

THE PRIVATE MANAGEMENT OF BRAZILIAN AIRPORTS – A SHORT ANALYSIS

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Abstract

The recent privatization of large airports in Brazil broke with a historical paradigm - that of the State as a manager - characterized as an inhibitor of competition, causing these terminals to be stopped in time, in disarray with the best management practices adopted internationally. In this context, the delivery of these airports to private management represents a new incentive to this economic activity and all that it brings to the country's development, and can greatly improve the provision of services and efficiency to users, whether they are passengers or cargo. Although the government concession model has undergone improvements, the first concessions were characterized by strong State influence, that alone held 49% of the shares, there was a change in this scenario through the most recent auctions when the mandatory participation of state was extinguished, making the model more attractive. The aim of this paper is show an analysis of two items about Confins International Airport, that one of the privatized airport. The analyzed items were general satisfaction index and total arrivals and departures between July 2015 and June 2017. About the general satisfaction index, it was observed that there was a low variability, reflected by the coefficient of variation of 6,15%. However, there was growing satisfaction with the passage of time, the total arrivals and departures declined. In July of 2015 were 1,070,510 movements against 778,323 in June of 2017. It is very likely that the fall in the number of arrivals and departures may have been affected, in parts, by the country's economy. In any case, it can not be

said that there is a strong correlation between the two variables investigated. A correlation index of -0.44 shows a negative and low correlation. In fact the number of movements decreased and the satisfaction index increased. In these terms, it can be inferred that, despite the influence of the economy in the airport movement, there is a growing client satisfaction.

1 General Introduction

The Brazilian Airport Infrastructure Company (INFRAERO) was created in 1973 with the mission of managing the main airports in Brazil. This 100% state-owned management model has characterized itself as an inhibitor of competition, causing these terminals to stop in time, in disagreement with the best management practices adopted internationally.

For Renzetti [1], the 1990s provided Brazil with a new legal phenomenon, marked by the intense creation of regulatory agencies in several strategic infrastructure sectors whose purpose was the dismissal of the State, from manager to regulator of economic activities. This was the harbinger of what was to come in the airport sector, until then delivered almost exclusively to state management through INFRAERO.

Due to the difficulties faced by this state model, notably in terms of competitiveness and financial returns, the idea arose of an association in which the State contributes to the assignment of the airport itself, whose construction costs are too high, and the management private sector, which contributes with its techniques of optimization of available

resources, achieving financial results unattainable in the state model, at the same time that it discharges this obligation.

Considering that the State in granting the operation of airports ceased to act directly in this activity, it was necessary to create institutes to guarantee prerogatives, which include the exercise of administrative police power. In this context, the National Civil Aviation Agency (ANAC) was created in 2006, an autarchy responsible for the regulation of concessions, as well as for inspection. Thus, it is clear that the State has left the role of manager, becoming the regulator of the activity in order to ensure the balance between the revenues of the concessionaire and the provision of services according to the contractor.

2011 marked the beginning of a new era in Brazilian airport management, when there was the first long-term concession of an airport to private initiative. It is the airport of São Gonçalo do Amarante, located in the metropolitan region of the capital of the State of Rio Grande do Sul, Natal city, Brazil.

In 2013 the privatization of the Confins International Airport took place. Located in the metropolitan area of Belo Horizonte city, capital of the Minas Gerais State. The Confins contract lasts for 30 years and the INFRAERO holds 49%.

The aim of this paper is show an analysis of two items about Confins International Airport, that one of the privatized airport. The analyzed items were general satisfaction index and total arrivals and departures between July 2015 and June 2017.

2 Research Methodology

It is an explanatory research supported by the analysis of data in synthesis, where the collection of these data was structured through bibliographic research [2]. The main source of data were publications by Confins Concessionaire, BH Airport. The following data were analyzed between July 2015 and June 2017:

- General satisfaction index for the airport [3], and
- Total arrivals and departures [4].

3 Results and Discussions

The overall satisfaction rating in relation to the airport is a note given by the passenger that reflects his or her particular view of the personal expectations one expects from an airport. This note can vary between 0 and 5.

Fig. 1 shows the variation of the general satisfaction index in relation to the Confins Airport between July 2015 and July 2017.

