

KENYA AIRPORTS AUTHORITY



REPORT ON THE PROPOSED DEVELOPMENT OF MALINDI AIRPORT

1. BACKGROUND INFORMATION

Kenya Airports Authority (KAA) policy is to operate a coordinated network of airport facilities in the country with each airport having a specific role. In this regard KAA has a national airport system plan first prepared in 1993 and which is regularly updated in line with changes in traffic growth and characteristics.

In the above plan, airports of Jomo Kenyatta in Nairobi, Moi in Mombasa and the new Eldoret Airport are to be developed and operated as International airports whereas Wilson, Malindi, Ukunda and Lamu are to be developed and operated as major domestic airports and also to serve as feeder airports to the International airports.

Following presentations from stakeholders that Malindi was losing out tourists to other destinations such as Zanzibar and the Caribbean countries, Consultants were commissioned early 1997 to study and make recommendations on the best way of improving facilities at Malindi Airport.

The consultants' recommendations and KAA plans for improvement of the facilities are the subject of this report.

2. EXISTING FACILITIES

The existing facilities include:

- Two (2) runways i.e. main runway 17/35, 1402m long and 30m wide and a secondary runway 08/26, 800m long and 20m wide.
- An apron of total area 4500 square metres with a linking taxiway
- A small terminal building of total floor area 300 square metres
- A fire station building.

A copy of the existing airport facility layout plan is attached as **appendix I.**

3. CONSTRAINTS IN OPERATING EXISTING FACILITIES

- The existing terminal building even at the current level of traffic, experiences congestion at peak hour and also there is insufficient space for offices and commercial activities.
- The apron is also small and can not cope with light aircraft traffic, which at peak hour have to park on the crosswind runway.
- The Runway length and strength cannot accommodate long haul jet aircraft.
- The existing control tower does not facilitate proper visibility of the whole runway length as required.
- Current car parking space is inadequate.
- The water supply system and the sewage disposal system require improvement as the current one is overloaded.

- At current level of operations the airport is not self-financing. The average annual recurrent operational expenditure is about Kshs.30million against average annual revenue of Kshs.12million.

Contrary to the expectation on growth in traffic, annual passenger movement has dropped from a high of 167,000 in 1991 to a low of 46,531 passengers (132 international 37,118 domestic) in 1998 and has only now reached 58,959 (38 international and 47,448 domestic) in 2001 (see copy of the traffic data attached at **appendix II**). This has limited the potential for revenue collection for the airport and the capability to finance improvement of facilities in addition to meeting operation and maintenance costs.

4. FINDINGS AND RECOMMENDATIONS OF THE FEASIBILITY STUDY FOR THE DEVELOPMENT OF MALINDI AS AN INTERNATIONAL AIRPORT

The findings of the study carried out in 1997 and later reviewed in the year 2000 were as follows;-

- There was indication by some operators to start direct international charter flights with seat capacity of about 200 from Europe to Malindi.
- The existing facilities however, were found inadequate and could not handle such operations.
- The estimated cost of improvement to facilities to accommodate the international traffic was Kshs.2.3billion (excluding VAT).
- On the basis of the current revenue collection where passenger service charge does not accrue as airport revenue, expansion of facilities was deemed not economically viable.

Should the decision to upgrade the airport to handle international traffic is made, the Consultants recommended the expansion of the facilities to be carried out in two phases.

Phase I development over the period 2000 – 2003 at an estimated cost of Kshs.1.7billion (excluding VAT) to provide adequate facilities to handle international traffic to comprise of:

- Strengthening, widening and extension of the main Runway 17/35 from 1402m to 2100m to cater for medium jet (i.e.B767 with seat capacity of 200 as the design aircraft) for international long haul operation.
- Strengthening and extension of the cross wind runway from 800m to 1100m.
- Construction of new passenger terminal apron estimated to cover an area of 27,000 square metres, an isolated apron of 4500 square metres and conversion of the existing apron to a general aviation apron.
- Construction of a new passenger terminal building of floor area of about 7500 square metres.
- Construction of a freight terminal building of floor area 289 square metres.
- Improvement in air Navigation Aids and meteorological facilities
- Construction of a new fire crash and rescue station.

Phase II development over the period 2005 – 2007 at an estimated cost of Kshs.547,586,660.00 comprising of

- (i) Extension of the runway from 2100m to 2400m to accommodate Airbus A310-300 (seat capacity of 270) and similar type of aircraft.

- (ii) Construction of a new Air Traffic Control building.
- (iii) Provision of electro-mechanical and infrastructural workshops.

5. CONSTRAINTS IN IMPLEMENTING THE CONSULTANTS RECOMMENDATIONS

Financial viability

- (i) Under the current business volume at the Airport, the return on Investment is negative and therefore the project cannot be justified.
- (ii) However, on the basis of social economic benefits, the expansion of the Airport is likely to have multiplier effects in terms of employment and promote other social economic activity in the area.

Land issue

The original land reserved for the development of Malindi Airport as per the Physical Planning Drawing No. REF No.55/CT/1/73 was a total of 244.7 hectares. This is shown edged in Orange on Drawing No.MLI/C.009 attached as **appendix III**.

