



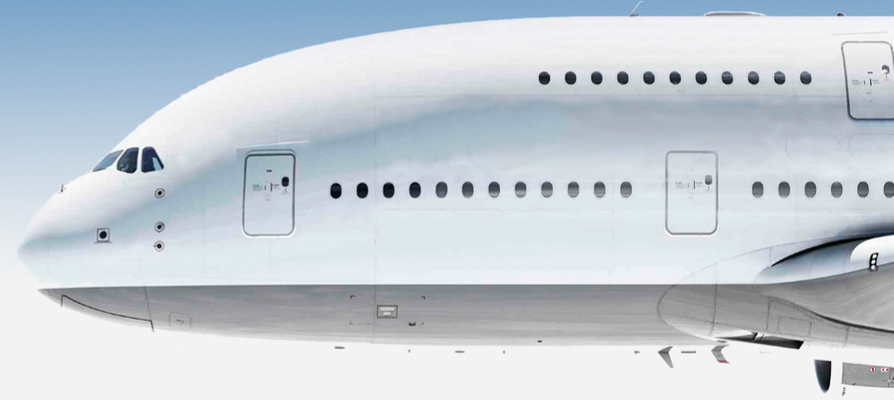
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UNITING AVIATION



Model ICAO Forum 2018

Stream 3: The Socio-Economic Benefits of Air Transport



Shenzhen, China

12-14 December 2018



STREAM 3

GROUP C



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UNITING AVIATION



Our Task

Analyze and present arguments about the local virtuous circle succeeding the creation of Quito's new airport.

What is the situation?

What are the challenges?

What are the solutions?

An aerial photograph of an airplane's wing and tail section, viewed from above. The wing extends from the left towards the right, with the tail fin visible on the left. Below the wing, a coastal city is visible, with buildings and a large body of water. The sky is filled with soft, golden light, suggesting a sunset or sunrise. A large, white, double-lined circle is centered over the wing, containing the word "BACKGROUND" in blue, bold, sans-serif capital letters.

BACKGROUND



Background

- **Global air traffic growth applies to Ecuador**

Evidence:

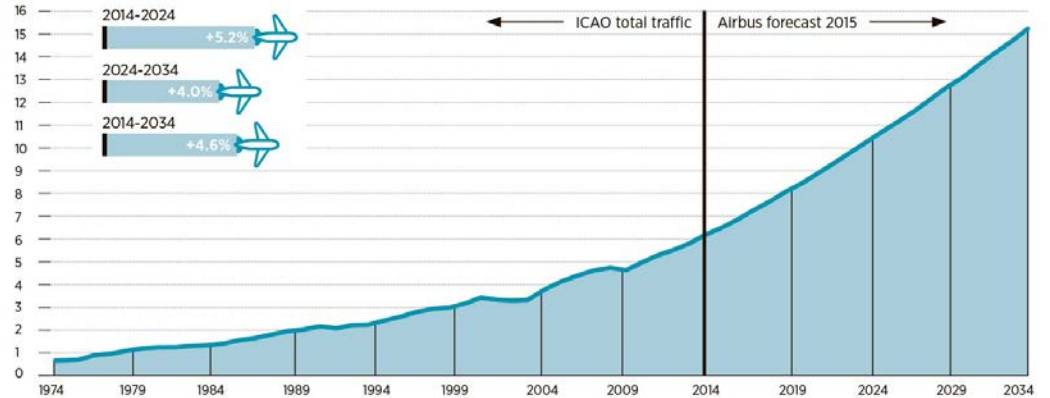
Increasing number of travellers in the Metropolitan District of Quito: **404,000** in 2012 to **510,000** in 2015

- **New Quito Airport**

- Congestion at city airport
- New airport development relocated

GLOBAL AIR TRAFFIC (TRILLION REVENUE PASSENGER KILOMETRES)

