



IT'S INEVITABLE: DUBAI INTERNATIONAL WILL SOON BE WORLD'S BUSIEST AIRPORT

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It is “inevitable” that Dubai will have the busiest airport in the world, overtaking the top global hubs Atlanta and Beijing, and exceeding 100 million passengers a year.

The Airports Council International, the trade body, revealed on Monday its rankings for last year, putting Dubai International (DXB) in third place globally with 78 million passengers handled last year, up from sixth in 2014.

In response to the rise in the rankings, the chief executive of the emirate’s airports operator said yesterday that it was “difficult to project when exactly we will ascend to the No 1 spot for total [passenger] traffic, but we do believe it is inevitable”.

“Considering the fact that we do not have domestic traffic, leapfrogging London Heathrow, Chicago O’Hare and Haneda [in Japan] to take over the No 3 position for total traffic is an important milestone,” said Paul Griffiths, the chief executive of Dubai Airports.

Atlanta in the United States handled more than 101 million passengers last year, while Beijing

handled more than 89 million. Chicago, in fourth spot, handled more than 76 million, closely followed by Tokyo with 75 million and Heathrow with 74 million passengers.

Dubai International also retained its position as the world's No 1 for international passenger volumes for the second year running.

Mr Griffiths said that Dubai Airports has invested heavily in providing the infrastructure needed to facilitate this growth.

In February, the Dh3 billion Concourse D opened, adding an extra 340,000 square metres of space at Dubai International and taking capacity up to 90 million passengers a year. Dubai Airports forecasts 85 million passengers this year.

Beyond that, however, it is unclear if capacity at Dubai International can keep up with projected demand.

"At current rates, Dubai International will almost certainly hit its full capacity before 2020. The question now becomes this: will the government of Dubai invest more in the current airport to handle extra passengers, or throw its entire budget and resources to [the second airport at] Dubai World Central?" said Saj Ahmad, the chief analyst at the UK's StrategicAero Research.

Al Maktoum International at DWC can handle up to 5 million passengers a year and is targeted to reach an annual capacity of 26.5 million by next year.

Will Horton, the senior analyst at the Centre for Aviation (Capa) consultancy, said that because its major carrier Emirates has already moved freight operations to Al Maktoum and announced that flydubai, its sister budget airline, would move over there in the future, Dubai International has some additional capacity to play with if needed.

Still, the wider regional picture shows that passenger growth rates are levelling off, which could diminish some of the urgency on capacity for Dubai.

Yesterday, the International Air Travel Association (IATA) said that while passenger demand remained strong in the Middle East in February, "traffic growth has now lagged capacity growth for six consecutive months".

And according to Capa, Dubai International's share of "Gulf hub" traffic fell to 59 per cent in December from 70 per cent in 2003 as rivals such as Doha increased their activity and capacity.

"As might be expected in a growth market, at Dubai, the largest airport [in the region], growth rates are slowing as its traffic base level increases," Capa said.

The more immediate challenge for all airport operators in the region, not just Dubai, said Capa, will not be how to scale up faster but instead "maintaining growth despite increasing taxes and fees".

Last month, Dubai imposed a Dh35 fee per passenger on all flights, unless it is the same flight number for transfers, after June 30, to help to fund the emirate's aviation infrastructure and support expansion.

"While the Dubai government would be richer by approximately US\$447m in revenue, no doubt there will be a little trade-off in demand," said Capa.

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