However, according to a recent survey, airport land available now is only 100.6 hectares, which is not adequate for the expansion of the airport as per the consultant recommendations.

According to the recommendation by the Consultants, a total of 259 hectares is required as indicated on a copy of the Survey Plan FRNo.101/14, 109/63 drawing attached.

6. FUNDING OF THE PROJECT

KAA Funding

KAA is mandated to operate on commercial principles and must generate all its revenue for operation and expansion of airport facilities.

The current financial position is such that we do not have the capacity to fund the proposed limited expansion of airport facilities internally.

Other funding options

- (i) BOT – KAA is willing to enter into discussions with any third party interested in funding the project on Build Operate and Transfer (B.O.T) basis.
- (ii) Privatization – Government Policy on privatization is being evaluated.

7. RECENT DEVELOPMENTS

Two meetings were recently held between KAA and stakeholders i.e meeting of 2nd June, 2005 and the Malindi District leaders meeting organized by the District Commissioner held on 24th February, 2005 on the possible way forward.

Out of these meetings, Director of Physical Planning, Ministry of Lands and Housing has confirmed vide his letter ref PPD/55/IVIII/78 (a copy enclosed as **Appendix IV**) that;-

- (i) Malindi can be expanded as earlier proposed by the Consultants.
- (ii) Adequate land shall be made available.

7. FUNDING

Total amount required is about 1.5 billion (if the land for expansion is availed at no cost to KAA).

8. PLANNED DEVELOPMENTS FOR 2005/06

- (i) Fencing of the Airport under the Northern Corridor Transport Improvement Project (NCTIP) co-funded by the World Bank.

- (ii) A total of Kshs.40million has been set aside for limited development of facilities at Malindi in the current financial year 2005/06.

PREPARED BY



NAOMI CIDI (MS.)
DEPUTY MANAGING DIRECTOR

APPENDIX I

AIRPORT LAYOUT PLAN

LEGEND:

- 1 AIRPORT SERVICE BUILDING
- 2 PASSENGER TERMINAL
- 3 CONTROL TOWER
- 4 OPERATIONS BUILDING
- 5 FIRE STATION
- 6 POWER STATION
- 7 CARGO APRON SHED
- 8 CARGO TERMINAL
- 9 GENERAL AVIATION HANGAR
- 10 CAR PARK
- 11 METEO. OBSERVATORY
- 12 METEO. STATION
- 13 GARAGE & TECHNICAL WORKSHOP
- 14 INFRASTRUCTURE WORKSHOP
- 15 STAFF CANTEEN
- 16 STAFF HOUSING
- 17 FUEL FARM
- 18 WATER TANK
- 19 MAIN AIRPORT ACCESS
- 20 VIP BUILDING
- 21 AIRLINE CATERING FACILITY
- 22 ISOLATED AIRPT. PARKING POSITION

KEY:

- BUILDING or facility IMPLEMENTED AT THIS STAGE
- BUILDING or facility NOT IMPLEMENTED AT THIS STAGE

KENYA AIRPORTS AUTHORITY
 P. O. BOX 19001
 NAIROBI.

