

U.S. BUSINESS OPPORTUNITY

TOCUMEN INTERNATIONAL AIRPORT STRATEGIC DEVELOPMENT PLAN

W W W . E X P O R T . G O V

W W W . U S T D A . G O V

Promoting U.S. Exports, Supporting U.S. Jobs

Agencies across the U.S. government are partnering to help U.S. companies connect with buyers worldwide. Through a variety of resources, federal agencies can provide U.S. firms with the information and tools they need to compete for foreign contracts. From trade advocacy and export promotion efforts to matchmaker services and promoting the availability of export credits, federal agencies can support U.S. companies in selling their goods and services to the 95% of the world's consumers, who are located outside of the United States, by helping to create opportunities and to level the playing field.

For more information on this project, possible financing options and export opportunities in Panama, contact:

U.S. Trade and Development Agency

Keith Eischeid

Country Manager, Mexico and Central America
(703) 875 - 4357 // keischeid@ustda.gov

U.S. Commercial Service: In-Country

Daniel Crocker

Senior Commercial Officer
011- 507-317-5388 // Daniel.Crocker@trade.gov

International Trade Administration / Manufacturing & Services

Alexis Haakensen

International Trade Specialist
(202) 482-6235 // Alexis.Haakensen@trade.gov

U.S. Export-Import Bank

Xiomara Creque

Regional Director Americas
(202) 565 - 3477 // xiomara.creque@exim.gov

Overview

Tocumen International Airport is the primary commercial service airport for the country of Panama and Panama City, its capital. The airport is operated by Aeropuerto Internacional de Tocumen, S.A., a state-owned company. The airport is the largest in the country, the busiest in Central America based on passengers, and the only airport in Central America with two active runways capable of accommodating commercial aircraft.

The Tocumen International Airport Strategic Development Plan Feasibility Study was developed to address the following issues and priorities:

- Position Tocumen to remain one of the strongest passenger hubs in the Latin America and Caribbean region and develop into a premier cargo hub by 2015
- Identify necessary facilities and improvements to foster and promote passenger and air cargo hubbing activities and bring the hub into a wider global environment
- Establish a long-term vision for the terminal complex, considering physical constraints, market opportunities, and Tocumen S.A.'s financing capacity
- Identify the steps for long-term terminal development while identifying compatible near-term facilities to enhance the passenger hub status and maintain competitive costs
- Optimize the potential of developable lands. Identify the highest and best use of undeveloped property and supporting infrastructure requirements and then develop a plan to manage the development of these areas for revenue generating uses
- Ensure financial feasibility of the future capital expenditures (CAPEX)
- Consider recent and ongoing capital improvements and prepare a CAPEX and funding plan for recommended improvements that aligns limited sources of capital with allowable and optimal uses to maximize Tocumen S.A.'s financial position

The U.S. Trade and Development Agency (USTDA) funded a study to address these issues.

U.S. BUSINESS OPPORTUNITY

TOCUMEN INTERNATIONAL AIRPORT STRATEGIC DEVELOPMENT PLAN

W W W . E X P O R T . G O V

W W W . U S T D A . G O V

Project Description

The Feasibility Study was completed in 2012.

The Tocumen International Airport Strategic Development plan has identified these key areas of improvement and development to meet long-term goals:

Airfield Area:

- New taxiways
- Taxiway lights
- Taxiway markings
- New runways
- New third runway should be ICAO code “F” compliant, minimum width (with shoulders): 75 meters/Length: 4000 meters
- New aprons
- Apron markings
- Apron lights

Terminal Area:

Passenger terminal facility areas are divided into four arrangements, depending on the quality of finishes:

- TYPE A: Architectural high-quality design and finishes intended for areas where passengers are and where very high-quality finishes are needed so that the user has a pleasant experience during his/her stay on the airport
- TYPE B: Architectural medium-quality design and finishes intended for airport employees with comfortable areas but not with the luxury and finishes demanded for passengers
- TYPE C: Functional areas with serviceable finishes intended for storage areas where there is no need to use finishes meant to increase employee productivity
- TYPE D: Equipment and machinery areas such as the baggage handling system with requirements for special flooring and lighting

Parking:

- Roof structure similar in number and materials as current parking structure
- Asphalt pavement in non-paved areas
- Road markings and vertical signs
- Drainage
- Illumination

Southern Development:

- The development of 134 hectares located to the south of the terminal area and adjacent to the airport entry road, primarily for commercial non-aeronautical purposes

Northern Development:

- The development of an area located to the north of the terminal area for cargo, aviation support, and industrial uses
- The development of aviation and airport support facilities, including a fuel farm, a waste water treatment plant, and an electrical substation

U.S. BUSINESS OPPORTUNITY

TOCUMEN INTERNATIONAL AIRPORT STRATEGIC DEVELOPMENT PLAN

W W W . E X P O R T . G O V

W W W . U S T D A . G O V

Status and Implementation

The project has been divided into three phases:

- Phase 1: 2011 to 2015 (5 years)
- Phase 2: 2016 to 2020 (5 years)
- Phase 3: 2021 to 2030 (10 years)

Project Cost and Financing

The projected cost of the airport CAPEX is approximately \$1.16 billion (measured in 2011 dollars) over the full 20-year forecast period, with \$433 million to be incurred during Phase 1, \$307 million during Phase 2, and \$424 million during Phase 3.

Using an inflation rate of 3.5% per year, the escalated CAPEX cost over the full 30-year period is forecast to be approximately \$1.6 billion.

A key step in developing a financial plan for implementing capital improvements is to resolve the tension between new facilities requirements and financial limitations.

The proposed plan of finance assumes the airport will utilize debt and equity funding to implement the CAPEX program. The airport's equity contribution is assumed to be a function of the retained earnings of the airport.

Debt financing is anticipated to come from bank loans. The airport operating company would need to enter into loan agreements with the banks providing the debt financing, and these agreements would govern the terms under which debt is obtained.

U.S. Competitiveness and Export Potential

There are a number of key potential U.S. suppliers that are relevant to the principal facility and equipment categories that would be required to implement the Preferred Development Plan. These categories include:

- Runway special systems and navigation aids
- Terminal Building Special Systems
- Terminal Equipment
- Ground Handling Equipment
- Apron Handling Equipment
- Cargo Handling Equipment
- Emergency Response Equipment
- Ground Communications Equipment
- Fuel Equipment and Services
- Power Distribution and Equipment
- Professional Services for Airports