



JAKARTA BLOCKS LION GROUP'S \$1.3BN LEBAK AIRPORT PROJECT

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The Indonesian Ministry of Transportation (IdMOT) has **rejected Lion Group** and partner PT Maja Raya Indah Semesta's (MRIS) **Lebak International Airport** proposal on the grounds that its operational feasibility and safety standards were insufficient to warrant a greenlight.

The two firms announced plans to build a new cargo-oriented facility on a 5500ha plot of land in Indonesia's Banten Province in November 2014. Following several revisions to the plan including runway reorientation and the relocation of the main facility, the IdMOT's Director for Airports, Agus Santoso, said in a statement issued Monday that the proposal still did not meet minimum safety requirements in that its proximity to the nearby airports of Budiarto, Rumpin, Jakarta Soekarno-Hatta, and Jakarta Halim could impinge on existing commercial air corridors as well as the Indonesian Aviation Institute's (STPI) airspace.

"From a safety perspective, Lebak's plans to offer commercial services can not be allowed to proceed," he said basing his decision on MRIS's feasibility study.

Lion Group has reportedly accepted the ministry's decision.

Having already acquired the necessary land, Lion Group and MRIS had planned to invest up to USD1.2 billion into the project which would have featured four runways and a terminal capable of handling A380-800s. The cargo terminal, the airfield's primary selling point, would also have helped reduce logistics costs for Small and Medium Enterprises (SMEs) thus stimulating the local economy.

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