**MALINDI AIRPORT
 DEVELOPMENT EXPANSION
 PROJECT - CONTRACT No.
 MLI/348/BCE**

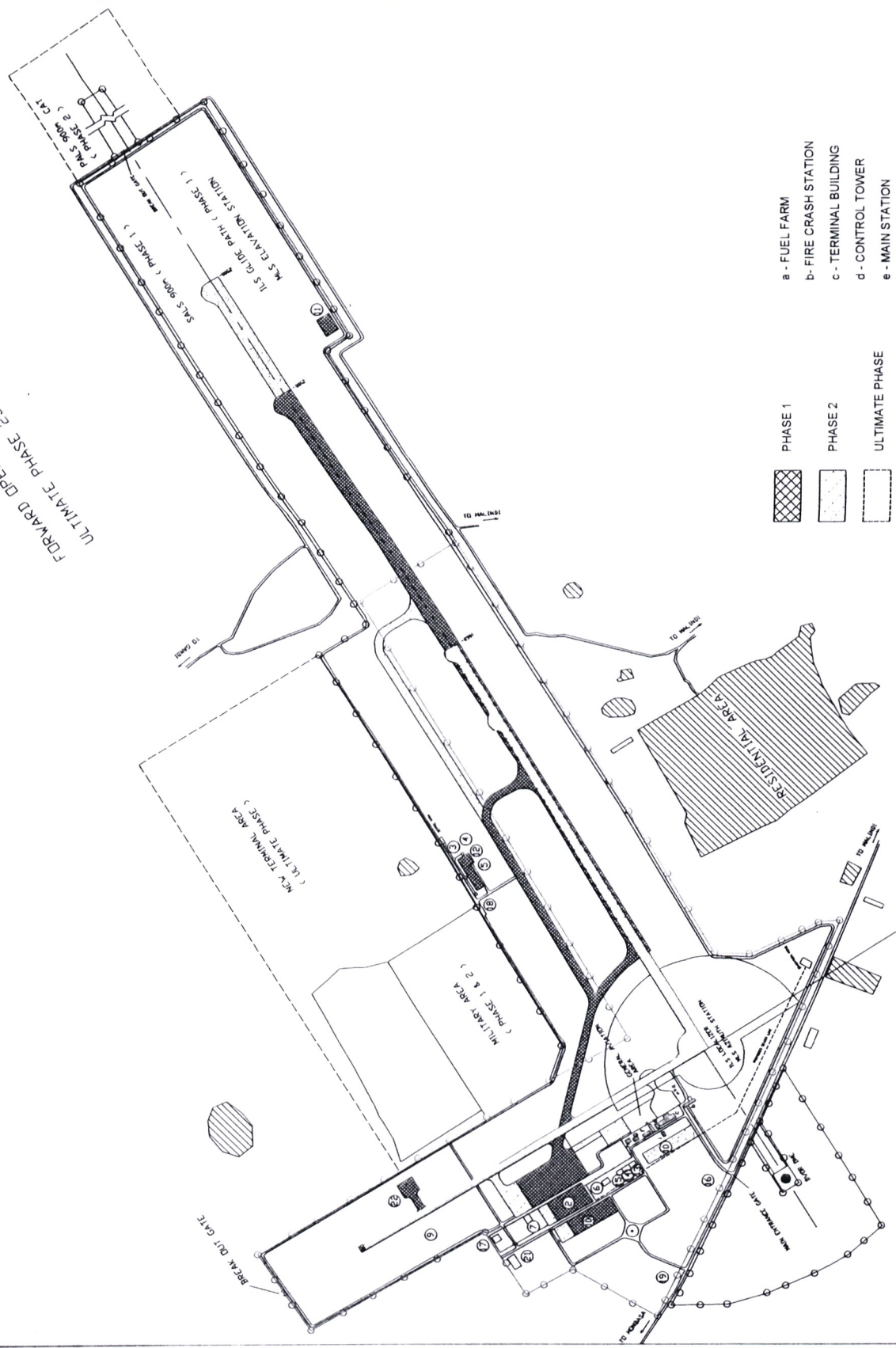
DRAWN BY : R. KIGWI
 SCALE: 1 : 5000

CHECKED BY : P. O. CHAMWADA

APPROVED BY : Eng. MUKWANA
 (General Manager E/S)

- INTERNAL SECURITY FENCE
- AIRPORT FENCE
- AIRPORT RESERVE BOUNDARY

FORWARD OPERATIONS BASE
 ULTIMATE PHASE 250 Ha.



- PHASE 1
 - PHASE 2
 - ULTIMATE PHASE
 - BITUMINOUS OVERLAY
 - EXISTING BUILDING
- a - FUEL FARM
 - b - FIRE CRASH STATION
 - c - TERMINAL BUILDING
 - d - CONTROL TOWER
 - e - MAIN STATION
 - f - POLICE LINES
 - g - AERO CLUB HANGARS
 - h - DISUSED HANGAR

APPENDIX II

TRAFFIC DATA

APPENDIX 2.

