

London's Gatwick airport sold to French Vinci conglomerate (Update)

December 27 2018, by Jürgen Hecker



Gatwick operates the world's busiest runway

French conglomerate Vinci said Thursday it had bought control of Gatwick airport, Britain's second-busiest, for nearly three billion pounds only months before Brexit.

Vinci said it will own a 50.01-percent stake in Gatwick thanks to the deal worth £2.9 billion (\$3.7 billion, 3.2 billion euros) by the end of

June.

Gatwick made headlines last week when it closed its runway repeatedly due to reports of mystery drone sightings nearby, impacting nearly 140,000 passengers.

The French purchase of Gatwick, which is Europe's eight-biggest airport and runs the busiest single runway in the world, comes ahead of Britain's departure from the European Union on March 29.

The proximity of Brexit "probably helped us close the deal", Nicolas Notebaert, Vinci Airports chief, told a telephone conference.

The absence of a Brexit deal with the EU could cause major air travel problems as both sides would no longer recognise each other's aviation safety standards.

London and other EU capitals are, however, working on special permissions to allow European carriers to keep flying even if no overall air travel deal is struck by that date.

Best known for motorways

Vinci is best-known for being one of the world's biggest construction companies, employing close to 200,000 people across the globe, and for operating motorways in France.



In France, Vinci is better known for running motorways and toll booths than airports

But the company has also been buying up airports—most recently in Brazil, Japan and Serbia—making it "a top 5 global player in the international airport sector", according to a statement by Gatwick. One of its best-known airports is the hub of Portugal's capital Lisbon.

With the latest acquisition, Vinci Airports will control 46 airports in 12 countries with a total traffic of 228 million passengers a year.

Gatwick, which in Britain is second only to Heathrow, will become the biggest airport in Vinci's portfolio, making the purchase "a major strategic move", the French company said.

"The transaction represents a rare opportunity to acquire an airport of such size and quality and fits extremely well with Vinci Concessions' long-term investment horizon," it said.

Gatwick's CEO Stewart Wingate said there would be no management or operational changes to the "immediate" running of the airport.

He said the deal would mean "continuity but also further investment for passengers".

A runway record

Global Infrastructure Partners, the current owners of Gatwick, will hold on to 49.99 percent in the airport.

Gatwick's only runway hit a world record of 950 flights in a day in 2017, Vinci said.



Many flights were grounded because of drone sightings

"The airport constantly innovates in all areas of operations (for example passenger self-baggage drop, aircraft queueing systems, parking products) and reaches very high level of operational efficiency," it said.

Some 24,000 people work for Gatwick which is used by around 50 airlines and offers more domestic destinations than any other British airport.

Gatwick is also low-cost carrier EasyJet's biggest hub.

The British government in 2016 rejected a plan to build a second runway at Gatwick airport, which is situated south of London, opting instead for a third runway at Heathrow.

On Thursday, Gatwick said it had taken steps to protect the airport from disruptions like the one caused by drone sightings last week which created travel chaos for more than 120,000 people in the run-up to Christmas.

"I know this unprecedented criminal activity caused huge inconvenience to thousands of people," said Wingate.

"Gatwick itself has taken a number of important steps in recent days which will make a significant difference to the airport's resilience," he said.

Stock market investors seemed to welcome the operation, with Vinci's share price rising 0.2 percent to close at 70.64 euros on the Paris stock exchange, outperforming the overall CAC-40 index which ended the day 0.6 percent lower.

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