

U.S. BUSINESS OPPORTUNITY

TANCREDO NEVES INTERNATIONAL AIRPORT MASTER PLAN

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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 Brazil, contact:

U.S. Trade and Development Agency

Nathan Younge

Regional Director, Latin America and the Caribbean
(703) 875 - 4357 // nyounge@ustda.gov

Rodrigo Mota

Country Representative, Brazil Office
rmota@ustda.gov

U.S. Commercial Service (In-Country)

Brian Brisson

Senior Commercial Officer
011-55-11-5186-7401 // brian.brisson@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

The Tancredo Neves International Airport (TNIA) is the main airport in Minas Gerais, serving approximately 7.1 million passengers annually and offering international connections to the United States and some Latin American countries. TNIA is expected to become the international gateway of that region and the third busiest airport in Brazil.

The Airport Master Plan for Tancredo Neves International Airport includes analysis of all airside, terminal and landside requirements for the 20 year phased development of the airport.

There was significant growth in aviation demand at TNIA in 2009, 2010 and the first quarter of 2011. The aviation demand at the airport has grown over 80 percent in the past 4 years. In addition, there have been significant changes in airline route structures and airline fleet mixes since 2008. This airport development plan incorporates these recent growth factors into the long-range planning for TNIA airport.

Project Description

A very large amount of data was collected as part of this master planning project. Data collected included:

- Previous airport master plan report and airport operations report
- Traffic statistics on passenger and cargo traffic
- Statistics on airport operations and fleet mix
- Statistics on air cargo demand
- Electronic drawings including airport development plans, highway plans, and aerial photographs
- Information related to environmental features and potential environmental impacts
- Financial Data

Aviation demand forecasts obtained from the State of Minas Gerais were used as input into the facility requirements and airport planning tasks for this project.

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Status and Implementation

The Airport Master Plan for Tancredo Neves International Airport identified several needed projects and then divided these projects into three phases as shown below.

- Phase 1 (2011-2014): Proposed runway extension, new passenger Terminal 2, new aircraft parking apron, landside facilities and industrial development
- Phase 2 (2016-2023): Second parallel runway, passenger and cargo terminal expansion, new aerospace and MRO facilities, and Aerotropolis and industrial park expansion
- Phase 3 (2026 – 2030): New 2,500 meter third runway with parallel taxiway, Terminal 3 complex and aircraft parking apron (to be developed in phases as determined by future growth in passenger demand), Phase 3 aviation/aerospace support development, Phase 1 Airport City and Industrial Park development

Project Cost and Financing

- Phase 1 Preliminary cost estimate = \$752,400,000
- Phase 2 Preliminary cost estimate = \$536,100,000
- Phase 3 Preliminary cost estimate = \$766,700,000

The capital costs for Phase 1 are estimated to be \$752.4 million, which includes a \$581.4 million investment for airside capabilities (including enhancement of the existing airfield and construction/expansion of some cargo related facilities). Phase 1 also includes an \$81.1 million investment for real estate projects as well as a 500-room airport hotel.

The capital costs for Phase 2 are estimated to be \$536.1 million, which includes a \$197.9 million landside investment for the second stage of Passenger Terminal 2. It also includes \$303.4 million for airside investments, including construction of a second runway system and \$34.8 million investments for real estate projects.

The capital costs for Phase 3 are estimated to be \$766.6 million. Investments include \$596.7 million in landside for Passenger Terminal 3; \$94.8 million for airside investments, which include construction of a third runway system, and \$76.2 million for real estate projects.

Financing for the three phases of the TNIA development plan will be divided between:

- Private Public Partnership (PPP) vehicle with expected market rates of return for similar projects
- Credit to be structured by private banks and international development agencies at commercial rates
- Public funds provided by Infraero or the State of Minas Gerais. In cases of basic infrastructure investments, no direct expected financial return or repayment is expected

U.S. Competitiveness and Export Potential

U.S. export potential for this project will include procurement of technologies and equipment as identified by the Technical Assistance. One of the issues of interest is ensuring that a good portion of the existing facilities have adequate navigation equipment and are able to operate at night. At this time, it is anticipated that at least seven airports require new navigation equipment. These improvements alone could exceed \$20 million in exports.

Thought was also given to equipment required for the ten new airports being considered at this time, including a new cargo terminal. The exports considered cover the ten year period of the PROAR program and it is expected that total program costs will exceed \$110 million with a total potential for U.S. exports of over \$82 million.



U.S. Competitiveness and Export Potential

The U.S. export potential is based on the long-term development programs described above and includes the facilities and equipment shown below:

- ARFF Equipment
- Airfield Equipment
- Automated Weather Systems
- Baggage Handling Equipment
- Communications, Navigation, Surveillance/Air Traffic Management (CNS/ATM), Metrological and Air Traffic Control (ATC)-Related Equipment
- Communications
- Navigation Aids
- Local Area Augmentation System (LAAS)
- Automated Dependent Surveillance (ADS)
- Fire Detection and Control Systems
- Airfield Lighting
- Safety Equipment
- Security, Access and Surveillance
- Telecommunications
- VHF Radio Communications