

# Govt rushes N\$95m airport upgrades

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Calle Schlettwein

**AS a quick fix measure to avoid a downgrade, the finance ministry has given the Namibia Airports Company (NAC) the green light not to advertise the N\$95 million tender to upgrade Hosea Kutako International Airport on the grounds of urgency.**

The NAC reportedly wrote to finance minister Calle Schlettwein on 25 September, asking that the parastatal be exempted from national tender regulations.

Schlettwein responded to acting NAC chief executive Lot Haifidi's request on 11 October, authorising the parastatal to award the contract to fix shortcomings at Namibia's biggest airport. Schlettwein was unreachable for comment, while Haifidi asked for questions to be emailed to the NAC communications department.

All government tenders worth more than N\$35 million are awarded through the Central Procurement Board, but the finance minister is allowed to give a state entity powers to bypass this process and issue a contract directly in emergency situations.

"You are directed to do the procurement of goods, works and services in order to mitigate the urgent situation at the Hosea Kutako International Airport," Schlettwein wrote.

His exemption allows the NAC to hand-pick a company that will repair the airport, but the minister said the NAC should not exceed the N\$95 million tender exemption approval. The N\$95 million renovations are a stopgap measure to upgrade the airport while the government acquires a loan from China for massive airport upgrades.

Schlettwein's letter said the N\$95 million includes renovating the check-in area (N\$16 million), baggage feeder conveyor and reclaim belts (N\$9 million), additional counters and furniture (N\$7 million), passenger screening equipment (N\$6 million) and special airport systems (N\$5,6 million).

*The Namibian* last week reported about concerns that the Hosea Kutako International Airport (HKIA) could be downgraded at the upcoming international inspection next month.

The air transport regulator, the Namibia Civil Aviation Authority (NCAA), blamed the NAC for the lack of upgrades at the airport, but documents show that the company was blocked by the finance ministry.

The NAC blamed the NCAA for pushing through questionable tenders, allegations the regulator has strongly denied.

The latest rushed exemption also exposed the finance ministry for turning down a similar exemption request made by the NAC board earlier this year.

Former NAC board chairperson Rodgers Kauta asked Schlettwein on 26 January 2018 for an exemption to approach companies to renovate the airport.

In his letter, Kauta reminded Schlettwein that the current HKIA building was a temporary structure constructed in 1985 to accommodate about 250 000 passengers, but it now caters for one million passengers.

Kauta warned that Dutch airline operator KLM had said they were considering whether to continue using the Namibian airport or not “due to the lack of improvement of the security performance”.

He suggested that they should renovate the airport within 90 days to “avoid the withdrawal of KLM, and prevent reputational damage”.

The former Kauta-led board believed at the time that they should cut out the middleman in the tender in order to cut costs. Ministry of works officials, however, wanted the tender to renovate the airport to be given to a middleman.

Kauta had told Schlettwein that the NAC had suggested that the government approaches companies such as Losberger GmbH, Siemens and

Röder and Höcker HTS to renovate the international airport because those companies specialise in building temporary, semi-permanent and permanent prefabricated structures at airports.

“These companies have done similar work at places such as the Lisbon Airport, Heathrow Airport, the Jomo Kenyatta Airport in Kenya, OR Tambo and Bloemfontein airports,” he stated.

The International Civil Aviation Organisation embarrassed the government in 2014 when it downgraded the HKIA after an inspection found that there were safety concerns, such as the lack of firefighting equipment at the airport.

The downgrade meant that bigger aircraft such as Air Namibia's Airbus A330-200 which flies to Frankfurt were not allowed to land at the HKIA. Air Namibia's Frankfurt flights had to land in Botswana because of that downgrade