

The hand of the state: help or hindrance?

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Countries with command economies appear to have an advantage when it comes to pushing large new airport infrastructure projects through to fruition. *Barbara Bierach and Paul Cochrane* report

Governments play an important role in determining how, when, and whether an airport is built. Freed from the market constraints that limit most businesses, these decisions can have major repercussions. When dealing with mega-projects costing billions of dollars, government decisions can have many unintended consequences.



An open-air car park at Berlin Brandenburg is used to store Volkswagen vehicles. The airport is planned to open in October 2020. (Getty Images)

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The construction and commissioning of Berlin Brandenburg Willy Brandt Airport in Germany is one example of how government interference can throw a major airport construction project off track. This development has been a disaster because of “contradictions, misinformation, and mismanagement” by the German federal government and the regional

authorities in Berlin and Brandenburg, according to Stefan Gelbhaar, a Bundestag member for the Green Party.

The financial facts are not pretty. Construction of the new airport began in 2006 with a forecast cost of EUR2 billion (USD2.27 billion). Seven planned opening dates have come and gone: project managers insist Berlin Brandenburg will open in October 2020, but costs have spiralled to exceed EUR7 billion.

The scale of this failure is only exacerbated by comparing it with the scheme to build a second international airport in Beijing, said Beijing-based expert Frank Sieren. China Airport Construction Group completed construction of Beijing Daxing International Airport on schedule in mid-2018. The new hub is scheduled to begin operations on 30 September 2019.

When work began on Berlin Brandenburg, China had 140 airports. Since then, it has built another 60; and by 2025 a further 124 are scheduled to open.

Sieren summarised the difference in the approach between the Berlin and Beijing projects: whereas the Chinese authorities give free rein to experts, Berlin suffered from political interference. This is connected to the fact that three political entities are major shareholders in airport operator Flughafen Berlin Brandenburg GmbH (FBB): the states (Länder) of Berlin and Brandenburg with 37% each and the German federal government (via the Ministry of Transport and Digital Infrastructure) with 26%.

For most of the construction period at Berlin Brandenburg, these entities were governed by political coalitions. The federal government ruled first with the liberal FDP, then with the social democratic SPD. Brandenburg was torn between SPD and the ultra-left Linke, and Berlin was run by the SPD in various coalitions. As a result, none of the main German political parties had any motivation to investigate the work thoroughly, since they (or their coalition partners) would be blamed.

Capital woe

Most analysts point the finger at the two majority shareholders, Berlin and Brandenburg, since, under German law, airport construction is the business of the Länder. However, the federal government also bears responsibility via the stake held by the Ministry of Transport, with its track record of driving massive infrastructure projects. Gelbhaar alleged that a succession of ministers showed little or no interest in the “unloved stepchild” that was Berlin Brandenburg, until the original initial opening date of June 2012 proved untenable.

Critics argue that pork barrel politics were at play in Berlin. In 2006, city mayor Klaus Wowereit decided not to hire a general contractor with broad experience in building large airports (such as Hochtief), choosing instead to grant responsibility to FBB. In line with the wishes of the Brandenburg government, many contracts then went to small local suppliers and businesses.

Other complications arose from politically motivated demands to raise the profile of the new airport, such as calls for a second A380-compatible passenger boarding bridge. This entailed a redesign of the entire retail area in Berlin Brandenburg that caused many technical problems, as several tenants were contractually entitled to be close to the A380 gates.

Finally, after the opening date in 2012 was cancelled, the non-executive board of FBB – packed with politicians with Wowereit as chair and Brandenburg Minister President Matthias Platzeck as vice-chair – fired the architects and planners Gerkan, Marg und Partner and JSK International, thus removing all experts who knew the building.

Since then numerous executives, managers, and planners have come and gone. Engelbert Lütke Daldrup, the latest general manager of FBB, is positive that he can bring an end to “the never-ending story” with an opening date in October 2020. However, the Technical Inspection Agency (TÜV) Rheinland, as the regulatory body with the last word on safety and functionality of the new airport, still has a long list of technical faults. There is understandable scepticism that another opening date will be missed.

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