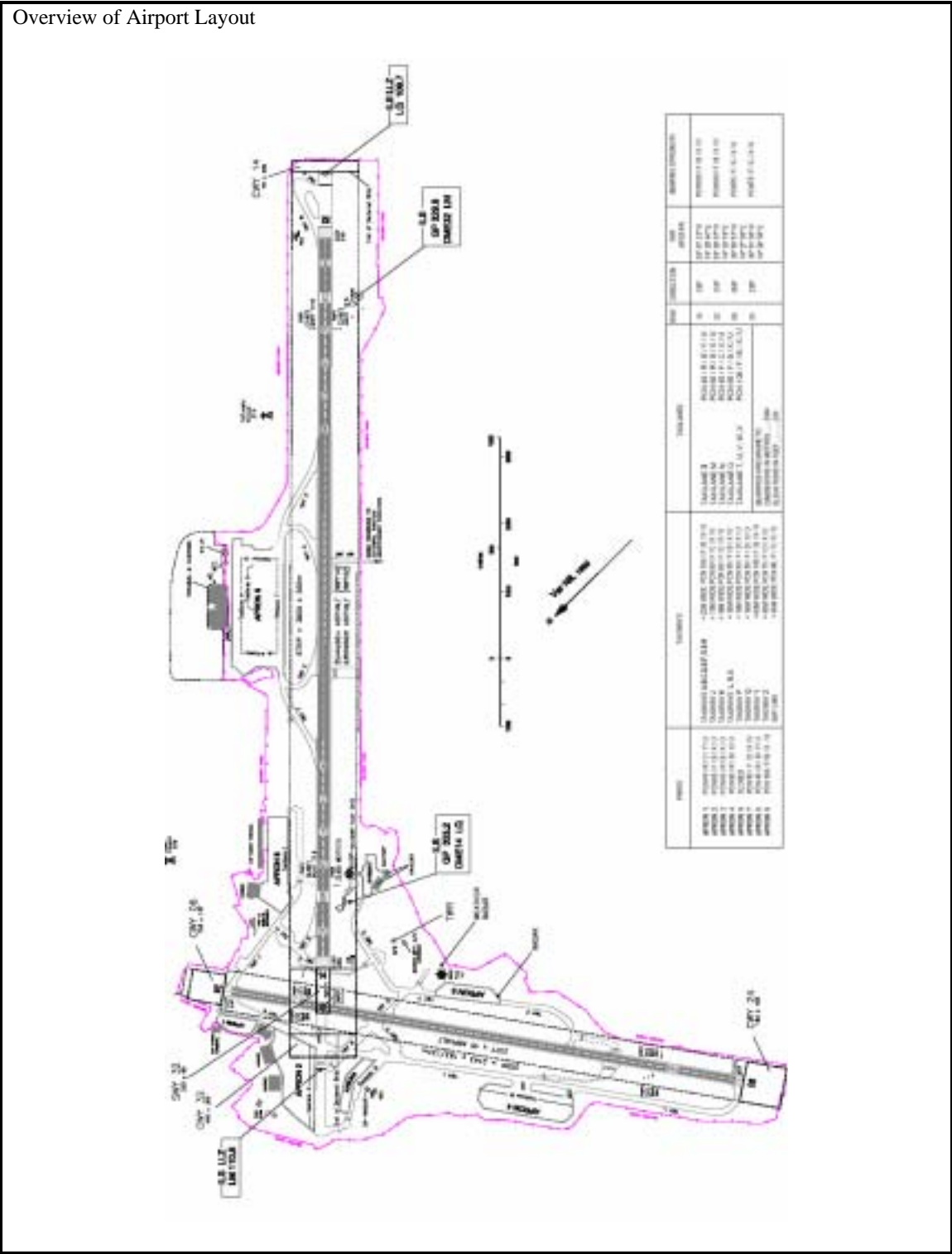
- No realisation of additional external factors of influence
- For cargo traffic, only “Real” case considered.

