

UBC professor credits diversified revenue for success of world's top airports

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The latest global survey of airports reveals that non-aeronautical revenue streams can help airports achieve higher efficiency so they can lower aircraft landing fees and attract more aeronautical business.

Recently released by the Air Transport Research Society (ATRS) headquartered at the University of British Columbia's Sauder School of Business, the 2010 ATRS Global Airport Benchmarking Report compares the performance and cost [competitiveness](#) of 142 airports and 16 airport groups in North America, Europe and the Asia-Pacific region.

"Airports are finding success by supplementing core income through periphery revenue sources that can range from parking and retail operations to real estate development and golf courses," says Tae Oum, president of the ATRS and professor at the Sauder School of Business.

"By diversifying revenue sources, airports boost their efficiency and also enhance their ability to weather turbulent periods of recession," says Oum.

In its ninth year, the report is produced by an international association of air transport academics. The annual benchmarking report is considered the world's most comprehensive independent evaluation of global airport productivity and efficiency.

International airports in Atlanta, Oslo and Hong Kong are top on their respective continents for efficiency in the large airport category, which

rates airports serving more than 15 million passengers a year. Among major airports moving fewer than 15 million people, Raleigh-Durham, Geneva and Seoul-Gimpo ranked highest.

Atlanta lays claim to the title of most efficient large airport in the world. Atlanta's Hartsfield Jackson generated 58 per cent of its total revenue from non-aviation activities, compared to the lowest-ranked large North American airport in Miami, which derived only 30 per cent of its income from alternative sources. Atlanta's diverse revenue streams allow the airport to offer some of the lowest landing fees in the world, making it one of North America's most attractive hub destinations.

The Seoul-Gimpo Airport, which ranked highest in the small airport category for Asia-Pacific, is one of the report's most notable successes. Previously Seoul's primary airport, Seoul-Gimpo was gutted in 2001 when most of its international flights were rerouted to the newly-built Incheon International Airport. Left with enormous excess capacity, the airport performed a massive turnaround by making use of underutilized land and terminal facilities to create retail and other opportunities.

In Canada, Vancouver was recognized for its efficiency, placing fifth in North America in the large airport category. Among Canada's smaller airports, Edmonton, Calgary and Ottawa were the highest ranked, with Edmonton edging out 2009-winner Calgary by increasing non-aeronautical revenue by 144 per cent between 2001 and 2008.

The annual ATRS Global [Airport](#) Benchmarking Report draws on the research of 13 leading academics from Asia, Europe, North America and Australia. The 2010 results are based on data collected from the 2007/2008 fiscal year.

The World's Most Efficient International Airports

North America

Large airports (more than 15 million annual passengers):

1. Atlanta
2. Minneapolis-St. Paul
3. Tampa

Small airports (less than 15 million annual passengers):

1. Raleigh-Durham
2. Richmond
3. Reno

Asia-Pacific

Large airports:

1. Hong Kong
2. Sydney
3. Brisbane

Small airports:

1. Seoul-Gimpo
2. Perth
3. Haikou Meilan

Europe

Large airports:

1. Oslo
2. Copenhagen
3. Brussels

Small airports:

1. Geneva

2. Rome Ciampino
3. Helsinki

Canada Only

1. Vancouver (fifth overall in North America)

Small airports:

1. Edmonton
2. Calgary
3. Ottawa

More information: For the full rankings from the 2010 ATRS Global Airport Performance Benchmarking Project, visit: www.atrsworld.org

Provided by University of British Columbia

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