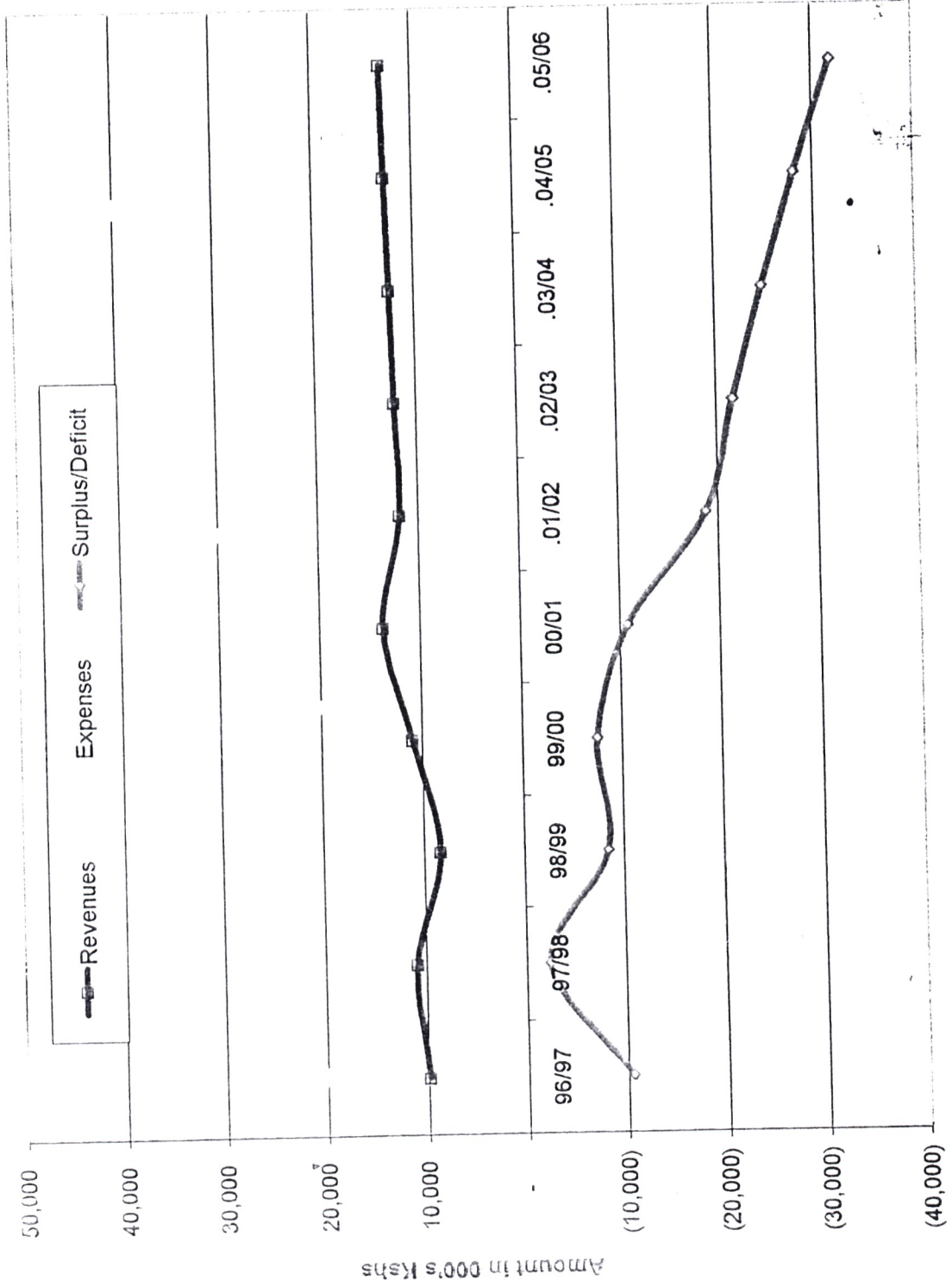
1. Statement of Revenues & Expenses
2. Traffic Performance

MALINDI AIRPORT

1. Statement of Revenues & Expenses (000's Kshs)

Year	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06
	Actual	Actual	Actual	Actual	Actual	Budget	Forecast	Forecast	Forecast	Forecast
Revenue Items										
Landing Fees	7,500	9,036	6,738	8,914	11,425	9,596	9,836	10,082	10,334	10,592
Building Rent	1,136	588	524	504	592	630	646	662	678	695
Aviation Fuel	-	-	27	256	302	290	297	305	312	320
Car Parks	376	288	392	410	457	425	436	447	458	469
Security Passes	48	35	48	83	92	110	113	116	118	121
Advertisements	42	89	67	69	77	60	62	63	65	66
Miscellaneous	751	834	574	724	755	757	776	795	815	836
	9,853	10,870	8,370	10,960	13,700	11,868	12,165	12,469	12,781	13,100
Expense Items										
Staff Costs	9,500	10,000	11,133	13,776	18,859	21,394	23,533	25,887	28,475	31,323
Administration	9,885	263	1,810	1,908	2,427	2,659	2,925	3,217	3,539	3,893
Stores & Spares	739	2,004	2,326	1,474	1,711	3,330	3,663	4,029	4,432	4,875
Repairs & M	272	957	1,514	1,277	1,458	3,325	3,658	4,023	4,426	4,868
	20,396	13,224	16,783	18,435	24,455	30,708	33,779	37,157	40,872	44,960
Surplus/Deficit	(10,543)	(2,354)	(8,413)	(7,475)	(10,755)	(18,840)	(21,614)	(24,688)	(28,092)	(31,860)

Malindi: Revenues & Expenses (Actual, Budget & Forecast)



VISIT BY:

**PARLIAMENTARY SELECT COMMITTEE ON ENERGY,
COMMUNICATION AND PUBLIC WORKS.**

PROGRAMME:

10:30---Arrival of Hon. members

11:00---Signing of visitors book at VIP lounge

1. Introduction
2. Brief summary of the Airport /KAA
3. Presentation of the report to the chairman by PS, Ministry of Transport and communication.
4. Address by the chairman select committee.

11:30---Tour of Airport facilities

1. Lounges
2. Fire Station and Meteorological department.
3. Control Tower
4. Runways
5. Perimeter fence
6. V.O.R.

Debriefing at VIP lounge.

12:30----Departure.

