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“Investment opportunities around the airport project”

I have reasoned in previous articles that there are likely to be several opportunities for business as a result of the government’s decision to build an international airport. For example, in the last article, I opined that the government’s revenue base is likely to be larger in future as a result of new investments in the hospitality industry and an expansion of business activity occasioned by the enhanced air access.

But what are some of these possible investment projects?

Perhaps, the most obvious are the opportunities for investment in lands being sold by the government on mainland St. Vincent and in the Grenadines, in an effort to raise money for the international airport project. It is now well known that National Properties, the agent for the International Airport Development Company (IADC), is selling lands on mainland St Vincent and in the Grenadines. These lands are suitable for both residential and commercial developments and present real opportunities for Vincentians to invest and make money, either independently or investing in joint venture arrangements with foreign firms that have the know-how in the project of choice.

Interesting investment options are also available for locals from the government’s decision to convert Arnos Vale into a new city. In several previous articles, I elaborated on government’s policy decision and articulated my own vision of how the plan could unfold. Naturally, the eventual outcome would depend on studies and advice provided by city planners and with national consultations. But one could well imagine that the master plan for Arnos Vale would include investments in hotels, residential villas and condominiums, restaurants, shopping centres, business centres, entertainment and recreational complexes, among other things.

Arnos Vale naturally lends itself to development of a beautiful city that could become a drawing card for investors of all sorts to this country and a tourist attraction in its own right. All of this could redound to the benefit of local shrewd early-bird investors whose local knowledge provides them with an advantage in investing in the project. The development of this 62-acre plot of land promises to generate for both government and private investor handsome returns. It seems to me that local investors should begin to incorporate into their medium term budgets whatever investment they might consider viable for them to make at Arnos Vale.

An opportunity also exists for a new firm to manage the completed international airport. Recently, government indicated its intent to partner with a private firm, which should make a relatively small equity injection into the project, to manage the new international airport as well as the three other state-owned airports on Canouan, Bequia and Union Island. Consideration is still being given to proposals for this investment, even though the Malaysian Airport Authority has indicated its interest in managing the airports. The new management company, jointly owned by the government and the private investor, will be given a concession extending to as many as 30 years to allow the firm enough time to make the negotiated rate of return on its investment and

management activities. Clearly, the expertise of the firm would be one of the important criteria in the assessment of the desirability of accepting the firm as a partner.

Finally, but by no means of less significance, the decision to build the airport was predicated on its contribution to tourism development, among other things. But the tourism sector needs a range of other investments that go hand in hand with the investment in infrastructure. Some may be aware of the Ministry of Tourism's project to develop select sites of interest across the country, but private persons whose properties lend themselves to conversion as areas of interest or for relaxation and entertainment could do likewise.

We all know that there are previously few places on mainland St. Vincent where families can take a weekend or holiday trip to relax and have fun. With the number of vehicles on our roads today and improvement in the road surface, location is hardly as important as it used to be, providing the facility is worth visiting in the first place. Developments of this kind can cater to both locals and visitors alike.

There is the related issue of producing goods in St. Vincent and the Grenadines to supply the hotels and restaurants, avoiding them importing these products and making sure Vincentians reap maximum benefit from tourism development. Here I refer, of course, to the efficient production of local artefacts and good quality agricultural products at competitive prices.

It is interesting to note that in the 2007 budget, government announced a \$6 million facility at the National Insurance Services to assist fishermen in improving their technology to harvest more of the fish in our waters. Those of us who have been associated with the Fishing Industry know about the scarcity and seasonality of fish, in spite of the abundance of fish in our economic zone. One might also be surprised to learn of the volume of fish that is imported into this country every year. It is clear to me that there is an abundance of opportunities in the fishing industry and one hopes that maximum advantage is made of this initiative to assist fishermen to enhance their fleet and to improve their catch.

The ideas above are by no means exhaustive. As we look around our country, there are all sorts of business opportunities available to us. The new international airport would provide even more options, but it would also make our homeland more attractive to foreign investors. We really should get up and make greater use of these opportunities ourselves. We need to engender a more enterprising spirit and stop expecting governments to do everything.