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## San Miguel proposes \$10B airport for Manila

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MANILA -- Philippine conglomerate San Miguel plans to build a \$10 billion airport to replace the aging and congested gateway currently serving the country's capital.

"I am set to present this airport project to the president (Benigno Aquino III) around April," San Miguel President and Chief Operating Officer Ramon Ang said in an interview.

The 800-hectare proposed airport, which would be located in metropolitan Manila, will have four runways and an enlarged passenger capacity, he said. The existing Ninoy Aquino International Airport (NAIA) operates under a single-runway system and occupies 400 hectares in the Pasay area of Manila.

Ang would not specify the airport's location to avoid speculation in property prices near the area.

"It will be a new airport that will outclass everybody in the region," Ang said. He sees the Philippine air travel sector continuing its ascent in a country of around 100 million people.

"We have a very high population base," he said. "We have very nice tourist destinations. Our Filipino population loves to travel and work in other countries. So it is a good opportunity."

The airport project will be offered to the government under a build-operate-transfer scheme, which means the airport's ownership will be turned over to the state after 25 years, he said.

San Miguel, which owns 49% of Philippine Airlines, is proposing its own airport amid the congestion at NAIA.

Manila's airport handled about 33 million passengers last year, far exceeding its capacity. The single-runway system has also resulted in frequent flight delays.

The proposed airport, which could be built in five years' time, will become the exclusive hub of Philippine Air in the first few years of operation. It will be offered to other domestic and foreign carriers later, Ang said.

To bankroll the project, San Miguel plans to take in one local investor and a foreign partner, which will likely assume the role of airport operator, Ang said.

San Miguel, which started as a food and beverage firm in the Spanish colonial period in the late 19th century, started diversifying into heavier industries in mid-2005.

The airport project is part of a \$37 billion capital expenditure budget for the next three years aimed at growing San Miguel's businesses, which span roads, power, telecommunications, oil refining and banking. San Miguel also operates Caticlan airport in the central Philippines.

The proposal is expected to be heavily scrutinized by the Philippine government, which has shown a preference for solicited projects over unsolicited proposals.

The government has also embarked on its own study to address airport congestion, enlisting the Japan International Cooperation Agency to look into other possible locations for the country's primary aviation hub.