

NATIONAL

Airport Management Contract Extended 20 Years

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The Societe Concessionnaire des Aeroports will manage the Phnom Penh, Siem Reap and soon-to-open Sihanoukville airports until 2040 as part of a 20-year contract extension granted by the Cambodian government, SCA spokesman Khek Norinda said Friday.

The agreement modifies the terms of SCA's original contract that called for the firm to hand over to the government the running of Phnom Penh International Airport and the Siem Reap International Airport in 2020, he said.

SCA's contract for Sihanoukville airport was signed in June; and its terms cannot be disclosed, Khek Norinda said.

He said, however, that Sihanoukville airport will re-open in early 2007 and that SCA plans to invest \$200 million in it by 2040.

"If passenger levels at Sihanoukville reach a certain target before then, we would give [management] back to the government," Khek Norinda said.

The airport, which now spreads over 120 hectares, will likely double in size—it could become the country's busiest air hub, he said.

"Sihanoukville is not just about tourism," he said, adding that with multinational companies exploring for oil off the Cambodian coast, the airport could become an important freight facility.

Asked whether there had been a bidding process for the Sihanoukville airport contract, the SCA spokesman said no.

"If you go to someone at the World Bank they will probably say it should have been opened to competitive bidding," Khek Norinda said. Nevertheless, he said, "It makes sense for the government to choose the operator that has proven itself in the running of the other two airports."

Some airline officials have complained in the past that giving the running of the country's three major airports to SCA could inflate fees by giving the firm a monopoly.

"Without a competitor, SCA can increase the price of airport

tax as much as it wants," Eurasie Travel Managing Director Moeung Sonn said Friday.

Khek Norinda said such fears were unfounded.

"Navigation, landing, lighting fees are all set by the government. The only charges we have are ground-handling fees," he said. "It is difficult to say that fee increases are caused by the SCA monopoly."

Because of its new investment, SCA will act as an adviser for the development of a Sihanoukville master plan next year, Khek Norinda said.

Sam Rainsy Party leader Sam Rainsy said he welcomed SCA's deal and was sure that, as a subsidiary of French giant Vinci group, it followed international procedures in acquiring the concession.

He also said that SCA's role in planning Sihanoukville will be a boon for Cambodia.

"This is a real opportunity for Cambodia to avoid the kind of anarchy that has developed in Siem Reap and Phnom Penh," he said. "This is a chance to do it right from the beginning."