

Crete's Kastelli Airport bids to resume in secrecy

The first stage of Kastelli Airport's tender, that will lead to the reveal of TERNA-GMR joint venture's offer, is still underway. According to well-informed sources, the tender is still alive and the next period will be decisive for its outcome.

The next step will be quite crucial for the project's progress as there are high expectations for a quite attractive offer on the table. Nevertheless, the alliance of TERNA with the unknown Indian conglomerate, GMR will be important in the framework of triggering an investments influx.

GMR with a gross revenue greater than 10bn euros is a big player in the sector of airport operators in Asia, and plans to make an opening to the West using Greece as the "stepping stone" to the European market.

The scope of the project includes: the study, the construction, the funding, the operation and the maintenance of the New International Airport of Heraklion in Crete (Kastelli) along with its necessary road connections.

If everything goes as planned, after the offer's unsealing and the consequent approval of the Infrastructure Ministry, the pre-contractual period will begin. After the project plan's ratification by the Auditors' Court and the Greek Parliament all that will be left to be done would be the final signatures that will allow the construction works to commence.

The concession period of the Airport is set for 444 months (37 years) since the contract's signing. A construction time of 5 years is included setting the project's completion just before the summer season of 2022.

The cost of the project is currently estimated at 850mn euros with the cost of the necessary expropriations reaching a considerable 100mn euros covered by the Public Investments Program. The contractor will be responsible for the projects funding.

There is also a provision for an additional financial aid by the Greek State as high as 220mn euros. The new airport will be covering an area of 1,482 acres, 98 of which for commercial use. It will be also featuring a runway 3.2 km long (extendable to 3.8 km) and road connections with a length of 30 km. The Greek State will be participating in the concession scheme with 35-55%.

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