Traffic is expected to double in the next 15 years



Source: International Civil Aviation Organization (ICAO)/Airbus 2015



Quito Airport's Economic Benefits

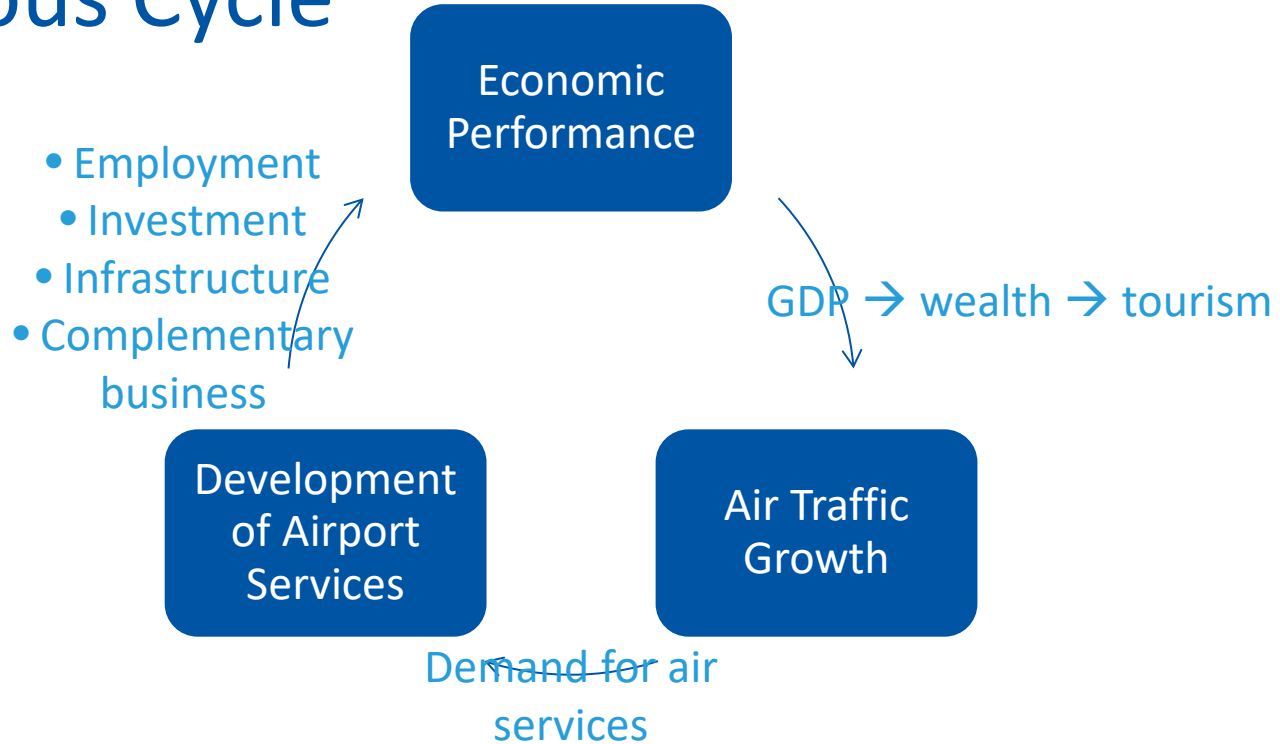
- Construction
- Tourism
- Employment
- Exports
- GDP

These benefits are inter-correlated





The Virtuous Cycle



An aerial photograph of an airplane's wing and tail section, viewed from above. The wing extends from the left towards the right, with the tail fin visible on the left. Below the wing, a coastal city is visible, with buildings and a large body of water. The sky is filled with soft, golden light, suggesting a sunset or sunrise. A large, white, circular graphic element is centered over the wing, containing the text "SWOT" in blue, bold, sans-serif font. A thin white horizontal line is positioned below the text.

SWOT



Strengths

1. A380 ready runway
2. Environmentally friendly
3. “Best Regional Airport in Latin America”
4. Only airport that serves Quito
5. Enhanced capacity for cargo operations
6. Reduced elevation for enhanced safety of Aircraft Movement
7. Increased passenger processing capacity (+1M)
8. Government subsidies on fuel of up to 40%





Weaknesses

1. Low transportation connectivity of airport
2. Extreme geography
3. Weather patterns will affect airport operations





Opportunities

1. Expand for air passenger and freight traffic
2. Liberalize air services
3. New direct routes
4. Development of Public transport
5. Encourage FDI (Foreign Direct Investment)
6. Liberalised taxation
7. Technological development
8. Engage talented, trained, affordable staff





Threats

1. GDP is stagnant in 2018
2. Inflation of 1.7%
3. FDI inflow 744 million USD (Very low)
 - Unattractive to foreign investment
4. Political instability (7 presidents over the last 10 years)
5. Frequent policy changes
6. High levels of crime
7. High risk of natural disasters
8. Regional competition may affect airport potential
9. Trade imbalance