2. Traffic performance

Year	96/97	97/98	98/99	99/00	00/01	2001/02	2,002	2,003	2,004	2,005
	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Aircraft Movements										
Scheduled	1276	1141	1,403	2,050	1,688	1,717	1,716	1,745	1,775	1,805
Charters	5399	4677	2,942	2,055	1,998	2,032	2,030	2,064	2,099	2,135
Others	583	1089	1,392	1,589	2,267	2,306	2,304	2,343	2,383	2,423
TOTAL	7,258	6,907	5,737	5,694	5,953	6,055	6,050	6,152	6,257	6,363

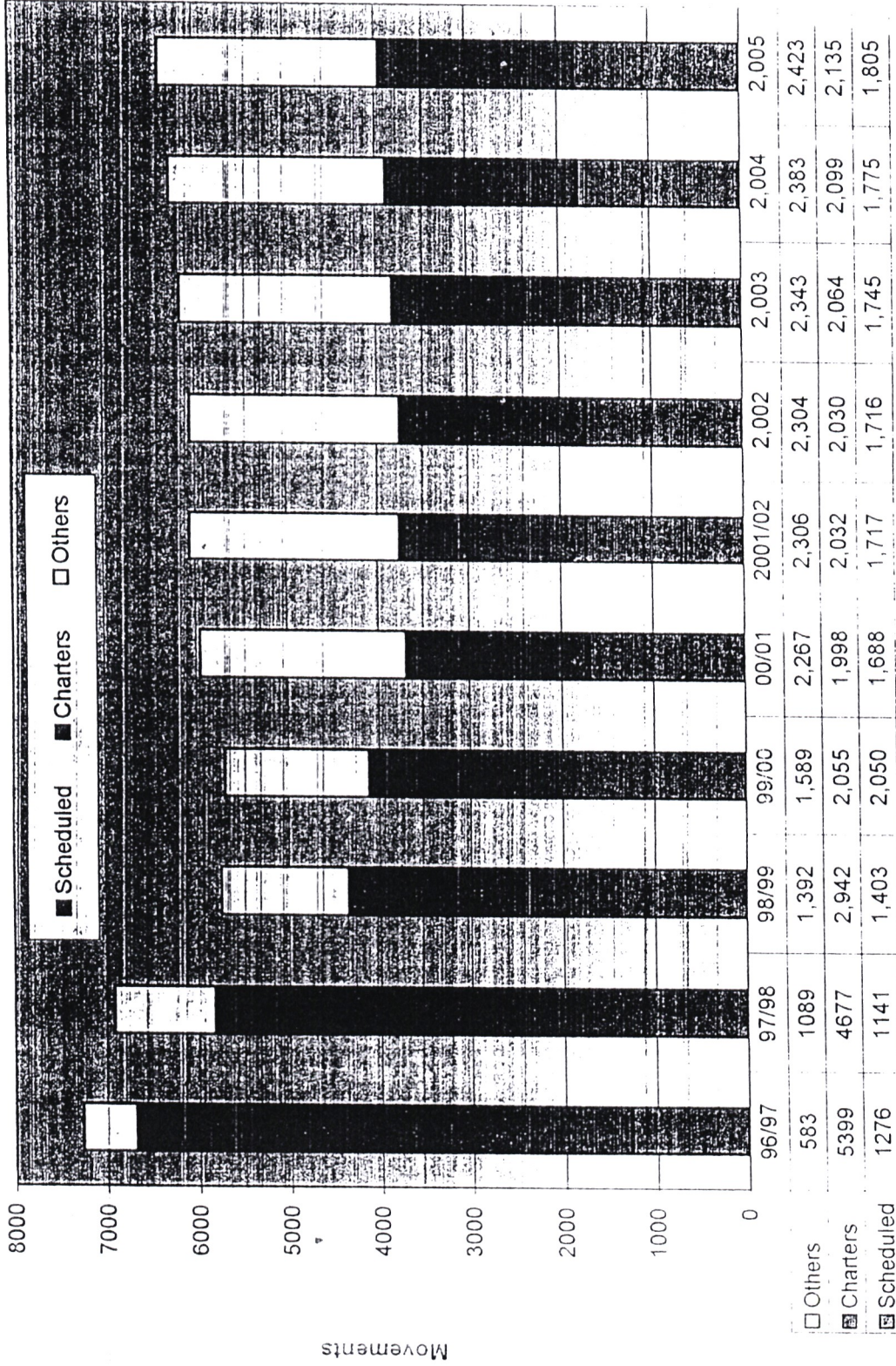
Passenger Movements

International	58	50	132	58	38	40	40	42	44	47
Domestic	43490	43668	37,118	43,324	47,448	49,963	49,806	52,446	55,225	58,152
Transit	6818	3348	9,281	10,716	11,473	12,081	12,043	12,681	13,353	14,061
TOTAL	50,366	47,066	46,531	54,098	58,959	62,084	61,889	65,169	68,623	72,260