Year	Pax (Worst Case)	Cargo Tons (Real Case)	Movements (Worst Case)
2005	2978633	17000	26934
2006	3118382	17493	27918
2007	3207527	18000	28432
2008	3299220	18522	28955
2009	3393535	19059	29488
2010	3490546	19612	30031
2015	3842672	20181	31456
2020	4230321	20766	33776
2025	4657076	21368	26268

Source: Airport

3.4.5 Runway Information

Overview of Airport Layout



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Current Runway Capacity

	Runway 1	Runway 2
Designation	14/32	06/24
Length (m)	RWY 14 – 3544x60 RWY 32 – 3355x60	2377x45
ILS CAT	CAT I	06 – VISUAL APP. 24 NON PRECISION APPROACH
Number of Peak Hour Departures	Not measured	Not measured
Number of Peak Hour Arrivals	Not measured	Not measured
Hourly Capacity Under IFR Flight Rules	No capacity restrictions	No capacity restrictions
Average Movement Delay Rate (mins)	3 mins	5 mins
Annual Movement Capacity	RWY 14 – 28.5% RWY 32 – 50%	RWY 06 – 7.4% RWY 24 – 14.2%
Runway Operating Hours	24 H	24 H

Multi-runway operating procedures

The two runways are not in use simultaneously.
RWY 14/32 is the major runway in use, while 06/24 is in use during specific weather conditions on the Island, or when 14/32 is closed for maintenance.
RWY 06/24 is also commonly in use for Training purposes by local flying schools.

Factors limiting Runway capacity

MLA maintain that there are no bottleneck problems related to runway capacity.
However, MLA indicated that there are apron capacity issues (i.e. parking and ground handling facilities are restricted).

Additional Notes from MLA

Annual utilisation – derived from analysis of traffic profiles that are worked out by the Slot Allocation Unit for the Airport, taking into consideration the build up relationships from peak hour to annual values.

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3.4.6 Terminal and Cargo Facilities

Terminal Capacity

Name of Terminal	Terminal		
Departing Passengers per hour	1,500		
Arriving Passengers per hour	1,500		
Transfer Passengers per hour	Negligible		
Annual Capacity	3 million		

Methodology for calculation of terminal capacity

IATA NAC Charts Methodology.

Excess capacity

The existing facility is almost close to capacity in peak hours (peak hour capacity approx 1,500 pax per hour). However, overall the terminal has not reached capacity due to the fact that there are periods during the day with minimal activity inside the terminal due to the flight schedule. This period is from 0900–1100 hrs and from 1800–2000 hrs.

Peak hour achieved to date: 1,892 passengers on 17 Aug 2004.

Main bottlenecks for terminal capacity

Bottlenecks occur in the peak summer season, in July and August and are as follows:

- Check-in desk area : This is mainly due to the fact that the ground-handlers (Air Malta who provide check-in for all airlines) dedicate 2 check-in desks per flight which at times can cause a problem. Unlike other airports where there is a general check-in area for all flights, at MIA the ground handlers choose to check-in passengers from different flights on different counters resulting in situations where there are 200 persons queuing for a flight and at the same time have another 2 or 3 manned check-in desks with no passengers queuing.

- Security Check Area: All passengers after check-in are required to have their hand luggage and personal properties screened and due to the fact that the area available is currently restricted, at times there can be long queues.

It should be noted that these two "bottle-necks" mentioned are not of a major concern to MIA but nonetheless they are the two areas which most often see longer than normal waiting times.

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Terminal Facilities (Passenger)

Name of Terminal	Terminal		
	-		
Terminal Total Floor Area	35,900m ²		
Number of Check in desks	25		
Number of Self Service Check in machines	0		
Number of Passenger Security Screening Positions	2		
Number of Departure Baggage Belts	2		
Number of Departure Gates	10		
Number of Loading Bridges	0		
Number of Inbound Passport / Immigration Positions	5		
Number of Baggage Claim Units	4		
Number of Commercially Important Passenger Lounges	2		

Further detail on terminal passenger facilities

The number of Departure Gates will increase to “14” by the end of 2006 with the completion of the Schengen Implementation project (Please see Section 2.4. - Infrastructure Development).

