



Development of Nijgadh International Airport (NIA) & Tribhuwan International Airport (TIA) as a Single Project



Government of Nepal
Investment Board Nepal



Background

By 2030, Nepal's annual international air traffic is expected to reach 20 million passengers, a figure too big for Tribhuvan International Airport (TIA) to handle. Hence, Nepal has an urgent situation for the development of a world class airport to accommodate rapidly increasing air traffic demand. However, Nijgadh being a greenfield project, may not have obvious financial viability. Therefore, a proposal has been developed to bundle both TIA and Nijgadh International Airports (NIA) and develop them as a single project. The proposal helps to enhance the capacity of TIA and it also guarantees the development of Nijgadh International Airport. Both airports have been proposed to be developed as a single project under Public Private Partnership. The proposal is also attractive to private sector because TIA, which has fairly a better revenue generation can be considered as an incentive for the private sector, which will serve to develop Nijgadh International Airport simultaneously. This project seeks an investor to take lead in the development of the NIA to international standards.



Sector

Transport / Aviation

Project Rationale

- Financial viability for the development of NIA
- Private sector can utilize TIA revenue as up front capital cost for development of NIA
- Private sector can make decisions on the status of TIA along with development of NIA
- Ultimate response to the growing aviation traffic in the country
- Expected to provide direct long-haul connectivity to geographies such as North America, Europe, and Australia, enhancing Nepal's tourism and trade opportunities
- Develop Nepal not just as a destination but as a lucrative transit point between the east and the west
- Single operator can maximize capacity and revenue of both airports

Tribhuvan International Airport (TIA)



Location

Kathmandu District, Bagmati Province

Status	: In operation
Existing Traffic	: 9 million/year
Revenue	: Approx. NPR 12 billion/year
Runway	: Single
Land acquisition	: Not required
Implementation Legislature	: Public Private Partnership and Investment Act, 2075 (PPPIA, 2075)

Nijgadh International Airport (NIA)

**GREENFIELD
PROJECT**



Location

Dhumberwana, Nijgadh, Bara District, Madesh Province

Apporx. Project Cost (In USD) 1st phase : 545 Million
2nd phase : 2553 Million
3rd phase : 3467 Million
Total : 6565 Million

(Information is based on Detail Feasibility Study report prepared in 2011)

Expected Fiscal Benefits to GoN

- Development of NIA will increase the life of Tribhuwan International Airport
- It has the ability to turn Nijgadh into an aero-city with high potential to employment generation
- NIA has the potential to be the busiest airport in South Asia and one of the most technologically advanced in the world
- It provides tremendous opportunities for large volume cargo business, resulting in additional revenues to the GoN.

Salient Features

- Runway : 3600 m × 45 m × 2
- Capable to handle : Airbus- A380
- Design aircraft for phase I: Class 'E'

Project Implementation Modality



**Public Private Partnership
(PPP)**

**Build, own, operate and transfer
(BOOT)**

Project Implementation Timeline



Project
Ideation



Desk
Study



Pre-feasibility
Study



Feasibility
Study



Solicitation



Relevant Agencies

- Investment Board Nepal
- Ministry of Culture, Tourism and Civil Aviation
- Civil Aviation Authority of Nepal

About the Agency

The Investment Board Nepal (IBN)

IBN is a high-level government body chaired by the Right Honorable Prime Minister, that serves as a facilitator for both domestic and foreign investments in Nepal. Its primary objective is to create an investment-friendly environment by mobilizing and managing domestic as well as foreign investments to promote investment across different sectors through a transparent and efficient process. Being guided by the Long-term Vision (2043), the 15th Plan, international commitments such as Sustainable Development Goals and other subsequent policies of the Government of Nepal, IBN has been developing credible and bankable projects to garner investment.

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