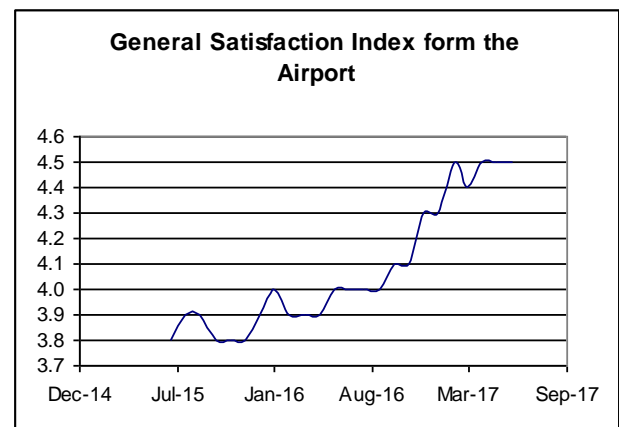


Figure 1. General Satisfaction Index form the Airport

It is observed that there was a low variability, reflected by the coefficient of variation of 6.15%. The lowest grade was 3.8 and the highest 4.5. Mean 4.08 and median 4.00 were very close, reinforcing the low variability of the data. However, there is increasing satisfaction with the passage of time. That is, the notes have increased over time, despite the sine-wave variability shown in the graph. The first note in July 2015 was 3.8 and the last in June 2017 4.5.

Fig. 2 shows the total arrivals and departures that occurred between July 2015 and July 2017.

Total shipments and landings analyzed were also within the same time frame (July 2015 to June 2017). These data include domestic and international movements. There is also a small sine-wave variability, but it is interesting to note a drop in numbers. July 2015 with 1,070,510 movements to 778,323 in June 2017. The lowest movement occurred in February 2017 (692,045) and the largest in July 2015 (1,070,510). The variability was 11.76% with a mean of 840,200.25 and a median of

804,393.50. It is very likely that the fall in the number of shipments and landings may have been affected, in parts, by the country's economy.

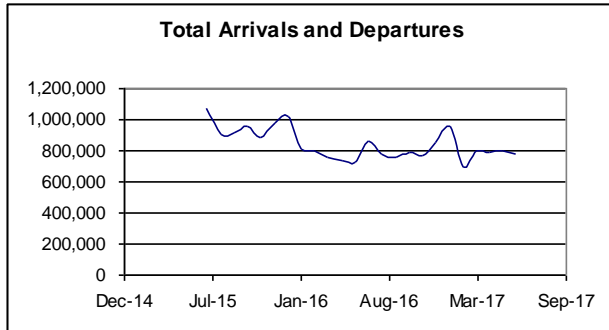


Figure 2. Total Arrivals and Departures

Fig. 3 shows the correlation between total arrivals and departures and general satisfaction index for the airport between July 2015 and June 2017.

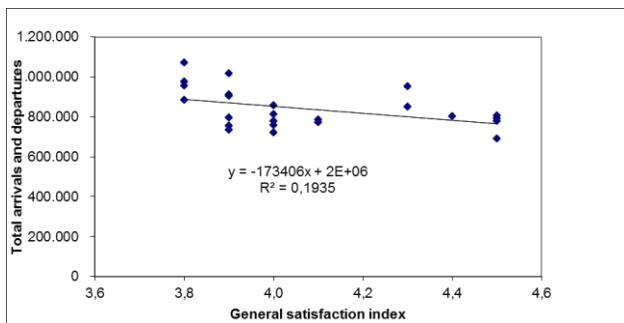


Figure 3. Correlation between total arrivals and departures and general satisfaction index for the airport between July 2015 and June 2017.

It can not be said that there is a strong correlation between the two variables investigated. A correlation index of -0.44 shows a negative and low correlation. That is, as the number of movements decreases the satisfaction index increases. The trend line $R^2 = 0.19$ reinforces the inference. In these terms, it can be inferred that, despite the influence of the economy in the airport movement, there is a growing user satisfaction.

4 Conclusion

The data infer that there is improvement in the services provided by the airport to the users. However, it is suggested as future work the collection of independent data for a better comparison.

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