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Number of parking stands		
<p>Access to Terminal: From all stands by Coach except the following –</p> <p>Stand no. 4 walking for Departure & Arrivals</p> <p>Stand no. 5 walking for Departure only</p>		
Parking Capacity for Parking Area 9		
Park No# 9	Wingspan (mts)	Length (mts)
Stand 1	36	45
Stand 1r(2 closed)	61	72
Stand 2, 3, 4, 5	36	38
Stand 6	36	40
Stand 7&8	36	38
Stand 8L (7 closed)	61	72
Stand 8V (7 closed)	45	48
Stand 9	38	48
Stand 10	42	56
Stand 11, 12, 13	51	56
Stand 14	38	48
Stand 15	20	35
Stand 16	30	38
Stand 17	29	43
Stand 18	38	48
Stand 19, 20	29	43
Stand 21	36	48
Stand 21X	74	75
Stand 22	24	36
Stand 23	30	38
Stand 24	20	35
Parking Capacity for Parking Area 8		
Park No# 8	Wingspan (mts)	Length (mts)
Stand 1	36	47
Stand 2, 3, 4, 5	36	38
Stand 6	51	48
Retail Facilities		
<p>Restaurants / Cafeterias x 7</p> <ul style="list-style-type: none"> ○ Island Bar ○ Hard Rock Bar ○ Connections Café ○ Flite Bite & Bar ○ Runway Bistro ○ Gateway Diner ○ McDonalds 		

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Airport Value Shopping Outlet x 21 (19 Departures + 2 Arrivals)

- Music Shop
- Sportswear
- Sock Shop
- Designer Shop
- Fine Wines & Delicatessen
- Confectionery
- Sweet Shop
- Toy Shop
- Playmobil
- Skincare
- Souvenir Shop
- Book Shop
- Jewellery & Watches
- Costume Jewellery
- Hard Rock Retail
- Original Marines
- Yamamay

Other Shops x 5

- Florist
- Pharmacy
- Mobile Phone outlet
- Bookshop & Newsagent
- Sweet Shop

24 hour banking facility available

Post Office & Lotto Office

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Cargo Capacity

	1st Facility	2nd Facility (if applicable)	
Name of Cargo Facility	Air Malta Cargo Terminal	Globe Ground Cargo Terminal	
Description	3,500m ² including	1,000 m ²	
Annual Cargo Capacity (metric tonnes)	30,000 tonnes	10,000 tonnes	
Total annual inbound cargo (metric tonnes)	Approx. 8,000 tonnes	-	
Total annual outbound cargo (metric tonnes)	Approx. 9,000 tonnes	-	
Share carried on cargo aircraft (%)	100%	-	
Total domestic cargo (metric tonnes)	0	-	
Total international cargo (metric tonnes)	17,000 tonnes	-	
Further detail on cargo facilities			
Both cargo facilities are owned by the airport and rented out to Air Malta and Globe Ground. Limited data available on Globe Ground Cargo Terminal as the operators' cargo and ground handling activity only commenced in April 2005.			

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Other Facilities

Aircraft Maintenance / Engineering Facilities
<p>2 Hangars available</p> <ul style="list-style-type: none"> • One is run by Airmalta and the other by Lufthansa Technik. • Both are able to perform a variety of aircraft maintenance including C-Checks.
Refuelling facilities
<p>AVGAS JET-A1 (Fuel Trucks facility)</p>
Winter Operating facilities
<p>6 x Runway snow plough units 3 x De-icing unit</p>

3.4.7 Infrastructure Development

Major works in the last 5 years
<p>Construction of Cargo Terminal; EUR 700,000 (2004–2005)</p> <ul style="list-style-type: none"> • To provide cargo handling facilities for second ground handling service provider, to comply with EU regulations. The annual capacity of the cargo facility is 10,000 tonnes (approximately one third of the size of the other existing cargo facility). • This facility was recently completed and is now being operated by Globe Ground • Total cost of EUR 700,000. <p>A number of additional works have also been completed during this time frame. These works are presented in the next section (Future Approved works) due to the nature of their phased completion process.</p>
Future Approved works
<p>Replacement of AGL Control System; EUR 1.3 (2004 – 2005)</p> <ul style="list-style-type: none"> • To upgrade airfield lighting control system for safety and ICAO compliance requirements. Tender issued and published in accordance with EU procedures. • Order awarded with expected completion by end 2005 at a cost of EUR 1.3m <p>Schengen Implementation; EUR 6.5m (2001 – 2006)</p> <ul style="list-style-type: none"> • Phase 1: completed in July 2002 at a cost of EUR 2.5m included the construction of additional offices to cater for airline/ground handlers' office requirements. • Phase 2: due for completion by December 2006 at a cost of EUR 4m. Currently in the "Planning Stage", the work includes the construction of new passenger flow pathways and additional gate/s to cater for the implementation of Schengen agreement requirements. <p>Resurfacing of Apron 8; EUR 1.5m (2001 – 2006)</p> <ul style="list-style-type: none"> • Resurfacing of aircraft parking area, Apron 8 pavement is necessary since the present surface has deteriorated. The works comprise the replacement of damaged hard standing areas of the apron pavement.

