



Blueprint for the future

Dr John Kasarda reports on Hyderabad's plans to create one of the world's great airport cities at its new \$390 million gateway.

A jewel in the crown of India's rapidly expanding airport system is rising on a Greenfield site approximately 30 kilometres south of downtown Hyderabad.

The new Rajiv Gandhi International Airport (RGIA), scheduled for operation in March 2008, is being developed by the GMR Group in a public-private partnership that also includes the State Government of Andhra Pradesh, the Airports Authority of India and Malaysian Airports Holdings Berhad.

The consortium (GHIAL) has a 30% plus 30-year renewable concession to finance, build, operate, maintain and expand the new airport.

Designed from the start as a magnet for industry and engine for regional economic development, RGIA's 5,500 acres are being transformed into an airport city complete with hotels, retail, convention and entertainment complexes. There are also provisions for industrial and business parks, logistics parks, and recreation facilities. Extensive surface transportation infrastructure improvements are occurring around RGIA and to Hyderabad City centre to improve passenger connectivity and foster corridors and clusters of aviation-oriented businesses and industries that will form a greater Hyderabad 'aerotropolis'.

At its core is a world-class 24/7 aviation complex aiming at superior service standards (3.5 in the IATA Global Monitor) and operational efficiencies. RGIA has been devised with a strategy for incremental

expansion of the airport's infrastructure and facilities without the need to rebuild the existing areas.

Its modern terminal building, for example, has a modular layout capable of expanding from an initial 12mppa to 50 million annually, as demand dictates. There will be 60 check-in counters (along with self-check in kiosks) and 42 immigration counters. The terminal will also have modern IT systems such as Wi-Fi, building automation systems (BAS) and in-line X-ray.

Hyderabad's new gateway will have the longest runway in South Asia (4,260m) with code-F features allowing it to accommodate all aircraft up to the size of the A380. The airport will boast 42 parking stands – 12 will initially be equipped with boarding bridges – and the modular design of its cargo terminal ensures that it can be expanded to handle more than 100,000 tonnes of freight annually. Numerous other facilities such as maintenance, repair and overhaul (MRO), flight-kitchen operations and offices within the terminal are all under development.

Ambience

Incorporating airport city features, Hyderabad's terminal will house 4,300sqm of airside retail (3,000sqm in international and 1,300sqm in domestic) and 500sqm of landside retail. In addition, there will be a 2,500sqm landside 'Airport Village' where passengers and meeters and greeters can shop and dine with aesthetic Indian ambience. Business

and luxury hotels, a convention centre and a retail mall will be located adjacent to the passenger terminal.

With 1,000 acres of airport land set aside for commercial development, GHIAL – headed by businessman GM Rao (GMR) – is fully focused on finding ways to make the most efficient use of this asset and optimise the airport's non-aeronautical revenues. It is currently seeking permission to establish a 250-acre Special Economic Zone (SEZ) to offer infrastructure for export-oriented manufacturing activities and the IT industry, and has many other similar projects on the drawing board.

Such commercial developments will impact on both the airport's financial bottom line and its competitiveness by providing the necessary revenues for future facility modernisation and by keeping airline costs down so that the airport is attractive to more carriers.

Time-critical

In addition to creating one of Asia's leading passenger and cargo hubs, a pivotal objective of GHIAL is to attract investment to its surrounding areas, thereby serving as a driver of regional economic growth. Hyderabad has quickly become a hot bed for financial services, IT, pharmaceutical, and other high-tech industries, yet congestion and rapidly inflating land prices in the city are worrisome. Since these industries are also intensive users of aviation and there is ample uncongested land in the adjoining airport region, special efforts are being made to create a greater Hyderabad aerotropolis to house time-critical industries and boost their competitiveness.

Key to this is the development of major airport access roads ('aero-lanes') and airport-area rail links ('aero-trains') to speed the movement of passengers and cargo between the airport and significant residential and commercial nodes.

The State of Andhra Pradesh (a GHIAL partner) is working diligently to secure clearances, rights of way and financing to provide this infrastructure with considerable progress to date. It is constructing an 11.8 kilometre elevated expressway from the city to the NH-7, and a six-lane access highway to the new airport.

In addition the state government is building both an inner ring road and a large outer ring road to create speedier connectivity to the airport from across the region. The airport will also be served by a commuter rail service (MMTS) to some of Hyderabad's main residential areas, the track for the service running alongside the new outer ring road.

In terms of construction progress, approximately 40% of the airport's new elevated expressway is complete, with rapid progress being made on the rest of it. Construction of the 31km first phase of the outer ring road is likewise brisk, with airport connectivity expected in early 2008. Work has already commenced on the 47km second phase of the outer ring road. Such surface transportation improvements will provide the new airport with excellent connectivity to Hyderabad's 6.5 million residents, as well as open up new tracts of land accessible to the airport for business development.

This improved accessibility and the features of the new airport have already begun to attract industry to its environs. India's IT giants, INFOSYS and WIPRO, have been provided nearly 1,000 acres of land adjacent to the new airport for expansion of their operations.

In addition to these developments, the state government is promoting a substantial number of high-tech clusters on the east side of the airport along the Hyderabad-Srisailem highway.

Among the most notable is Fab City, the semi-conductor manufacturing complex being developed by SEM India, Ltd, in partnership with US headquartered AMD and Singapore-headquartered Flextronics. The State of Andhra Pradesh has taken a minor stake in Fab City, which is being developed on a 1,200-acre site diagonally opposite the east side of the new airport.

Two other initiatives of the state along the same airport corridor are the Rajiv Gandhi Hardware Technology Park and a Nanotechnology Park.

There is little doubt that an aerotropolis is forming around Hyderabad's new Rajiv Gandhi International Airport despite the fact its opening is still a year away. Once airport operations commence, it is likely that more and more aviation-oriented firms will cluster near RGIA and along its transportation corridors, giving explicit structure to Hyderabad's emerging aerotropolis. 