Cargo- (Domestic) 000's Kgs

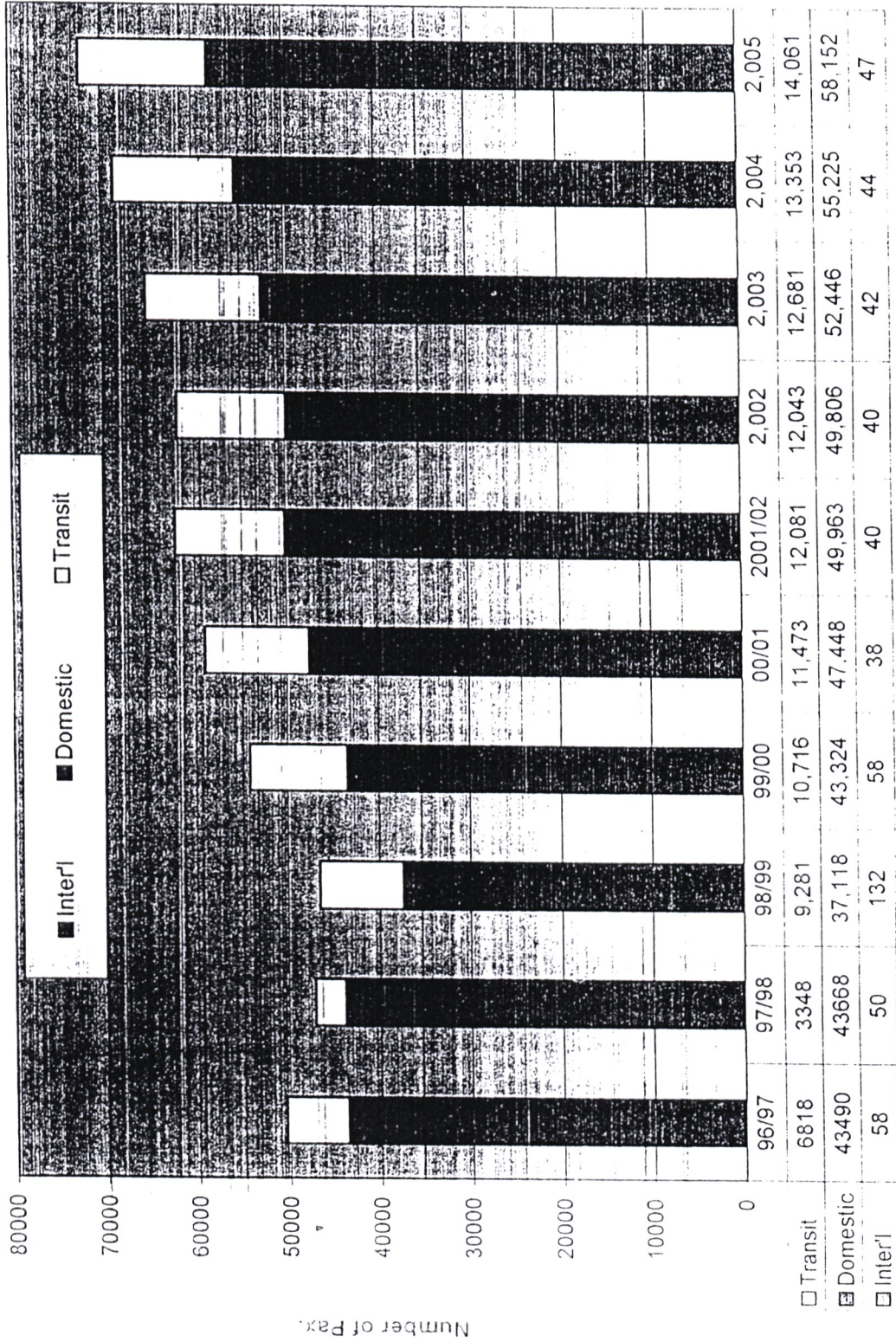
Unloaded	24	17	25	7	8	8	8	9	10	11
Loaded	3	4	8	7	4	5	5	5	6	6
TOTAL	27	21	33	13	12	13	13	14	16	17

Malindi A/C Movements (Actual & Forecast)