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- Emergency repair works and replacement works were carried out during 1998-2004 at a cost of EUR 75,000 (not included in the total figure above).
- Currently at the “Implementation Phase” and the work is due for completion by December 2005.

Resurfacing of runway 06/24; EUR 8m (2002 – 2006)

- Resurfacing of runway 24/06 pavement is necessary since the present surface has deteriorated, reaching the stage that closure of runway to heavy aircraft will be necessary.
- The present asphalt surface must be removed and the runway resurfaced.
- Emergency repair works were undertaken during 2002 and 2003 at a cost of EUR 250,000 (not included in the total figure above)
- Currently at the “S” Phase (Design Study Phase) and the work is due for completion by June 2006.

Resurfacing of runway 14/32; EUR 12m (2003 – 2006)

- Resurfacing of the main runway 14/32 pavement is necessary since the present surface has deteriorated; testing and technical conclusions indicate that the expected lifetime of the present surface is 1-2 years.
- Emergency repair works were carried out during 1999 at a cost of EUR 100,000 (not included in the total figure above).
- Currently at the “S” Phase (Design Study Phase) and the work is due for completion by December 2006.

Resurfacing of Apron 9; EUR 3m (2001 – 2006)

- Resurfacing of the main aircraft parking area (Apron 9) pavement is necessary since the present surface has deteriorated; testing and technical conclusions indicate that the most cost effective solution lies in the replacement of the present asphalt surface by a hard standing (concrete) pavement.
- Emergency repair works carried out during 1998-2003 at a cost of EUR 350,000. A further investment of circa EUR 250,000 has recently been approved in order to carry out further emergency repair works (neither figure is included in the total figure above).
- Currently at the “S” Phase (Design Study Phase) and the work is due for completion by December 2006.

Taxiway between Aprons 8 & 9; EUR 12m (2003 – 2007)

- To construct taxiway, parallel to runway 14/32, from apron 9 to apron 8, in order to improve access, particularly to maneuvering aircraft between Aprons 8 and 9.
- This taxiway will improve airfield operations, increase the runway capacity and provide aircraft access from main aircraft park (apron 9) to runway 06/24 in the event of closure of main runway 14/32
- Currently at the “Planning Stage” and the work is due for completion by June 2007.

Replacement of ILS Systems; EUR 3m (2005 – 2007)

- To replace instrument landing systems for safety and ICAO compliance requirements.
- Currently at the “Planning Stage” and the work is due for completion by December 2007.

Upgrading of Airfield HV Electrical Power Distribution Network; EUR 2m (2006 – 2007)

- To upgrade the airfield electrical power distribution system for safety and reliability requirements
- Currently at the “S” Phase (Design Study Phase) and the work is due for completion by December 2007.

Upgrading of Airfield Taxiways; EUR 3m (2006 – 2007)

- To upgrade airfield taxiways in order to increase runway capacity and improve access to aircraft parking areas, in view of projected increased aircraft movements, especially wide bodied aircraft.
- Currently at the “S” Phase (Design Study Phase) - work is due for completion by December 2007.

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Expansion of Park 8; EUR 5m (2006 – 2008)

- To increase the aircraft parking area of Apron 8 to meet increased demand.
- Currently at the “Planning Phase” and the work is due for completion by December 2008.

Expansion of Check-in Hall; EUR 5m (2006 – 2008)

- To expand the passenger terminal check-in hall in order to increase terminal capacity, due to projected increase in passenger throughput.
- Currently at the “Planning Phase” and the work is due for completion by December 2008.

