

INVESTMENTS IN GREEK AIRPORTS INCREASING



Tourism in Greece is booming, and air traffic is following suit. In 2024, the country achieved its second consecutive record for tourist arrivals, welcoming nearly 40 million visitors.

Preliminary estimates indicate that air traffic at Greek airports in 2024 surged 18 percent compared to the pre-crisis year 2019. **Athens Airport, the largest in the country, experienced a 13 percent increase in passenger numbers during the first eleven months of 2024 compared to the same period in the previous year.**

Tourism is a crucial pillar of the Greek economy, accounting for approximately one-fifth of the country's gross domestic product and employment. Greece is heavily investing in airport infrastructure to accommodate this growth, as many facilities are already operating at full capacity.

New Major Airport under Construction in Crete

For example, Nikos Kazantzakis Airport in Heraklion (Crete) is overloaded, handling nearly ten million passengers annually. To address this issue, a new airport is being constructed near Kastelli, located 17 kilometers south of the city. The project is being carried out by the Ariadne Airport Group consortium, which includes the Greek construction firm GEK Terna and the Indian airport operator GMR Airports. This consortium holds 54.1 percent of the airport company, while the Greek state owns the remaining 45.9 percent. Construction is underway, and the first aircraft will land at the new airport in 2027. The Ariadne Group will manage the airport for at least the next 32 years.

Similarly, Athens Airport is also approaching its capacity limits, currently accommodating 31 million passengers. To enhance its facilities, the airport company plans to invest approximately 650 million euros in a phased expansion of terminal capacities to support 40 million passengers. This plan includes the construction of a new eight-level parking garage, an extension of the apron, and additional parking spaces for 34 aircraft.

German Fraport Invests Millions in Greek Airports

Fraport AG, a German company, has operated 14 regional airports in Greece since 2017. This portfolio includes the airport in Thessaloniki, Greece's second-largest city, and airports on popular tourist islands such as Rhodes, Mykonos, Kos, Santorini, and Corfu.

While Fraport's home airport in Frankfurt experienced a 14 percent decrease in passenger numbers in the first nine months of 2024 compared to 2019, the situation in Greece was quite different. Passenger numbers at Fraport-managed airports rose by 6.4 percent from the beginning of January to the end of November.

Fraport is making significant investments in Greece. Since 2017, the group has invested over 600 million euros in modernizing and expanding its Greek airports. In the next five years, Fraport Greece plans to invest 200 million euros more to enhance the airports' capacities in Santorini, Mykonos, Kos, and Corfu.

Kalamata Airport to Extend the Group

Additionally, a 15th airport will be added to their portfolio. In early December, Fraport Greece, in partnership with two Greek companies, was awarded the operating concession for Kalamata Airport. Kalamata is located in the southern Peloponnese peninsula, a rapidly developing tourism area. The consortium will pay 45.2 million euros for the 40-year operating rights and plans to invest an extra 28.3 million euros in the modernization and expansion of the airport.

Meanwhile, the sovereign wealth fund is preparing to award operating concessions for the remaining 22 Greek airports, which are smaller regional airports currently managed by the government. Some of these airports, such as those on the islands of Paros, Syros, Naxos, Milos, and Chios, have significant tourist potential. **As more visitors seek to avoid overcrowded destinations, Greece is witnessing a growing interest in previously under-visited holiday regions.**

The tender process for these concessions will be awarded as a single package to one operator in the coming months. The goal is to transfer the management of the airports to the new operator before the end of the year, thereby privatizing all 38 commercial airports in Greece.

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