

**DG CAA's PRESS CONFERENCE - ALLAMA IQBAL INTERNATIONAL AIRPORT,**  
**LAHORE on 26<sup>th</sup> NOVEMBER 2007**

**Highlights**

- Restructuring of CAA
- Up-gradation of Radars and Communication Equipment
- New Aviation Policy
- Attracting Airlines
- Infrastructure / Engineering Development (NIIA)
- Regulatory performance
- CAA Business Plan 2008-2012
- Operational Performance
- Update on Airport Services improvement Plan
- Commercial performance
- Financial Performance
- Human Resource Recruitment and Development
- ERP (Enterprise Resource Planning)

## **Details**

### **Restructuring of CAA**

- Processed in November, 2006 with full participation and ownership of CAA officers and staff
- Purpose - To restructure the organization in a manner which meets the challenges in the present and future.
- New Vision, Mission, and Core values developed.
- New Organizational structure approved by the CAA Board in January, 2007
- The performance of officers would be judged on the basis of their achievements against the targets set by themselves in consultation with their superiors
- Macro level tasks and targets set for all levels

### **Up-gradation of Radars and Communication Equipment**

- CDWP has approved CAA Radar up gradation project (Phase-I in the meeting held today i.e. on 26<sup>th</sup> Nov, 2007 at Islamabad. ( Cost Rs. 455 million )
- CAA Radar and Extended VHF/UHF network was installed 15-20 years back as part of extensive modernization program of CAA Air Traffic Services.
- Due to advancement of technology in the field of Aviation, Radar up gradation / Allied equipment and replacement of Air traffic centers has become mandatory requirement and was accordingly initiated in March 2007.
  
- In the first phase, the ATM system and VCCS (Voice Communication and Control System) at both ACC's of JIAP Karachi and AIIAP Lahore are recommended to be replaced.
- After completion of project safety of air space in Pakistan will enhance by many folds.
- The new system will not only improve flight safety but will also result in attracting new operators(Airline).
- Airspace is observed minimum of 12.84% per annum during the last few years.
- The new ATC / ATM system will have the capacity to handle present traffic with more flight safety but also meet future requirement of growing traffic up to 10 years.
- The new system will prove many safety nets for safe operation of Aircraft in flight, like, conflict prediction between Aircraft well in advance and assist the controller to take remedial action and ensure safety of Aircraft
- The project will take 8 to 10 months to be fully operational.

### **New Aviation Policy**

- Draft Aviation policy developed.
- Consultation with all stakeholders.
- Presentation to Planning Commission and FBR.
- Re-engagement with Stakeholders also completed
- Implementation, once approved, expected to bring about growth in the aviation industry.

## **Attracting Airlines**

- Singapore Airlines wishes to increase the flights from three to six including Karachi/ Islamabad.
- British Airways from this winter season will have six flights per week from Islamabad instead of three.
- Lufthansa has commenced operations from 28<sup>th</sup> October, 2007 covering Karachi and Lahore with three flights a week.
- Air China is currently in a dialogue through their Consulate in Karachi for commencement of Beijing-Islamabad and Shanghai- Karachi/Lahore operations.
- British Midlands International (BMI) is also in advanced stages of dialogue for flights to Lahore.
- Virgin Atlantic are also working on possible operations to Pakistan.
- GMG (second carrier of Bangladesh) has requested for an initial dialogue for finding out the requirements.
- Bilateral negotiations with UK on the request of British Authorities for expansion in the existing bi-lateral agreement are also being arranged.
- Our own Pakistani airlines have also started increasing their flight frequencies such as Air Blue has launched its operations to Manchester and Shaheen Air International is also about to do so in the near future. Both Air Blue and Shaheen have also shown inclination for operations to Bangladesh and Sri Lanka. Air Blue has requested for traffic rights for Turkey.
- Some firms have also shown interest to make use of smaller airports for recreational sports / flying activities.
- Commuter service between Karachi-Hyderabad-Lahore is also in advance stage of being worked out. We are encouraging such services to connect small / medium airports with larger cities.