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Long term development plan (master plan) for the airport

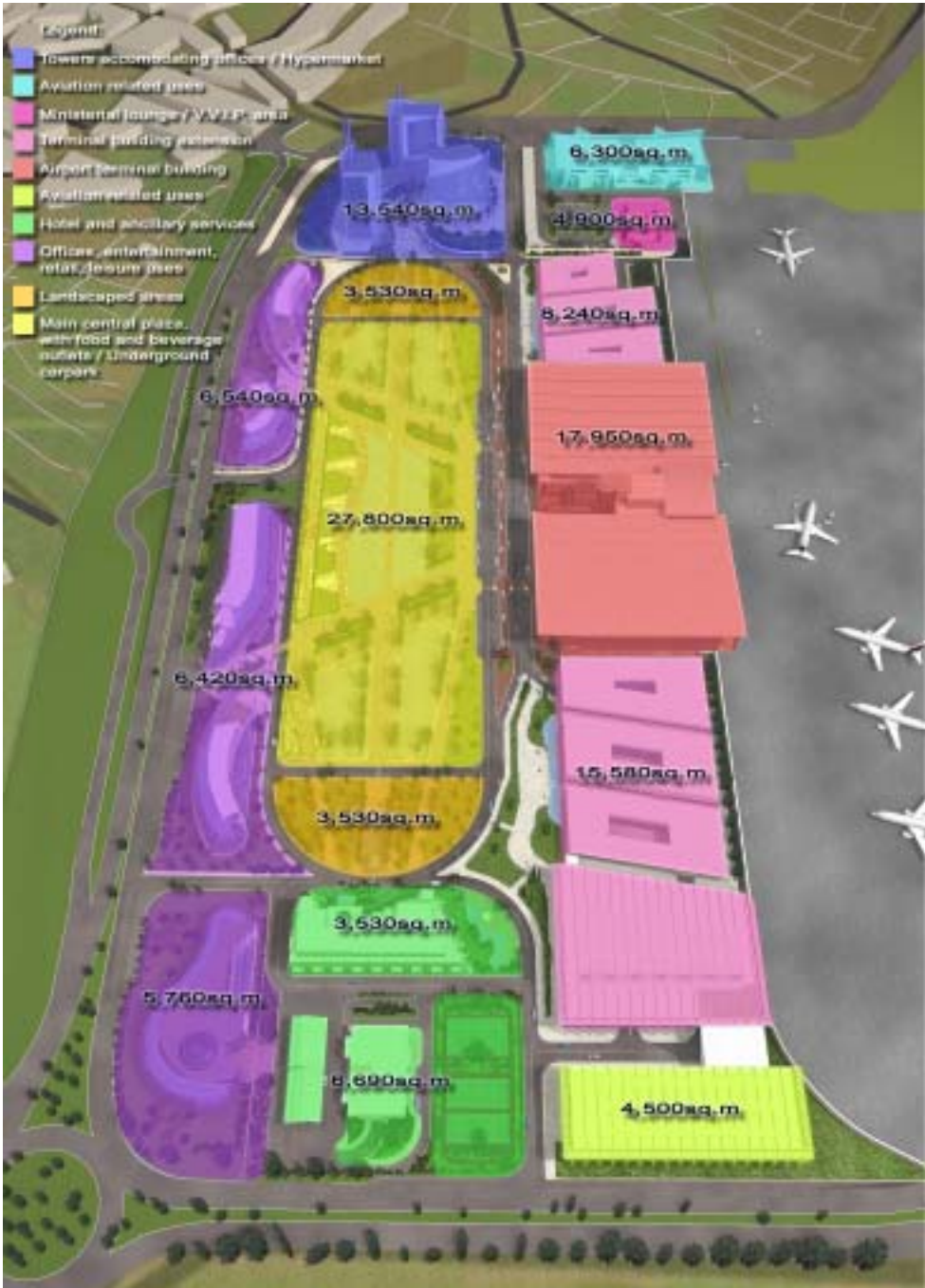
Mediterranean Business Park (MBP) Project

