

U.S. BUSINESS OPPORTUNITY

ASA AIRPORT DEVELOPMENT AND MANAGEMENT PROJECT

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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 Mexico, contact:

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Overview

The U.S. Trade and Development Agency (USTDA) provided a \$395,000 grant to the Aeropuertos y Servicios Auxiliares (ASA) of Mexico to Fund Technical Assistance (TA) for the ASA Airport Development and Management Project. This TA provided ASA with recommendations on optimizing routes, facilities and equipment deployed at four Mexican airports: Cuernavaca, Puebla, Queretaro and Toluca.

Project Description

ASA is an independent government agency that manages and operates 18 airports in Mexico and is a Technical Assistance for six concessioned airports, one of them being the international airport in Mexico City. The agency was created in 1965 and is the only government agency in Mexico that operates airport facilities and does so either through a Public-Private Partnership (PPP) or by working with state government entities.

To support its long-term strategic planning efforts, ASA seeks to address three primary objectives through this Technical Assistance:

- Analyze the core characteristics, competitive advantages and possible markets for the Cuernavaca, Puebla, Queretaro and Toluca airports
- Develop point-to-point routes between the four airports and the United States
- Assess security and other equipment needs based on the anticipated increased demand associated with a route expansion program at the four airports

Representatives from the Cuernavaca, Puebla, Queretaro and Toluca airports agree on the need to assess potential demand, expand service routes and created a focused marketing effort to promote these airports. They also agree they need a strategy to entice the entrance of new carriers and encourage airlines to open new routes and expand services to areas within Mexico and overseas (particularly the U.S. and Canada) that are not being served, even though the demand has been identified.

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Status and Implementation

The Technical Assistance was completed in November 2012.

Project Cost and Financing

There are several alternatives for implementation financing of the proposed project. A team had assessed funds available through internal sources, such as self-funding, private sector investments in the case of airports that have private participation, as well as government and multilateral funding.

Financing for equipment procurement can be obtained from a number of sources from both the public and private sector; however, federal funds and the National Works and Public Services Bank should be the two most prominent funding sources.

U.S. Competitiveness and Export Potential

It is anticipated that a large portion of U.S. exports resulting from the TA will consist of new security equipment as well as new baggage handling equipment, ground equipment, fire and emergency vehicles, and IT systems. The anticipated potential exports are in the range of \$11-13 million.