Islamabad International Airport (ISB) Public-Private Partnership (PPP) Project

Islamabad, Pakistan

Transaction at a glance

Transaction	Long-term outsourcing by way of concession – operation, maintenance, commercial exploitation and phased development. No transfer of freehold title.
Granting Authority	Pakistan Airports Authority (PAA), as asset owner and Grantor
Transaction Authority	Privatisation Commission of Pakistan
Legal Framework	Privatisation Commission Ordinance 2000
Transaction Advisor	Asian Development Bank
Design Capacity	Nine (9) million passengers per annum (MPPA)
Process	Two stages: Request for Statement of Qualifications (RSOQ) and pre-qualification, followed by Request for Proposal (RfP)
Award Parameter	Single financial parameter
Indicative Launch	Q4 2026
Airport Infrastructure Designer	Aéroports de Paris Ingenierie (ADPi), France
Terminal Designer	CPG Corporation (Singapore), in joint venture with NESPAK

Key features

9 million
Passenger design capacity per annum

7.1 Million
Passenger throughput FY2025/26

39,000
Aircraft movements in FY2025/26

2018
Opening date

Currently, there are 28 international carriers and five (5) local carriers operating in Islamabad International Airport (ISB).

Local Airlines
Airblue
AirSial
Fly Jinnah
Pakistan International Airlines *(will soon establish its hub at ISB)*
South Air

International Airlines	
Air Arabia	Iraqi Airways
Air China	Jazeera Airways
Arian Afghan Airlines	Kam Air
Azerbaijan Airlines	Kish Air
British Airways	Kuwait Airways
China Southern	Mahan Air
Emirates	Qatar Airways
Etihad Airways	Riyadh Air
Fly Dubai	Salam Air
Fly Sky Aviation	Saudi Arabia Airlines
Flyadeal	Somon Air
Flynas	Thai Airways
Gulf Air	Turkish Airlines
Iran Airtour	Uzbekistan Airways

International Connectivity and Route Expansion

Pakistan's extensive network of **bilateral air service agreements** provides supportive framework capacity for future **international route development**, with additional capacity expected to be driven primarily by **airline network deployment** and **market demand** rather than material constraints on market access.

European Connectivity Upside

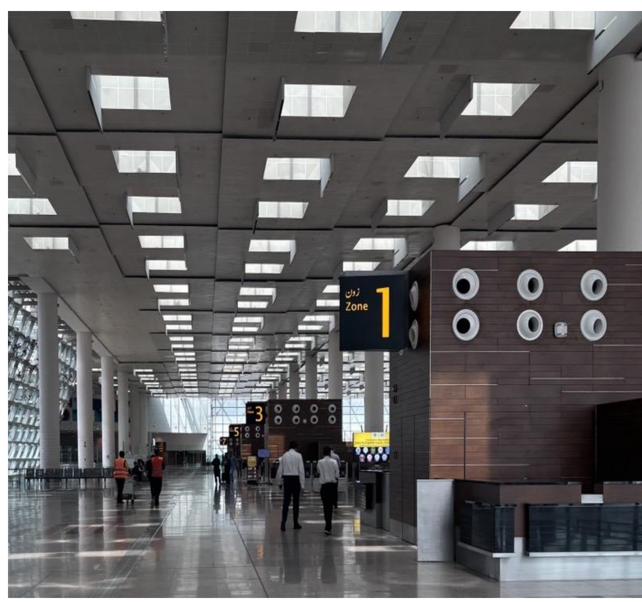
The **resumption and expansion of European services** represents a near-term opportunity to support **international passenger growth**, leveraging existing **air service rights** and available market access.

International Route Development Potential

Major international markets, including **Türkiye, China, and Thailand** retain substantial **unused traffic rights**, providing meaningful headroom for future **route and network expansion** from ISB.

