In 2007 IFC successfully advised the government of Jordan on structuring and awarding a 25-year concession for the Queen Alia International Airport in Amman following a competitive bidding process. The project includes rehabilitating existing facilities, constructing a new terminal with a capacity of 12 million passengers per year, and operating the airport.

The concession was awarded to the Airport International Group with a bid of 54.58 percent of gross revenues to the government, the highest revenue-sharing percentage achieved for similar projects anywhere in the world. This was the first successful airport public-private partnership project in Jordan and the Middle East and the largest private sector investment in Jordan to date.

The transaction was supported by funds from the governments of Canada, France, Japan, Kuwait, the Netherlands, the United Kingdom, and the United States; as well as the Islamic Development Bank and USAID.
EXPECTED POST-TENDER RESULTS

• The competitive process led to a winning bid that was nearly double that made by the party the government had previously been considering for a sole source award.

• Of the total project cost of $675 million IFC committed $120 million for its own account and helped mobilize up to $160 million in funds from commercial banks.

• Euromoney Project Finance Magazine gave QAIA its Deal of the Year 2007 award and Jane’s gave the airport its Airport Finance Deal of the Year 2007 (Middle East) award.

• The government will accrue significant concession fees and benefit from considerable fiscal savings by no longer having to subsidize airport operations.

• With tourism accounting for more than 10 percent of Jordan’s gross national product and nearly 45,000 jobs, a larger terminal will help promote the country as a regional economic and tourist destination.

• The project is expected to generate more than $1 billion in foreign direct investment and lead to the creation of 23,000 new jobs over its lifespan.

06/2009