- In the long term, Malta International Airport, intends to develop the land available surrounding the terminal into what is being branded the “Mediterranean Business Park” (MBP).
- *Brief outline of MBP Project:*
 - Following privatisation, Malta International Airport acquired the land on which the airport is built as well as the surrounding area from the Government of Malta, under deed for 65 years as from July 2002 for eventual development.
 - The Airport is offering the available areas for development for up to 55 years to developers in order to design, build, operate and transfer the areas back to Malta Airport after 55 years.
 - The Airport will seek expressions of interest from third parties to Design, Build, Operate and Transfer the proposed Mediterranean Business Park. Following appropriate evaluation of the proposals and the conclusion of commercial negotiations, the Airport will assume responsibility to oversee, co-ordinate and facilitate the execution of the project within its overall Master Plan for the development of the Airport.
 - The Mediterranean Business Park will be an International Trade Centre with standards of excellence in the Mediterranean region to enhance Malta's potential as a hub for international trade and international business in the Mediterranean whilst providing an excellent return on investment for developers and investors.
- The envisaged area for proposed development includes a combination of:
 - business centre facilities (including trade development support services)
 - short term serviced office facilities, long term regional office facilities & training support facilities
 - multi-purpose exhibition, conference & convention facilities
 - four or five-star hotel accommodation
 - a shopping plaza, sports & entertainment facilities
 - car parking facilities
 - ancillary services (as necessary for the achievement of a commercially viable complex)
- The company is currently undergoing marketing efforts in order to attract potential investors who could be interested in developing the 80,000m² of land.

Image of the proposed Mediterranean Business Park in the background area (Airport Terminal in the foreground)



Image of the MBP on left; terminal building and apron area on right



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3.4.8 Environment

Environmental Policy

Malta Airport is the regulator in regard to Waste Management. Malta Airport oversees that all operations on the airfield falls within the set regulations. 1½ years ago the company introduced a Waste Separation system. Breaches are dealt with in a severe manner, which may include revocation of operating licence.

The companies at the airport make their own arrangements for waste collection, however within the passenger terminal building all the waste is separated at source whilst Malta Airport provides for its disposal and the cost of this disposal is included in the concession fee imposed by Malta Airport to each concessionaire.

Malta Airport also has a plan to reduced non-aircraft emissions by end of 2007. The plan, although initially not formalised, commenced in 1998. The target is to have the least possible number of vehicles manoeuvring on the airfield and to be compliant with the national environment regulations which include the control of emissions from engines, reduced noise levels and thorough tests for leakages of oils from engines.

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3.4.9 Accessibility

Road Access (private vehicle)		
Distance By Road to major Maltese Cities		
Valletta (capital city) – 5 kms – 2 lane road		
Sliema (commercial centre) – 9 kms – 2 lane road		
Within 2 kms of Malta International Airport there are 4 smaller villages – all accessible by 2 lane road. These are Gudja, Safi, Kirkop and Luqa.		
Car Parking		
670 slot pay car park open 24 hrs (no differentiation between short-term and long-term areas)		
Unit	PRICE (Lm)	Price (EUR)
First 10 minutes	0	0
10 minutes up to 3 hours	0.60	1.41
3 hours up to 5 hours	0.75	1.76
5 hours up to 8 hours	1.00	2.35
8 hours up to 12 hours	1.25	2.93
12 hours up to 24 hours	2.00	4.70
Next 24 hours or part of	1.25	2.93
Public Transport Access - Rail		
N/A Malta does not have a rail network system nor an underground system		
Public Transport Access – Bus and Coach		
Regular public transport service by bus is available from Malta International Airport to the main Bus Terminus in Valletta. The bus stage is situated right outside the Check in Hall and departs every half hour.		
Bus Number 8 VALLETTA - AIR TERMINAL Passes through: VALLETTA - FLORIANA - BOMBI - BLATA L-BAJDA - MARSA - PAOLA - TARXIEN - TAL-BARRANI - GHAXAQ - GUDJA - AIR TERMINAL		
Public Transport Access - Taxi		
Taxi service is available 24 hours a day from Malta International Airport to any destination in Malta. Fixed rates are applicable.		

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Taxi Rates from Malta International Airport to main cities

Destination	PRICE (Lm) Fixed Rate	Price (EUR) Fixed Rate
Gudja	4.00	9.39
Safi	4.00	9.39
Sta Lucia	4.00	9.39
Tarxien	5.00	11.74
Fgura	5.00	11.74
Ghajn Dwieli	5.00	11.74
Floriana	5.00	11.74
Cospicua	7.00	16.43
Siggiewi	7.00	16.43
Ta' Qali	7.00	16.43
Vittoriosa	7.00	16.43
Attard	8.00	18.78
Balzan	8.00	18.78
Birkirkara	8.00	18.78
Sliema	8.00	18.78
St Andrew's	8.00	18.78
St Julian's	8.00	18.78
Bahar ic-Caghaq	9.00	21.13
Qawra	9.00	21.13
Armier	13.00	30.52
Cirkewwa	13.00	30.52

Access for Persons of Reduced Mobility

Malta International Airport is fully equipped to handle persons of reduced mobility and also provides dedicated facilities such as bathrooms in major areas as well as ramps for access to terminals and lifts for access to lounges and boarding areas.

