



LITHUANIA'S PARLIAMENT GIVES GREEN LIGHT TO AIRPORTS' CONCESSION PROJECT

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On 2 June, Lithuania's Parliament, the Seimas, approved the draft Law on Concession of the three airports managed by the State Enterprise Lithuanian Airports. The draft law entrusting the management of the air gateways to an operator with a great deal of international experience was submitted by the Ministry of Transport and Communications.

According to the Minister of Transport and Communications Rimantas Sinkevičius, the concession project will not only help Lithuania develop the airports but also achieve significant results on the Baltic market. "The value of the aviation sector for the country's economy is tremendous. I believe that this project will become another success story and enable successful competition with other Baltic states which have not yet taken this step," says Minister Rimantas Sinkevičius.

The implementation of the concession project will add to the country's connectivity in each of

Lithuania's airports: growth in passenger traffic, flights and routes; possibilities of attracting new airlines thanks to the concessionaire's network. While the project is in progress, the country's investment climate will be fostered and connections with export markets will be improved. It also aims to achieve a substantial increase in the payback of the state capital from the state assets used by Lithuanian airports.

The assets created for investments of the concessionaire will remain the state property; however they will be maintained and improved from private funds. It is a way to modern airport management, passenger-centred service, better use of commercial areas and higher quality of the services provided.

Gediminas Almantas, CEO of Lithuanian Airports, is happy about this political step in the development of air transport in the country. "It is indeed a remarkable achievement for all of us. The model of concession is the best option for our market in order to develop the business activities of the Lithuanian airports from a strategic perspective. By virtue of the best-practice model, we will expand the development of the Lithuanian air transport sector and turn it towards a long-term strategy. I believe that in partnership with an experienced operator, we will become the leaders in the Baltic region," says Mr. Almantas.

At the end of April the Ministry of Transport and Communications and Lithuanian Airports selected a concession adviser - InterVISTAS Consulting Group. With a great deal of experience in airport concession projects, the company will assist in drafting the terms and conditions for the concession tender, define the concession aims and objectives and negotiate with participants in the concession tender. One of the key tasks for the consultants is to represent the interests of the state in the project: to achieve the maximum benefit for the state (by increasing the country's connectivity, ensuring investments in the airports' infrastructure and generating the concession fee for the state of Lithuania) as well as ensure the interests of Lithuania's national security.

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