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by LADB Staff

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The Mexican government has encountered unforeseen difficulties with its airport-privatization program implemented during the past several years. The problems will not threaten the transfer of airport operations to private companies, but may force the government to more closely monitor some transactions that were already approved and delay some decisions that were pending.

Tribasa status may affect southeast cluster

In a report published in late May, the daily newspaper El Financiero said the Secretaria de Comunicaciones y Transportes (SCT) may be forced to review the composition of the group that received the concession for the southeast cluster of airports in December 1998. The cluster is anchored by the Cancun airport. That concession was won by Grupo Aeropuertuario del Sureste, comprising Grupo Tribasa, Spain’s Concesiones de Infraestructura (Cintra), Denmark’s Copenhagen Airports, and France’s Groupe GTM (see SourceMex, December 16, 1998). Tribasa, which has had financial problems, recently reached a capitalization agreement with US-based Advent International and Spanish company OHL. The maneuver could effectively give the foreign companies control over Tribasa. If Tribasa legally becomes an entity controlled by foreign interests, the concession for the southeast cluster could be in jeopardy. Under the rules of privatization, all groups that win concessions for air terminals must have at least one Mexican partner with majority control. SCT officials said the government will reserve comment until the nature of the Tribasa capitalization transactions is disclosed. "We have to wait until the transaction is complete and see if there is a request for our agency to take action," said Jorge Silberstein, deputy communications and transportation secretary.

Center-north cluster faces two challenges

The privatization of the center-north airports, meanwhile, could be delayed because of a court injunction filed by the state of Zacatecas and an anti-trust complaint filed by a partner in the rival group that participated in the bid for the 14-terminal cluster. In late May, the SCT announced that a consortium comprising Mexican engineering company Grupo ICA and French-based partners Aeroports de Paris and Societe Generale d’Enterprises offered the highest bid for the center-north cluster and was in a good position to win the concession. The Mexican-French group offered 864 million pesos (US$90.9 million) for a 15% share of the cluster, compared with a bid of only 586 million pesos (US$61.7 million) presented by Mexican companies Transportes Maritimos Mexicanos (TMM), Empresas Regio, and Grupo Sarabia, and their Canadian partner, the Montreal Airport. A third group comprising Mexican companies Holdinnex and Maquinaria Diesel and US-based Bechtel Corp. and Houston Airport withdrew from the bidding process in mid-May. The SCT had been expected to award the concession to ICA and its French partners by the end of May or the beginning of June. But the Montreal Airport, a partner in the competing group, filed a complaint with Mexico's anti-monopoly agency (Comision Federal de Competencia, CFC). The complaint
charged that Aeroports de Paris has a strategic partnership with Groupe GTE, part of the group that operates the southeast airport cluster. El Financiero reported that the government may be forced to reopen the process for the center-north airports if the CFC accepts the complaint. But the monopoly issue is not the only matter hanging over the concession for the center-north cluster. The state of Zacatecas has won an injunction from a federal court to halt the process while the government resolves a dispute regarding control of the General Leobardo C. Ruiz terminal in Zacatecas city. Zacatecas state has managed the air terminal since 1989 under a 10-year contract awarded by the federal airport agency (Aeropuertos y Servicios Auxiliares, ASA).

Zacatecas authorities claim ASA reneged on its contractual obligations by not offering the state to continue at least a part of the operation even after the contract expired on May 23, 2000. "We are not seeking to gain administrative or operational control over the airport because we lack the technical and economic capacity to accomplish this," Arturo Nahle, Zacatecas state secretary general, told the daily business newspaper El Economista. "We only want to protect our rights under the law." Nahle said the Zacatecas state government wants the right to retain control over parking operations, the main hangar, and two commercial sites. But Raul Gimenez Jimeno, ASA director in Zacatecas state, has refused to recognize the state's claims. "The terminal is considered federal property and therefore part of the national domain," he said in response to the state's request to retain control over the hangar and other facilities. Deputy secretary Silberstein has adopted a more conciliatory tone, saying the Zedillo administration will work with the Zacatecas government to try to resolve the dispute as soon as possible. Silberstein said he did not expect the dispute with Zacatecas state to derail the privatization of the center-north cluster, anchored by the Monterrey international airport. In addition to Zacatecas, the cluster includes air terminals in the resort cities of Acapulco and Zihuatenejo and in the US-Mexico border cities of Tijuana, Ciudad Juarez, and Reynosa. The other airports in the cluster are in Culiacan, Chihuahua, Torreon, Durango, Tampico, Mazatlan, and San Luis Potosi. The SCT may also face problems with the concession awarded for the Pacific-north cluster of airports, anchored by the Monterrey international airport. In addition to Zacatecas, the cluster includes air terminals in the resort cities of Acapulco and Zihuatenejo and in the US-Mexico border cities of Tijuana, Ciudad Juarez, and Reynosa. The other airports in the cluster are in Culiacan, Chihuahua, Torreon, Durango, Tampico, Mazatlan, and San Luis Potosi. The SCT may also face problems with the concession awarded for the Pacific-north cluster of airports, anchored by the Guadalajara air terminal. That concession was announced in December 1999 (see SourceMex, August 11, 1999). Analysts told El Financiero that there are some questions surrounding the participation of Spain's AENA, a former state-run company. Even though the company has been privatized, several Spanish government officials are still members of the company's management council. "This could be the equivalent of having given a concession for part of the airport infrastructure to a foreign government," said El Financiero.

**Site of new Mexico City airport remains uncertain**

A fourth privatization involving the Mexico City international airport and a new terminal for the metropolitan area is also surrounded by controversy. Authorities are still debating whether to locate that new airport in Tizayuca, Hidalgo state, or in Texcoco, Mexico state. In 1998, authorities announced the Texcoco site had been chosen (see SourceMex, November 4, 1998). However, other officials later said the decision had not been finalized because studies on environmental impact, land-use, and other factors were not yet complete. Experts from the Colegio de Ingenieros Mexicanos en Aeronautica (CIMA) support placing the airport in Texcoco. But the Colegio de Pilotos Aviadores has cautioned the government not to make a hasty decision. "We want the decision to be based on a solid technical analysis of the chosen site," said school president Esteban Jimenez Cruz. Many observers expect the decision on the alternate Mexico City airport to be delayed until after the next presidential administration is in place. Hidalgo Gov. Miguel Angel Nunez Soto still holds hope
for the airport to be in Tizayuca. "The terminal could would create half-a-million jobs in our area over a 20-year period," Nunez Soto told El Economista. [Note: Peso-dollar conversions in this article are based on the Interbank rate in effect on May 31, reported at 9.50 pesos per US$1.00] (Sources: Noticias, 05/18/00; Bloomberg news service, 05/24/00; El Universal, 04/10/00, 05/17/00, 05/18/00, 05/25/00; Excelsior, 04/27/00, 05/25/00; The News, 05/22/00, 05/25/00; Reuters, 03/28/00, 05/17/00, 05/24/00, 05/29/00; El Economista, 03/21/00, 03/24/00, 03/30/00, 05/15/00, 05/18/00, 05/25/00, 05/26/00, 05/30/00; El Financiero, 03/20/00, 05/03/00, 05/18/00, 05/19/00, 05/23/00, 05/25/00, 05/29-31/00)

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