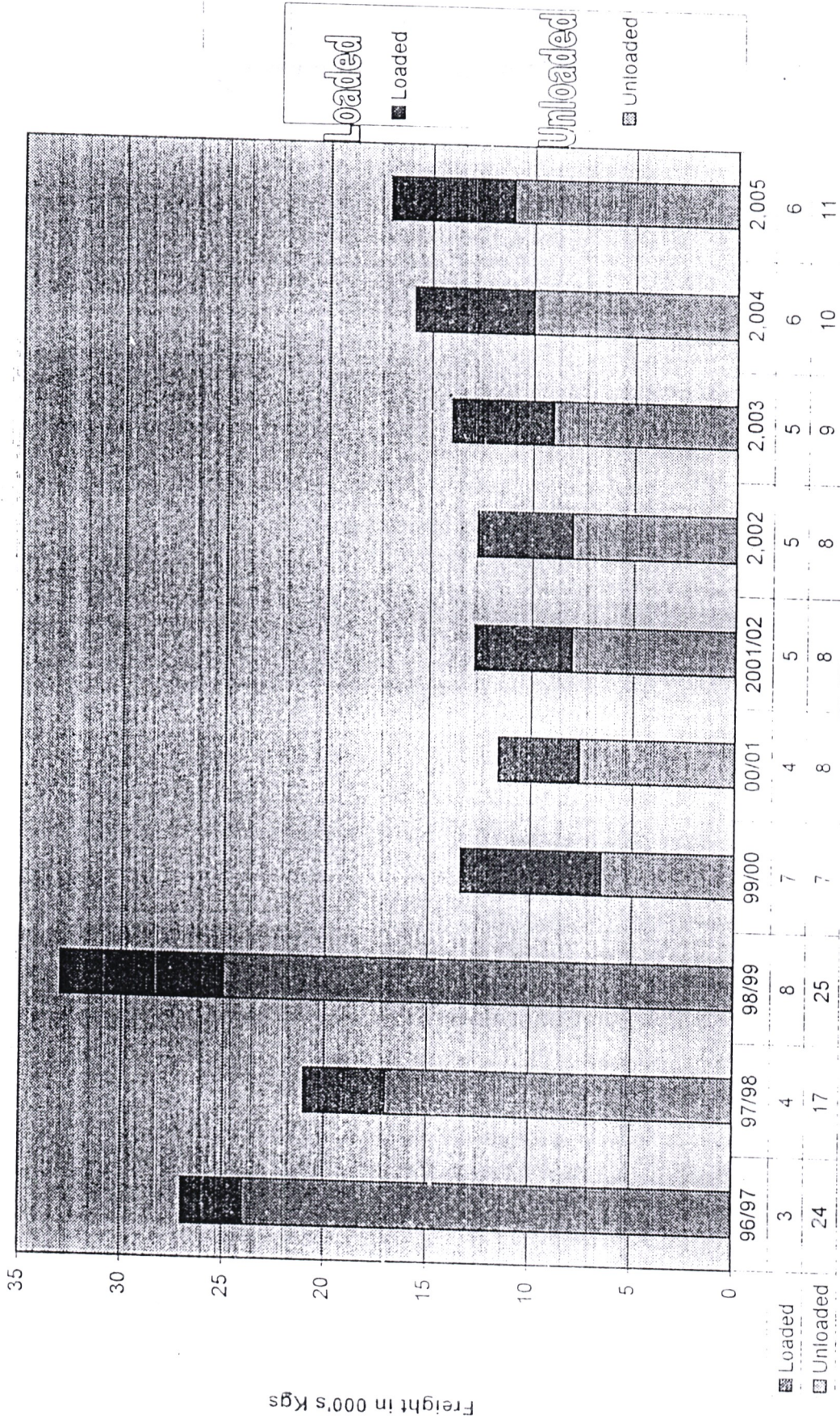




Malindi PAX Movements

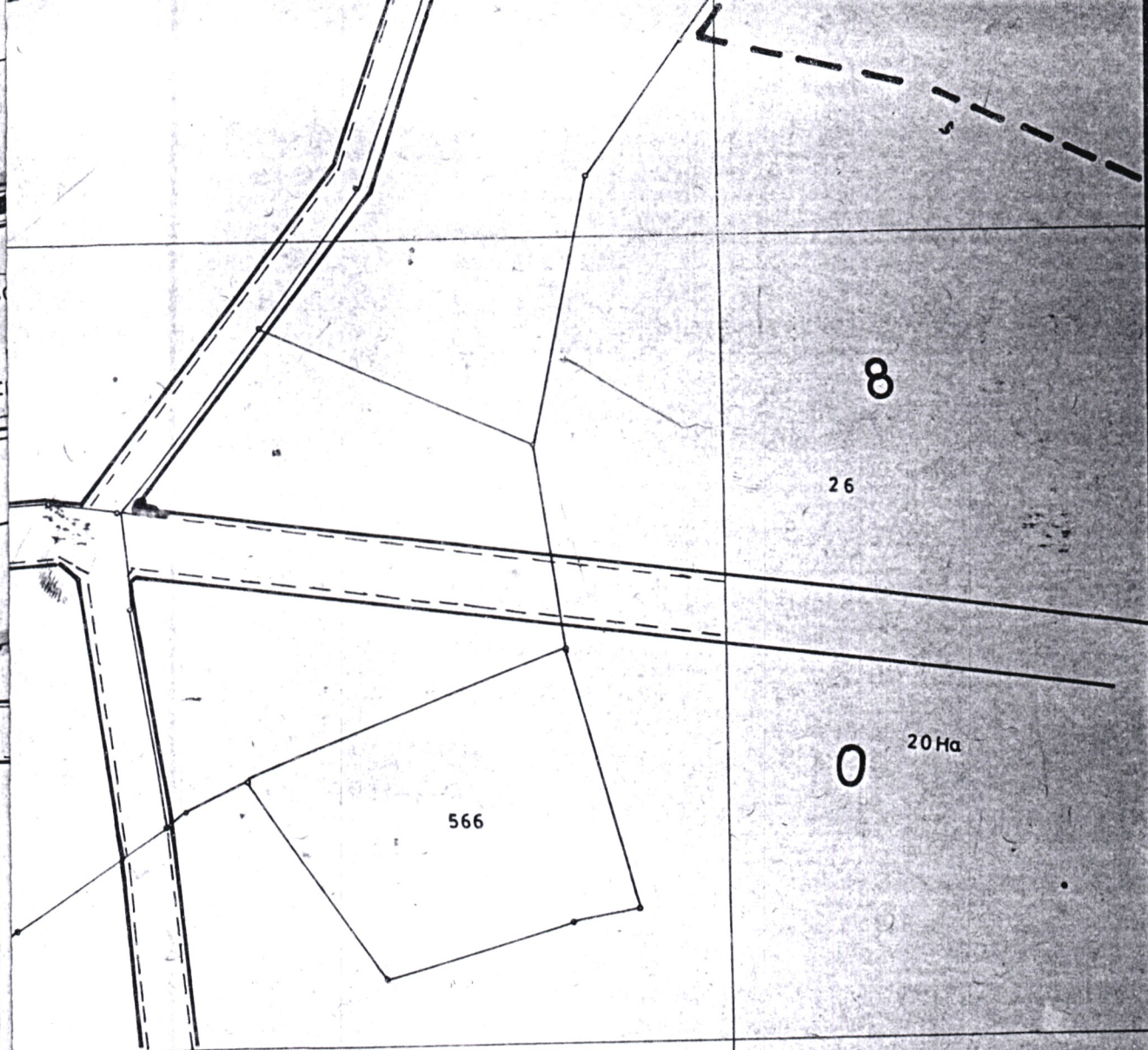





Malindi Cargo



APPENDIX III

PHYSICAL PLANNING DRAWING



-  ORIGINAL RESERVED LAND FOR MALINDI AIRPORT - 244.7 Ha.
-  AVAILABLE AIRPORT LAND - 100.6 Ha.
-  LAND REQUIRED FOR AIRPORT EXPANSION - 159.0 Ha.

1161000

MALINDI AIRPORT
PART OF MALINDI DEV. PLAN (REF N° 55/CT/1/73)

DRG. No.
MLI/G/009



APPENDIX IV

**LETTER FROM DIRECTOR OF
PHSICAL PLANNING**





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71

MINISTRY OF LANDS AND HOUSING

Telegrams: "URBANPLAN", Nairobi
Telephone: Nairobi 718050
When replying please quote

DEPARTMENT OF PHYSICAL PLANNING
ARDHI HOUSE
1st NGONG AVENUE.
P.O. Box 45025
NAIROBI

Ref. PPD/55/XVIII/78

Date 2nd June, 2005



I GM/25
MD
3/6/05

II Mr. Kariuki
Mr. Rashid

The Managing Director
Kenya Airports Authority
NAIROBI

This is good news.
Acknowledge this
letter and request
C.O. Director
of physical planning
to advise the law
for development
of Malindi
airport.
08/06/05

RE. EXISTING AND PROPOSED EXTENSION TO MALINDI AIRPORT:- PART DEVELOPMENT PLAN DRG.55/MLD/2004/8

Enclosed please find one print copy of the above mentioned part development plan depicting the existence and proposed extension to Malindi airport.

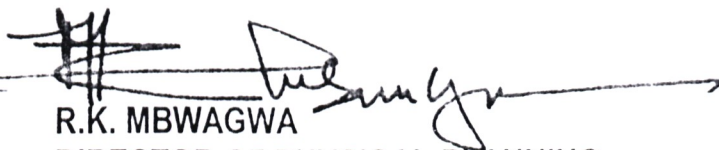
The proposed upgrading of the airport has raised intensive public debate, but from the town planning point of view I am convinced that the said upgrading will not affect the direction of growth of the town. On the contrary, the upgrading of the airport will jump-start the growth of the town as a tourist destination. The planned growth of the town will be parallel to the shoreline towards the North and South of the existing Central Business District (CBD).

