



PHILIPPINES TO MODERNIZE AGING MANILA AIRPORT, BOOST CAPACITY

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The Philippine government is considering bringing in investors to modernize Manila's 33-year-old [airport](#) as President Benigno Aquino tries to upgrade the country's infrastructure.

Companies will be brought in on 15- to 20-year concessions to invest more than 120 billion pesos (US\$2.6 billion) to upgrade Ninoy Aquino International Airport (NAIA), Transportation Secretary Joseph Emilio Abaya said in an interview Wednesday. That will enable the airport to meet projected traffic of 51.4 million passengers a year by 2037, from about 35 million now.

Abaya said President Aquino may soon grant approval to spruce up the facility, named after Aquino's father, who was assassinated on the airport's tarmac in August 1983. Airports in Hong Kong and Singapore also are upgrading by building new runways and terminals as Asia's economic growth boosts passenger traffic, choking facilities that have outgrown their initial capacity.

"We're almost at full capacity in NAIA," Abaya said from his Manila office. "The president is in agreement on how important this project would be, given the growing economy. We'll leave it to the concessionaire to provide solutions, whether through technology, added equipment, rapid exit taxiways or an additional terminal."

The investors may be able to start operations by 2017, Abaya said.

Thailand, Singapore

The Philippines is also building a new passenger terminal at Clark International Airport, about 95 kilometers (60 miles) north of Manila, to boost capacity fourfold to 8 million a year.

Aquino, who is due to step down next June, has made improving infrastructure a key goal of his administration, joining neighbors in Southeast Asia in boosting domestic and regional connectivity.

In Thailand, the government is spending about \$83 billion over seven years to build new railways, roads and customs checkpoints, while negotiating with China and Japan to construct high-speed rail networks. Singapore and Malaysia are exploring the feasibility of a high-speed rail line from the city-state to Kuala Lumpur, while China is looking at building highways and rail lines throughout Southeast Asia.

World's Worst

The Guide to Sleeping in Airports, a travel website that produces an annual survey, ranked NAIA as the world's worst airport as recently as 2013.

Philippine billionaire Enrique Razon Jr., whose Bloomberry Resorts Corp. owns Manila's Solaire Resort & Casino, said last week he may consider investing in the NAIA project.

"It's a very interesting proposition, especially for us in Solaire because it's critical to our business, and to tourism," he said in an Oct. 2 interview.

The government last year awarded a contract to expand Cebu airport, and currently is bidding out operating rights for five more airports around the country.

Other plans to upgrade infrastructure include rehabilitating and expanding a 124-year-old rail track on the main Philippine island of Luzon, with more than 1,200 kilometers of tracks planned from La Union province in the north to Albay province in the south, Abaya said.

The government is bidding out the South Line at an estimated cost of 170.7 billion pesos. The North Line, estimated to cost more than 117 billion pesos, will be partly financed by a US\$2 billion loan from Japan. Both lines are expected to be operational by 2020 or 2021.

"There's a lot of interest, not just from local companies but also partners from global companies," Abaya said. "This is very high on our agenda."

Aquino plans to boost infrastructure spending next year to 766.5 billion pesos, about 5 percent of gross domestic product and more than four times the amount when he took office in 2010. He's also seeking more than US\$24 billion of investment in roads, airports and railways under the Public-Private Partnership program.

The government also is weighing a plan to build a subway in Manila, Abaya said. It could be funded either through a loan or via the partnership program, according to the transport agency, with the first phase to be ready by 2025.

09 OCTOBER 2015

SOURCE: BLOOMBERG

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