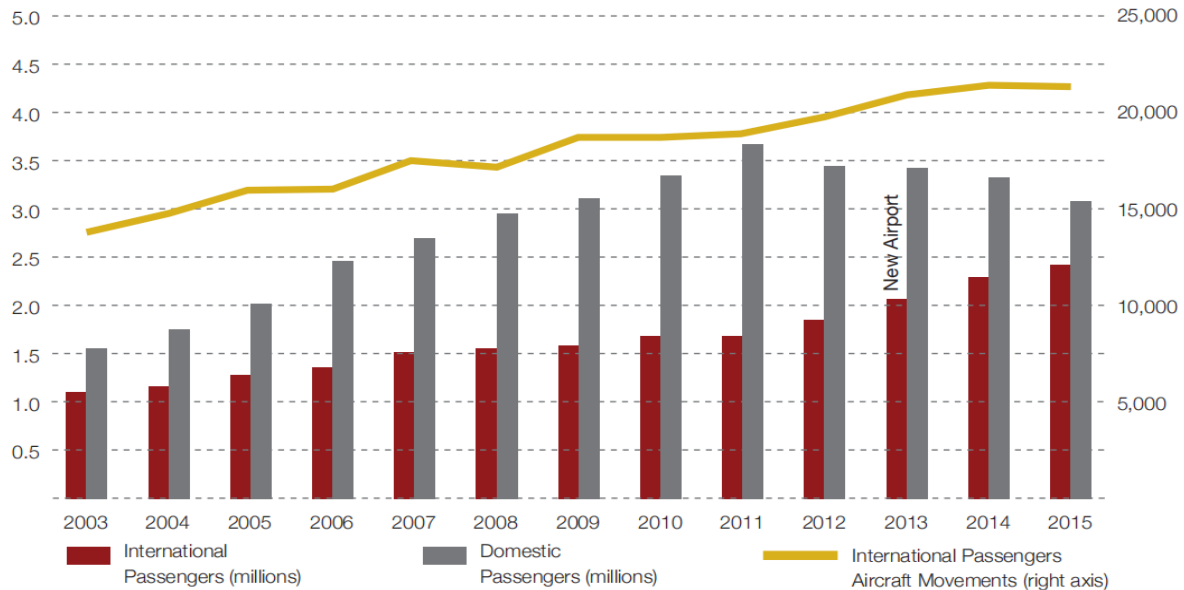
An aerial photograph of an airplane's wing and tail section, flying over a coastal city with a large body of water. The scene is captured during sunset or sunrise, with a warm, golden light illuminating the sky and the water. A large, white, double-lined circle is centered over the wing, containing the word "ANALYSIS" in bold, blue, sans-serif capital letters. A thin white horizontal line is positioned below the text within the circle.

ANALYSIS



Below is a graph that indicates the growth in International Passenger Aircraft Movements at Quito (Indicated by orange line)

Figure 4.3. Passenger Evolution at Quito's Airport (2003-2015). Source: Quito Tourism Bureau (2016a).





Challenges

1. Increased distance from city

- Inconvenience of commuting

2. Conjestion on the roads

- Delayed Passengers

3. Relocation of airport and airline services

- Expense
- Training
- Communication

4. Increase in land price

5. Pollution

- Noise
- Waste (air and land)

6. Implications for agriculture

- Required land
- Lost jobs
- Farmer relations





Solutions

PROBLEM	SOLUTION
1. Increased distance from city	Development of Public Transport
2. Conjestion on the roads	Dedicated bus lanes and car pool lanes
3. Relocation of services	Communication and Strategic Planning
4. Increasing land price	Government intervention
5. Pollution	New technology and sustainability planning
6. Agricultural implications	Negotiation and compensation





Conclusion

It is recommended that the Quito Airport and their service providers consider the recommendations to help address the identified concerns.





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An aerial photograph of an airplane's wing and tail section, flying over a coastal city and water. The scene is bathed in the warm, golden light of a sunset or sunrise, with a sky filled with soft, textured clouds. The wing is the central focus, extending from the left towards the right. The city below is a mix of dark buildings and lighter areas, with winding roads and water bodies. The overall mood is serene and appreciative.

**THANK
YOU**