## **Infrastructure / Engineering Development (NIIA)**

- Holding of foundation laying ceremony of New Islamabad International airport in April 2007 by President of Pakistan.
- Design concepts and layouts finalized
- Earth work for runway and access roads is in progress and the project execution is expected to begin in the December, 2007 / January, 2008.
- The completion period has also been reduced from 36 months to 33 months.
- Work on other mega projects such as construction of new airport at Gwadar, and up-gradation of Multan and Peshawar airports are also in hand.
- Extending necessary support and oversight role on the construction of Sialkot International Airport.
- Expansion and improvements at CAA airports have been planned and initiated to facilitate the public / passengers through allocation of Rs. 9.0 B in ADP 2007-2008 which is 125% higher than the figure of Rs. 4.0 B in 2006-2007.

## **Regulatory performance**

- Focus on strengthening the safety and security oversight role of CAA.
- Consultation and approval of International Civil Aviation Organization (ICAO)
- Ramp inspections of the aircraft have been increased manifold (40 ramp inspections per month as against the previous monthly average of four)
- Introduction of enhanced airworthiness and flight safety surveillance and oversight on round the clock basis.
- CAA's efforts on PIAC's EU restrictions matter have helped in lifting of ban on 11 aircraft.

## **CAA Business Plan 2008-2012**

- Profits of CAA witnessed an increase of revenue from Rs. 4.8 billion in Financial Year 2005-2006 to Rs. 6.3 billion in the last Financial Year 2006-2007 indicating an increase of over 30 %.
- Cash and Bank balance as on 29th October, 2007 stands at Rs. 10.292 billion from the figure of Rs. 4.425 billion on 1st July, 2006.
- Business plan developed for the first time in the history of CAA
- Envisages tremendous rise in revenues from Rs. 11.626 Billion in 2007 to Rs. 30.83 Billion in 2012 affecting an increase of 165 %
- Envisages an increase in air traffic from 17 million passengers /annum to 33 million passengers / annum, an increase of 94%.
- Allocation of adequate Capital budget on mega development projects
- Additional revenue generation projects envisaged
- Besides commercial development, major emphasis has been on improvement in regulatory & operational functions of CAA by introducing and up gradation of present and new equipment/systems.

## **Operational Performance**

- The performance of our Air Navigation services has witnessed further improvement with enhanced air space management capability.
- CAA has effectively handled enhanced transit traffic over flying Pakistan airspace during the 1st quarter of 2007 which has increased by almost 10 % as compared to the 1st quarter of 2006.

## **Update on Airport Services improvement Plan**

- Allama Iqbal International Airport, Lahore is ranked as number one amongst 18 of the world's leading airports in service performance of lounge facilities which was

announced following an intensive Service Performance Survey (SPS) recently conducted by Singapore Airlines.

- Security and Passenger handling facilities are being focused.
- Mystery shopping.
- Benchmarking process is being introduced.
- CAA Pakistan intends to benchmark various aspects of Airport Services and passenger handling against the leading international airports for bridging / reducing the gaps.
- Retailing concept based on best international practices is being introduced through a EDF (Eastern Duty Free shops) with Corporate Headquarters in Hong Kong and Dubai.

### **Commercial performance**

- Self-contained airport cities projects at Karachi and Lahore airports
- 4/5 star hotel at Lahore.
- Aviation towers at Blue area Islamabad
- Logistics centers
- IT parks / Dazzle parks
- Projects timelines.
- A 60 room day/night hotel is being developed on the 4<sup>th</sup> and 5<sup>th</sup> floors of Karachi airport and would be operational in the next 18 months.
- Inauguration of Hotel Mercure at JIAP Karachi
- Makro-Habib Hyper market to be inaugurated shortly
- The projects would contribute to the overall prosperity and economic growth of the country.

### **Financial Performance**

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### **Human Resource Recruitment and Development**

- Recruitment of professionals in various trades
- Investment in Human Resource Development through emphasis on enhancing the professional capability.
- Emphasis on upgrading the Training Institute
- Focus on improving the HR functions

- Succession planning
- New salary structure for contractual employees
- New Voluntary Retirement Scheme program
- New rewards and recognition program
- Formal Relationship Management Program
- New Training policy guidelines
- Implementation of newly developed performance appraisal systems
- Work load study and planning to introduce Current Estimated Potential (CEP)
- Simultaneous focus on Structure, Skills, Culture, and Rewards tracks.
- Studying for outsourcing of Legal, Internal Audit and Medical services

### **ERP (Enterprise Resource Planning)**

- Consultancy service of IBM Global Business Services hired.
- The selected modules for ERP implementation Phase – I are the financials, billing, and Supply Chain Management
- Phase – II modules pertain to Human Resource.
- Project completion within two to three years