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3.4.10 Key Issues and Other Information

Key issues for the airport over the next 5 years

Infrastructure Developments

The Airport is currently undertaking major a number of developments, which will cater for increased traffic demands into the future as well as essential replacement of runway and apron surfaces, such as;

Project Name	Cost (EUR)	Schedule
Replacement of AGL Control System	1.3	2004 – 05
Schengen Implementation	6.5	2001 – 06
Resurfacing of Apron 8	1.5	2001 – 06
Resurfacing of runway 06/24	8.0	2002 – 06
Resurfacing of runway 14/32	12.0	2003 – 06
Resurfacing of Apron 9	3.0	2001 – 06
Taxiway between Aprons 8 & 9	12.0	2003 – 07
Replacement of ILS Systems	3.0	2005 – 07
Upgrading of Airfield HV Electrical Power Distribution Network	2.0	2006 – 07
Upgrading of Airfield Taxiways	3.0	2006 – 07
Expansion of Park 8	5.0	2006 – 08
Expansion of Check-in Hall	5.0	2006 – 08

- A number of projects are currently being implemented, whilst others are in the planning phase.
- The total costs of these projects is approximately EUR 60m.
- MIA has so far financed all these developments (recent and future) itself and will continue to do so unless it is awarded funds by the EU. In this respect, in June 2005 an application has been made via the Trans European Network - Transport fund (TEN-T) as well as via the Maltese Government through the Euromed programme.

Ownership Status

- Currently 60% of the airport is in the hands of private investors (40% held by a consortium headed by Vienna Airport operator Flughafen Wien and 20% held by private individual shareholders). The remaining 40% is currently held by the State of Malta.
- In April 2005, the Maltese government announced that it would sell half of its remaining 40% stake in Malta International Airport by the end of 2005.
- These shares will be sold via the stock exchange and NOT to any consortium directly.

Introduction of Low Cost Carrier Operations

The Airport does not currently cater for any of the major LCCs. However the government and Malta International Airport are currently engaged in talks with a number of LCC's, including Ryanair, Easyjet and Germanwings.

- The current government and airport policy is to consider "opening" up to low-cost carriers on specific underserved markets, and could possibly provide incentives, such as reductions on landing and passengers charges.
- Any incentive schemes will be applied only to those countries and possibly regions that are deemed to be underserved.
- In June 2005, Ryanair declared its intention to bring 1m passengers, serving approximately 30 routes to Malta Airport per annum.

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Development of the Mediterranean Business Park

The Airport is currently engaged in the development of the adjacent land on a lease basis, through the Mediterranean Business Park Project (MBP). The Airport will rent the land on 55 year leases and the intention is the development of an International Trade Centre. The area for proposed development is 80,000m² and includes a combination of:

- business centre facilities (including trade development support services)
- short term serviced office facilities, long term regional office facilities & training support facilities
- multi-purpose exhibition, conference & convention facilities
- four or five-star hotel accommodation
- a shopping plaza, sports & entertainment facilities
- car parking facilities
- ancillary services (as necessary for the achievement of a commercially viable complex)

Development of Home Porting for Cruise Liners

The Airport has plans to develop 'Cruise & Fly Business' for Malta as a result of the leveraging of VISET Malta plc (who run Valletta Harbour - MIA is a shareholder in this company) and the experience of SNC-Lavalin Inc (who are part of the consortium which took over MIA on privatisation and are specialised amongst other things in the cruise & fly business in Vancouver).

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3.4.11 Malta International Airport Photographs



Front of terminal (entrance area), departures hall left of centre / arrivals hall, right of centre



Front of terminal (entrance area)

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Departure Hall



Customs (Arrivals gate)

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Arrivals Hall (Baggage reclaim – with 3 belts visible)



Signage Example 1 (in Departures Hall)

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Signage Example 2 (in Departures Gate area)



Aerial Photo – Terminal and Apron in the foreground; proposed location of Mediterranean Business Park in the background