Passenger Terminal, Landside, and Airside Facilities

Terminal Space	• Circa 80,000 sqm terminal footprint; 4 levels with total of circa 160,000 sqm floor space • Y shape terminal split between domestic and international traffic • 9.0 MPPA design capacity • Clear terminal expansion pathways
Departure Area	• 3 piers in a Y-formation (10 International Boarding Gates; 6 Domestic Boarding Gates; 1 Swing Boarding Gate) • Seating capacity = 5,500 chairs distributed within the terminal
Passenger Boarding Bridges / Aerobridges	• Total of 15 contact stands ○ 2 Code F stands each with 3 aerobridges ○ 7 Code E stands each with 2 aerobridges ○ 6 Code C or D stands each with 1 aerobridge
Check-in Facilities	• 70 international check-in desks • 32 domestic check-in desks • Space for implementation of self service kiosks and expansion of check-in desk / automated bag drop equipment • 7 baggage make-up carousels

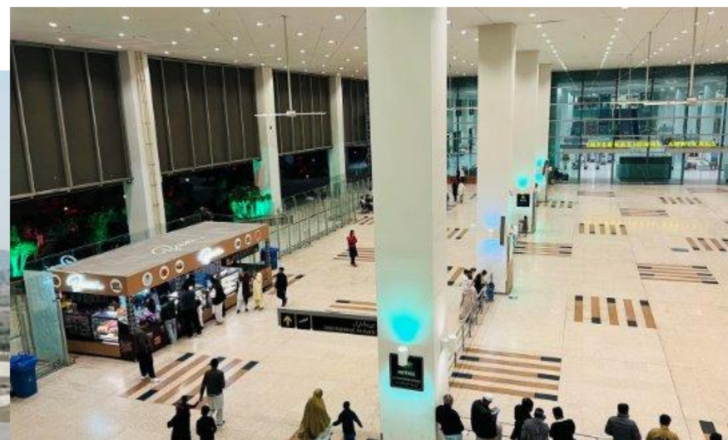


Passenger Terminal, Landside, and Airside Facilities

Baggage Handling System (BHS)	• **Departure check-in baggage handling with sortation; Level 3 In-line baggage screening** • **Total of 8 baggage reclaims (5 for International; 3 for Domestic)**
Toilets and Prayer Rooms	• Multiple toilets for male, female, and PWD use • Multiple prayer areas for male and female use
Runways and Taxiways	• 2 close-spaced parallel runways (10R/28L, 10L/28R) • Runway length – 3,658 meters each ○ Primary – Code 4F; Secondary – Code 4E • Single full-length parallel taxiway, and various supporting taxiways
Aprons / Aircraft Parking Stands	• 15 contact stands sized for a mix of Code C, D, E and F aircrafts • 3-stand cargo apron directly opposite the cargo handling facilities • Total of 33 stands all equipped with stand entry guidance, fuel, and power
Fire and Rescue Facilities	• CAT 10 ARFF
Car Parking (Terminal)	• 2,200 at-grade spaces outside the terminal within 87,000 sqm of land) with space for expansion
Public Transport Access	• Metrobus (BRT) Orange Line connection to twin cities; airport shuttle service

Commercial Facilities

Lounges	• 3 international CIP lounge sites at level 4 of the terminal
Retail Shops	• Landside retail for general public with significant opportunity for enhancement and expansion • Airside retail in both domestic and international; both with opportunity for significant expansion
Developable Land	• Significant land holding (potentially up to 2 million sqm) suitable for further commercial development



Cargo Facilities and Airport Support & Operational Facilities

Cargo Handling	• Multi-user cargo building in place with on-site government processing, capable of handling circa 100,000 tons per annum • Direct apron access for cargo available • Land for expansion available
Catering	• Two (2) catering providers established, with land for expansion of additional facilities.
Aviation Fuel facilities	• On-site fuel farm linked to a fuel hydrant system • All stands served by the fuel hydrant • Room for additional tanks within the fuel farm
Utilities	• Robust utility provision and on-airport distribution network • Circa 30,000 sqm sewerage treatment plant (STP) • Circa 7,000 sqm main power intake and sub-station building
Car Parking (Support Facilities)	• Circa 2,500 spaces distributed in landside areas
IT and Telecommunications Infrastructure	• Wi-fi and telecommunications infrastructure available

Key Investment Opportunities

1. Diversified and Resilient Traffic Base

This diversified demand base provides multiple sources of passenger traffic, reducing reliance on any single segment and supporting long-term traffic growth.

