



THE NEW WARSAW AIRPORT: “TO BE OR NOT TO BE?”

DECEMBER 13, 2023

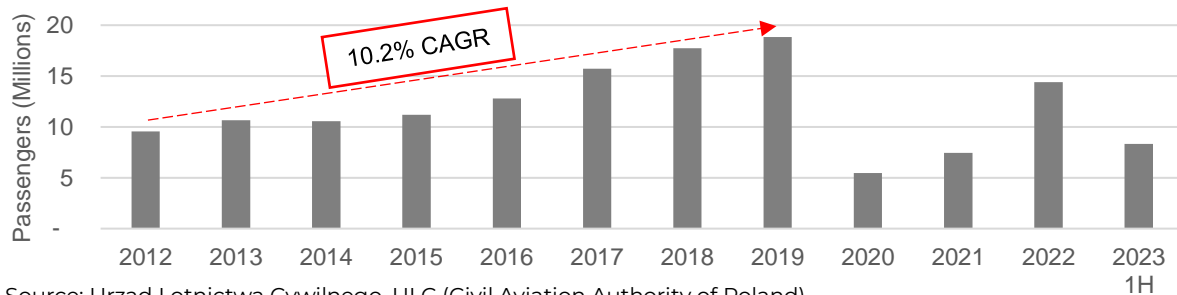
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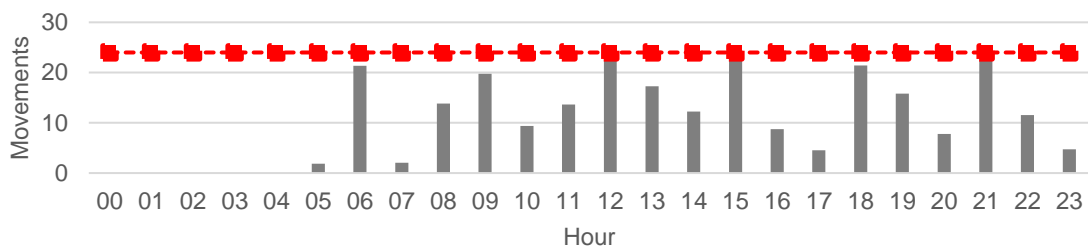
The new Warsaw airport, Warsaw Solidarity Airport / Centralny Port Komunikacyjny (CPK), is planned to open in 2028, with two parallel runways in its first phase, and a planned annual capacity of 40 million passengers.¹ While the planned capacity would appear optimistic, it is achievable under the general traffic growth assumptions over the next decades, particularly factoring in the potential for connecting service to boost traffic.

Warsaw's current airport is congested. The main airport currently serving Poland's capital city, Warsaw Chopin Airport (WAW), experienced significant growth pre-Pandemic, reaching a passenger volume of 18.8 million in 2019, while the airport's capacity is about 22 million passengers a year.² WAW is a Level 3 Airport³, operating near its capacity. The airport has an operating limit of 560 aircraft movements a day and up to 44 movements an hour.⁴

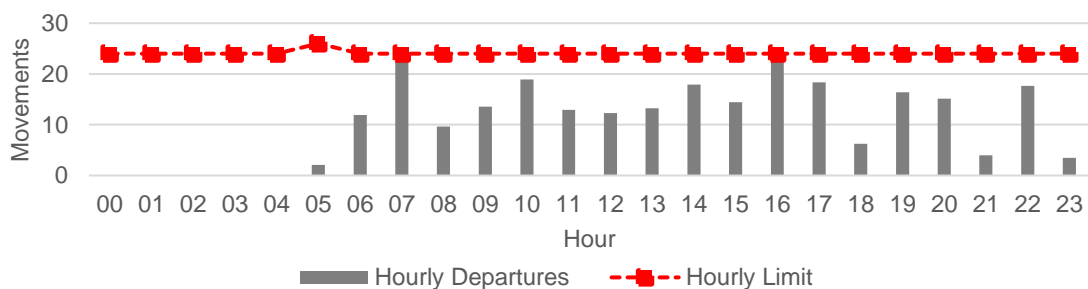
Warsaw Chopin Airport Passengers (2012-2023 1H)



WAW Average Arrivals by Hour (Jul-Sep 2019)



WAW Average Departures by Hour (Jul-Sep 2019)



Source: OAG Schedule Analyzer; mba Analysis.

¹ <https://www.cpk.pl/en/>

² <https://www.pasazer.com/news/462654/przepustowosc,lotniska,chopina,jaka,naprawde,jest,a,jaka,moglaby,byc.html>

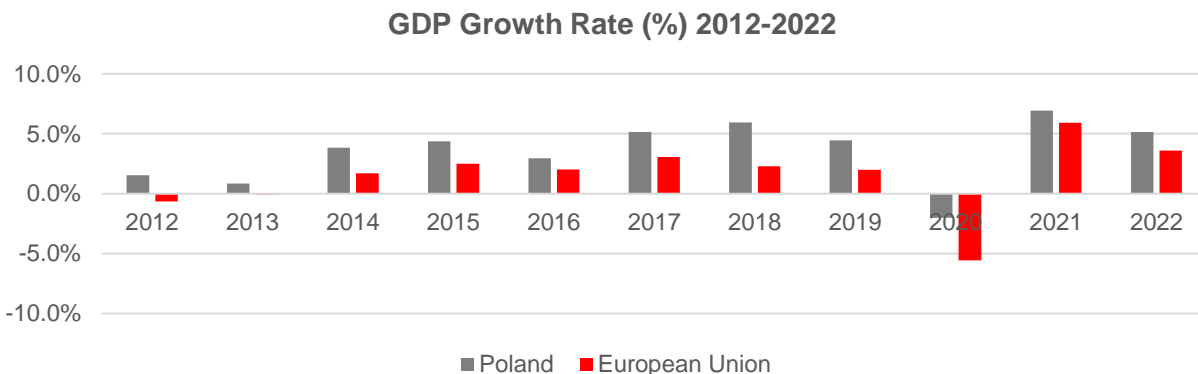
³ IATA Worldwide Airport Slot Guidelines (Edition 2) defines a Level 3 airport as one where:

