

Evaluating the Potential of Mattala Rajapaksa International Airport (MRIA) to have a Competitive Edge as the Second International Airport of Sri Lanka

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1. Introduction

The second international airport in Sri Lanka, Mattala Rajapakse International Airport (MRIA), was constructed in Hambantota District, located in the Southern region of the country. The airport was declared open on 18th March 2013. The airport has the capacity to handle 1 million passengers and 45,000 tonnes of cargo per annum. However, the airport was not able to utilise its facilities since the commencement of operations. The situation did not improve, but rather deteriorated with the stoppage of the operation of the national carriers to the airport. Therefore, though the airport is equipped with the necessary facilities for an international airport and operating for almost two years, the airport was unable to achieve its targeted objectives.

This research aims at identifying the reasons for this gap and the solutions to improve it. The key purpose of this study is to identify “why the airport (MRIA) was unable to meet its target as indicated in the master plan”. Identifying the requirement for another international airport in Sri Lanka, reasons for the underutilisation of the airport, benefits of the airport and viable options are the objectives undertaken to achieve the purpose of the study.

2. Research Methodology

A methodological approach including both qualitative and quantitative studies was used to achieve the objectives. In the initial stage, industry experts having more than 25 years of experience were interviewed to obtain the background information relating to the study area, and the information was later used as the basis for the survey. A sample of 40 responses was collected for the survey; and secondary data was used to confirm the findings of the survey. Descriptive methods were used to

analyse the data and finally a SWOT analysis was performed to develop strategies for the airport to have a competitive edge.

3. Research Findings

All sectors in the aviation industry, including the airline operation, regulatory body, airport operation, academic and training schools, are represented in the sample of 40 that was subject to survey. Moreover, 25% of the sample had more than 25 years of experience in the aviation industry, which further validates the survey findings.

According to the study, 75% of the sample stated that unavailability of another airport in Sri Lanka, to use in emergency situations, was the prominent issue faced when having only the Bandaranaike International Airport (BIA); whereas 57.5% of the sample also stated lack of an airport to divert in bad weather conditions at BIA as the issue. But according to historical data of aircraft diversions at BIA from 1996-2006, there were only 14 instances where an aircraft was diverted due to bad weather. Hence, aircraft diversions at BIA due to bad weather conditions seem to be a rare occurrence.

77.5% of the respondents stated the requirement of another international airport was to use as an alternative airport to BIA. However, 75% of the industry experts questioned do not agree with the location of the second international airport due to lack of infrastructure facilities, industrial activities, accommodation facilities and lack of demand in the region. Out of these respondents, 52.2% suggested either Kandy or Dambulla in Central province as the most suitable location for the second international airport. Reasons were accessibility, proximity to tourist attractions, good road network with other regions in the country, large catchment area and contrast weather condition compared to BIA.

When considering the benefits from MRIA since its opening, 82.5% of the sample considered that there is a benefit. 70% of the respondents indicated the availability of another international airport to use as an alternative airport as the benefit. Carrying of less fuel by the aircraft arriving at BIA and increase in aircraft flying over Colombo FIR (Flight Information Region) were considered as benefits obtained from the airport by the respondents. This is supported by the findings of secondary data analysis based on the number of overflying aircraft and alternate fuel carried by aircraft before and after the opening of MRIA. Certain assumptions were undertaken in arriving at these calculations due to the unavailability of data. Remarkably, the majority of the sample does not feel that there has been an economic or social development in the region due to the airport. MRIA did not have the required level of air services to help the development of Hambantota area,

which was a necessary requirement for an airport to assist the development of a region as per the studies conducted by Robertson [1].

Yet the potential for realising these benefits did not optimise the utilisation of the airport. According to the analysis, lack of demand in the region was identified as the highest-contributing factor for the under-utilisation of the airport. Only 9 districts out of the 22 districts in the country are close to MRIA compared to BIA; hence the airport does not have a large catchment area. This also confirms the finding where industry experts do not agree with Hambantota as the location for the international airport. It is evident that the location of the airport has played a critical role for the current status of the airport. Lack of airport marketing activities carried out by the authority was also identified as a cause for the underutilisation of the airport.

According to 62.5% of the industry experts surveyed, the best course of action to overcome the current status of the airport is to develop the region in terms of infrastructure, accommodation facilities and utility facilities. Implementing a proper marketing plan was voted by 55.5% of respondents as the second most important factor. Converting the airport to Maintenance, Repair and Overhaul (MRO) hub were also suggested by a majority as viable strategic options that could be exploited.

4. Conclusion

Considering the findings of the interviews, questionnaire survey and secondary data, a SWOT analysis was carried out for the airport in order to develop strategies for the airport to have a competitive edge. With the results of the SWOT analysis, strategies were established to develop an MRO facility in the airport and to promote low cost carriers to operate from the airport.

References

[1] J. A. W. Robertson, "Airports and Economic Regeneration," *Journal of Air Transport Management*, p. 88, 1998.

Keywords: *Second International Airport, Alternative Airport, Competitive Edge*