

BREAKING THE SIZE BARRIER

Going from 1,000 to 200,000 travelers per year in five decades, Vagar Airport braces for the next leap forward as its runway extension nears completion in a bet on airline competition to make air travel prices more attractive.

IT'S BEEN 50 years — in the spring of 2012 when the current extension of Vagar Airport is expected to be completed — since civil aviation first linked the Faroe Islands with the rest of the world. The lengthening of the runway from 1,250 to 1,800 meters was largely conceived with one prime challenge in mind: introducing airline competition to drive down prices of air tickets.

“Come spring next year, this airport will, compared to earlier, no longer represent a limiting factor in relation to commercial air traffic to and from the Faroe Islands,” said Vagar Airport CEO Dávid Reinert Hansen.

Mr. Reinert Hansen added that with a lengthened runway, a more spacious airport terminal, and improved services for passengers and airlines — a total 412 million dkk (55m eur) investment — commercial operators will be more likely to consider Vagar Airport as a viable option. That, he said, can bring competition between airlines on routes to and from Faroe, which in turn will put pressure on air ticket prices.

According to industry insiders, the Faroese tourism sector has much left to be desired despite the significant progress witnessed in the last few decades.

“Let’s be honest about this,” one tour operator in Tórshavn remarked. “For all our enthusiasm and professionalism, there is still an elephant in the room. The cost of traveling is a bit too high for our own good and I really hope this revamp of the airport will make things more affordable.”

In a nutshell, that view echoes much of what Mr. Reinert Hansen told this publication. “I think we have... a very interesting situation,” he said. “The sentiment out there seems to resonate with our strategy, which is pretty clear: serve air carriers and their passengers in the best possible way to make Vagar Airport — and by extension this country as a flight destination — as attractive as possible. With 50 percent of length added to the runway, together with a new and larger terminal to make room for more and better offers, you may say we reach a milestone. In reality, however, this will only be the beginning of a new period — possibly a period of more rapid growth.”

STATISTICS: With improved air travel facilities well underway, hopes of lower fares are not only attached to the prospect of airline competition. “Significantly, the one air carrier that still operates all regular flights to and from Vagar Airport

will also benefit from this development,” Mr. Reinert Hansen said. “They will no longer be limited to the type of small aircraft they currently use and may instead bring in larger planes that can take more passengers to reduce operational costs, which again could allow for lower fares.”

According to Vagar Airport statistics, the number of passenger arrivals and departures has climbed quite steadily over the years and decades, with a few jumps and bumps. Starting off in 1963 with under 1,000 passengers, the figures had multiplied by a factor of three to just under 29,000 in 1972. A decade later, the total had climbed to just over 55,000.

The early 1990s, on the other hand, saw a sharp decline compared to the late 1980s, from more than 100,000 to just over 90,000 in 1991 before dropping down to little more than 87,000 in 1993, reflecting the lowest point of the economic crisis that hit the Faroe Islands during that period. With a strong recovery in the second half of the 1990s, the numbers rose sharply to pass 143,000 in 2000 and continued beyond 221,000 in 2008 before descending in tandem with the financial crisis of that year which combined with the ashes of 2010 to take the passenger total just below the 200,000 mark.



MARIA OLSEN

MARIA OLSEN



Vagar Airport

Vága Floghavn, FO-380 Sørvágur
www.floghavn.fo
E-Mail: floghavn@floghavn.fo
Tel.: +298 354 400
Fax: +298 354 401

CEO: Dávid Reinert Hansen
Airport Manager: Finnbogi Niclasen
Assistant Airport Manager: Jákup Persson

Vagar Airport Ltd is responsible for conducting all operational activities at Vagar Airport, the Faroe Islands' only airport.

Vagar Airport was originally a military installation, built during World War II. In the early 1960s the need and popular demand in the Faroes for civil aviation grew to the point of making a modernisation of the runway a necessity to facilitate passenger traffic.

Vagar Airport became operational for civil aviation in 1963. During the early years only propeller aircraft were implemented. Since 1977 jet aircraft too have serviced the routes to the airport. The Danish Civil Aviation Administration administered Vagar Airport from 1963 to the April 2007.

CEO Dávid Reinert Hansen; overview of extension works (bottom left); boarding Atlantic plane (bottom centered); Yugoslav Airlines plane refueling (below).

outgoing — what is it that determines the degree to which people living in the Faroes opt for taking the airplane to somewhere out of the country? What is their level of interest in traveling, and so on. In fact we need more statistics but that’s a discussion of its own.”

“These figures tell us a number of things and at the same time raise a few questions,” Mr. Reinert Hansen said. “We could ask, for example, which are the deciding factors for most people when it comes to choosing or not choosing to fly to the Faroes? Is it time, money, convenience, or perhaps curiosity? And



JÁKUP PERSSESSON