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**CONDITIONS FOR CONSOLIDATION OF  
BANDARANAIKE INTERNATIONAL AIRPORT  
AS A REGIONAL AVIATION HUB**

**MASTER OF BUSINESS ADMINISTRATION  
IN**

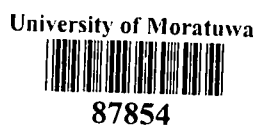


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August 2006

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# **CONDITIONS FOR CONSOLIDATION OF BANDARANAIKE INTERNATIONAL AIRPORT AS A REGIONAL AVIATION HUB**

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The Dissertation was submitted to the Department of Civil Engineering of the University of Moratuwa in partial fulfilment of the requirement for the Degree of Master of Business Administration.

Department of Civil Engineering

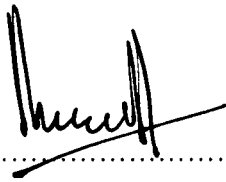
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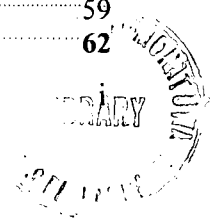
## ***UOM Verified Signature***

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## **Abstract**

Development of Bandaranaike International Airport (BIA) as a Regional Aviation Hub is of great importance to the economy of Sri Lanka as it is virtually the only passenger gateway due to lack of land connectivity to the sub continent. Besides that, it plays a major role with regard to various businesses and industries that required faster transportation of goods and services to global and local markets. The aim of this thesis is to analyze the parameters of Aviation Hubs and their applicability in local terms to identify the specific conditions which are necessary to consolidate BIA as a Regional Aviation Hub of South Asia.

The thesis compares the three basic parameters that are common to all the hubs in the world – (the catchment Area, enplanement & transit passenger volume and being a hub station of an international airline) – with BIA and concludes that improving the conditions related to these three parameters would enable BIA to become a Regional Aviation Hub of the South Asia. The significantly higher 'Transit Ratio', defined in this thesis as the ratio between transit passengers and total enplanement for a given period shows that BIA has significant potential to emerge as a preferred 'transit point' for South Indian sectors.

The thesis highlights the fact that lack of a consistent aviation policy which encompasses a wide area of various facilities linked to aviation, as a major shortcoming. As a result, liberalization attempts of the past have only created monopolies which in turn have become counter productive to the development of BIA as a Regional Aviation Hub. It also highlights the areas which need to be improved and conditions that must be satisfied by adoption of the best practices of successful aviation hubs.

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How to do it yourself?  
How to do it together with others?  
How to get others to do it?

This thesis is the final outcome of my MBA learning to answer above questions. Even though it is a product of an individual, if not for the support of many others, it would have not have seen the light of the day. I wish to pay my gratitude to all those who helped me to complete the research project successfully.

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