- a) Demand for airport infrastructure significantly exceeds the airport's capacity during the relevant period;
- b) Expansion of airport infrastructure to meet demand is not possible in the short term;
- c) Attempts to resolve the problem through voluntary schedule adjustments have failed or are ineffective; and
- d) As a result, a process of slot allocation is required whereby it is necessary for all airlines and other aircraft operators to have a slot allocated by a coordinator in order to arrive or depart at the airport during the periods when slot allocation occurs.

⁴ <https://www.acl-uk.org/wp-content/uploads/2023/04/WAW-W23-Capacity-Declaration.pdf>

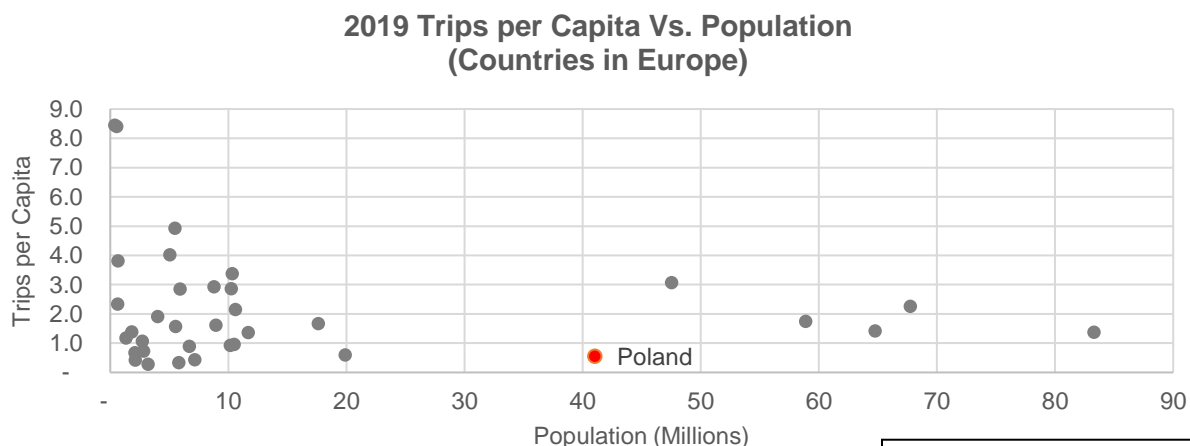
The second airport serving Warsaw, **Warsaw Modlin Airport** (WMI), operates as a low-cost carrier airport and is significantly smaller than WAW, receiving 3.1 million passengers in 2019. The airport's capacity is less than 5 million passengers a year.⁵ Planned expansions to the airport have been halted due to weak airport financials and a lack of management agreement on obtaining external financing.⁶

Poland has strong fundamentals. Poland is one of the largest economies in Europe (6th largest by GDP (PPP) and population, and 7th largest by land area). The country was amongst the fastest growing economies in Europe in the decade up to 2019. It recovered promptly from COVID-19, with a real GDP growth rate of 5.1% in 2022, compared to an average growth rate of 3.6% for the European Union during the year. Unemployment in Poland is at its lowest level in three decades and is the fourth lowest of any European country. In the near term, the country faces pressures from high energy prices as Russia's war on Ukraine has disrupted supply. This has resulted in soaring inflation and is expected to dampen growth in 2023, while the long-term outlook remains positive.



Source: International Monetary Fund (IMF), World Economic Outlook Database (WEO), October 2023.

Poland has low trips per capita. Poland has the one of the lowest trips per capita of any European country. The current low trips per capita alongside sound economic health support a strong potential for increase in aviation activity.



Source: Airbus Global Market Forecast (GMF) 2023; IMF WEO, October 2023; mba

Note: Statistics for Ukraine are not shown above.

⁵ <https://www.moodiedavittreport.com/warsaw-modlin-airport-plans-big-commercial-upgrade-and-expansion/#:~:text=The%20existing%20terminal%20has%20a,has%20considerably%20expanded%20its%20activities.>

⁶ <https://www.nik.gov.pl/aktualnosci/lotnisko-w-modlinie.html>

Regional air traffic in Europe and Central Europe is expected to grow by about 2.0%-3.0% between 2019 and 2042, according to forecasts from Airbus and Boeing. This would place the Warsaw area's traffic at around 27 million to 30 million by 2030.

Connecting opportunities. Apart from having the scope for robust origin-destination traffic growth, Poland also has the potential to grow connecting traffic through the country. Currently, low-cost carriers including Ryanair and Wizz Air dominate the commercial air travel market in Poland with a combined market share of 55% of seats in the country, while LOT Polish Airlines holds 25% of the seats. The increased capacity of CPK would allow LOT the opportunity to expand its hub activity, connecting Eastern Europe with the rest of the world. Connecting traffic at peer airports such as Frankfurt Airport (FRA), Munich Airport (MUC), and Zurich Airport (ZRH) range between 30% and 50%. Nevertheless, LOT would face competition from Western European flag carriers, Middle Eastern carriers, and the likes of Aegean, Aeroflot and S7 in its efforts to further connecting activity.

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