



## MEDIA RELEASE

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### **Commercial focus is vital for national airports**

Given the challenging geography in Papua New Guinea (PNG), airports play a critical role in social and economic development through enabling movement, connectivity and accessibility to main business and government services. The National Airport Corporation (NAC) is responsible for the provision, maintenance and development of 22 designated national airports. Over the years, the emphasis in managing these airports has been on an investment program to ensure the airports are developed to meet internationally acceptable safety and security standards. However, this has come at a cost of limited attention to operational efficiency and efficient pricing of airport services.

The National Research Institute (NRI) Discussion Paper No.197: *Airport governance and performance in Papua New Guinea – A scoping paper* by Research Fellow Ronald Sofo of PNG NRI and John Fallon of Economic Insights, states that it is costly to develop and maintain most of PNG's national airports to required standards and it highlights the need for a strong commercial focus.

The paper provides a number of recommendations such as the following:

- Amendments to the Civil Aviation Authority (CAA) legislation to enable economic regulatory role in reviewing the performance of the NAC with respect to its responsibilities for the operations, costs and financial performance.
- NAC should develop non-aeronautical revenue sources to supplement its aeronautical revenue to be able to meet the increasing costs of management and maintenance of airports throughout the country.

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