There is adequate space for the expansion of the airport from its present location and relocating it elsewhere as some are suggesting will be very expensive. The District leadership is in concurrence with this decision.

scale is 1:5000
plan
reception
revised

In the meantime, I am informed by the District Physical Planning Officer that they are exploring the possibilities of re-locating the squatters on proposed extension to a suitable area within the town.

Kindly examine the part development plan and let me have your comments.

A handwritten signature in black ink, appearing to read 'R.K. MBWAGWA', written over a horizontal line.

R.K. MBWAGWA
DIRECTOR OF PHYSICAL PLANNING

Enc.



KAA/5/19/6 Vol. 1 (31)

25th July, 2005

Director of Physical Planning,
ARDHI HOUSE
1ST NGONG AVENUE
P.O. Box 45025
NAIROBI.

Dear Sir,

RE: EXISTING AND PROPOSED EXTENSION TO MALINDI
AIRPORT: -PDP PLAN DRG.55/MLD/2004/8

Your letter ref. PPD/55/XVIII/78 of 2nd June 2005 refers.

We have examined the Part Development Plan and found it suitable for adoption. Kindly note that the scale of the plan is 1:5000 and not 1:10000. This should be amended accordingly.

You may take further necessary action such as advising the Commissioner of lands to issue KAA with a letter of allotment of the additional land.



Yours faithfully,

GEORGE K. MUHOHO

GEORGE K. MUHOHO

MANAGING DIRECTOR

C.C Commissioner of Lands

P.O. Box 30089

NAIROBI