- **Capital-city gateway serving government,** diplomatic, multilateral and corporate travel; a demand segment with limited substitutability.
- **Gulf labor and remittance-linked traffic**, high trip frequency and low-price elasticity relative to leisure demand.
- A large, established **diaspora base** for visiting-friends-and-relatives (VFR) traffic on long-haul routes.
- **Northern-region tourism and trekking demand**, offering incremental upside.

2. Modern Asset with a Defined Capacity Envelope

Modern asset allows flexibility to **phase development** in line with actual demand.

- **Trigger-based capital program**: investment obligations keyed to demonstrated demand-capacity thresholds, aligning capital deployment with realized traffic.
- The concession is expected to adopt **output- and performance-based specifications** rather than prescriptive design requirements, providing bidders with flexibility to optimize design and delivery.
- **Land availability** on and adjacent to the site supports phased expansion.

3. Significant Non-Aeronautical Revenue Upside

Non-aeronautical revenue represents a significant identified value-creation opportunity at ISB.

- **Retail, duty-free and food and beverage:** concession redesign, tenant mix, category management and passenger-flow optimization.
- **Advertising and media:** digital estate development and monetization within the passenger terminal building.
- Car parking, kerbside management and ground transport concessions.
- **Premium lounges, fast-track and ancillary passenger services**, supported by a high-yield diaspora and corporate segment.

4. Commercial Development Potential

The airport site presents additional commercial development potential.

- **Logistics, warehousing, and freight-forwarding facilities** serving the northern corridor.
- **Maintenance, Repair, and Overhaul (MRO) facilities and services**
- **Business park and office development leveraging** capital-city proximity.
- Fuel farm, catering, maintenance and third-party support facilities.

5. Cargo and Logistics Potential

Air cargo volumes at ISB remain modest relative to the scale and economic activity of its catchment, indicating potential for further development.

- Dedicated cargo terminal development and handling-service concessions.
- Cold-chain and pharmaceutical-grade handling capability, presently limited in the catchment.
- E-commerce and express-freight growth linked to Pakistan's expanding digital retail sector.

Key Project Information

The Project involves the **long-term concession of ISB's landside operations**, potentially extending to airside operations, to a **qualified private operator**. The concessionaire will **operate, manage, and monetize the airport's terminal and commercial activities**, while ownership and sovereign functions, including air navigation, remain with the public sector.

The concessionaire's revenues will comprise passenger service charges, apron charges (including aircraft parking and fuel flowage fees), commercial revenues (retail, car parking, and advertising), cargo handling fees, and, if airside operations are included, landing fees.

The Project is expected to follow a competitive international tender process under the Privatisation Ordinance 2000 and other legal and regulatory frameworks applicable for the implementation and procurement of the Project.

Procurement is expected follow a **two-stage competitive process**, comprising a pre-qualification stage through a **Request for Statement of Qualifications (RSOQ)**, followed by a tender stage through a **Request for Proposal (RfP)**.

Q4 2026	Q1 2027	Q2 2027	Q2 2027	Q3 2027
Issuance of RSOQ	Bid Submission Date	Issuance of Notice of Award	Commercial Close	Financial Close

Contact Information
For further information, you may contact:

Rosemary Ong
Asian Development Bank
Principal Markets Development Advisory Specialist
rong@adb.org; PAK-ISB-ADB@adb.org