

ASEAN airport upgrades take off

Throughout Southeast Asia, the race is on to build bigger and better terminals to absorb soaring tourist numbers

By KARL WILSON

ASEAN member countries are spending billions of dollars upgrading existing airports or building new ones to accommodate a surge in tourist numbers, with China accounting for the bulk of visitors to the 10-nation bloc.

Over the last decade, the Association of Southeast Asian Nations (ASEAN) — Indonesia, Thailand, Vietnam, Singapore, Malaysia, the Philippines, Myanmar, Cambodia, Laos and Brunei — has seen a dramatic increase in Chinese tourism, testing much of the outdated infrastructure.

Even Singapore's Changi Airport, voted World's Best Airport for the sixth consecutive year by Skytrax in its 2018 World Airport Awards, is undertaking a multibillion-dollar expansion.

Spanning a massive 1,080 hectares (equivalent to more than 660 football fields), the Changi East project is the largest development in the airport's history, according to the Changi Airport Group (CAG), which manages the Southeast Asian hub.

The development includes a new terminal (T5) and runway, set to increase the number of runways from the current two to three.

Due to open in 2030, T5 will be bigger than Terminals 1, 2, 3 and 4 combined, which currently cater for 82 million passengers a year. An upgrade of T1, due for completion next year, will push capacity to 85 million annually. But T5 will add capacity for an extra 50 million passengers annually, CAG said.

Caspar Baum, a regional expert on airport infrastructure who sits on the board of governors of the Asian Business Aviation Association, said global aviation volume is expected to treble over the next 15 years.

Much of this will be driven by traffic growth through Asia-Pacific, he told *China Daily Asia Weekly*.

Baum said key destinations and airports to be developed in Southeast Asia are in Vietnam, Cambodia, Thailand, the Philippines, Malaysia and Indonesia. Other areas (excluding China) are in India, Nepal, Japan, Maldives, Australia, the South Pacific and New Zealand.

Recently, the board of Airports of Thailand (AOT) approved major expansions of Suvarnabhumi, Thailand's main international airport in Bangkok, and the city's second international airport, Don Mueang.

AOT expects Suvarnabhumi airport, already stretched in capacity due to the country's tourism boom, to receive 65 million passengers this year and 68 million in 2019.

Nitinai Sirismatthakarn, president of the company, said in June the



The automated check-in booths at Changi International Airport in Singapore on Oct 11. The airport is expanding to cater to the growing numbers of visitors. AFP

expansion plan will proceed to 2022 to increase the total accommodation from 75 million to 90 million visitors at Suvarnabhumi Airport and to 40 million at Don Mueang.

AOT also runs several other airports in Thailand, including Phuket International Airport, Chiang Rai and Chiang Mai airports, all of which are undergoing expansion and renovation.

Tourism is a major pillar and powerhouse to Thailand's economy, and is one of the main reasons for the expansions and upgrades.

The Thai government has been propelling the country's infrastructure projects to craft Thailand into the second-largest economy in Southeast Asia. Tourism accounts for 18 percent of Thailand's GDP and remains critical for the Thai economy to expand, starting with its airport expansion initiatives, analysts say.

In Laos, the capital city's Vientiane Airport has doubled the size of its international terminal, supporting a Laotian initiative to boost tourism.

Laos, one of Asia's poorest countries, expects Vientiane's international passenger traffic to double over the next five years, driven by a rapid increase in the number of visitors, especially Chinese.

Vientiane Wattay Airport opened an expanded international terminal in August, boosting capacity to 2.3 million passengers per annum. The terminal, which currently handles

around 150 departures per week, has doubled in size to 25,000 square meters.

The expansion project cost nearly \$90 million and was primarily Japanese-funded with a loan provided by the Japan International Cooperation Agency.

Neil Bentley, vice-president of aviation in Asia-Pacific at AECOM, told a conference recently that investments in infrastructure and human capital at airports are not keeping pace with the growth in the aviation industry across ASEAN countries, "except in a few cases".

"Many countries have the necessary plans and programs but seem to be struggling with an effective and timely rollout and implementation of those plans," said Bentley.

Indonesia's airline market is among the fastest-growing globally and a leading driver of transport industry growth, according to the Oxford Business Group.

Although this expansion has created capacity constraints at Indonesia's primary air hub, Soekarno-Hatta International Airport in Jakarta, the completion of a third terminal has significantly boosted capacity, better enabling the airport to meet rapidly rising demand.

The Report: Indonesia 2018 by the Oxford Business Group said the government is shifting its focus to developing and upgrading airports outside of Jakarta, with plans to build 15 new facilities in the coming years.

An upgrade of Bali's I Gusti Ngurah Rai International Airport is being led by state-owned airport operator Angkasa Pura I.

In February, an Antara news report said the expansion will include the aprons in the western and eastern sides of the airport to allow for more parking areas for large jets. The VIP I and II terminals in the western side of the airport would be moved to the eastern side near the international cargo terminal.

The work will expand Bali's international airport by 47.9 hectares, mainly through reclamation from the sea and adjoining beach area, Antara said.

Last year, 21 million passengers passed through the airport, which currently has an annual capacity of 25 million passengers.

According to Antara, the number of passengers could grow beyond 37 million, requiring additional infrastructure like a second runway.

There have also been talks between the government and private companies on building a new airport in the north of Bali. Currently, several potential investors are in the process of conducting feasibility studies.

Last year, the Vietnamese government agreed to add a new runway and two terminals to Ho Chi Minh City's Tan Son Nhat International Airport in an upgrade designed to let Vietnam's busiest hub handle 40 million to 50 million passengers annually.

The airport currently handles 36 million passengers per year, which is way above its designed capacity of 25 million.

Throughout Southeast Asia, the race is on to build bigger and better airports to absorb soaring tourist numbers, being pushed along by the growing numbers of Chinese travelers.

According to aviation consultancy CAPA, Asia now accounts for nine of the world's 20 airports that handle at least 60 million annual passengers.

Five Asian airports reached 60 million annual passengers for the first time in 2017 — Bangkok Suvarnabhumi, Delhi Indira Gandhi, Guangzhou Baiyun, Seoul Incheon and Singapore Changi.

In 2016, Asia only accounted for four, or 29 percent, of the 14 airports globally handling at least 60 million passengers. Asia will likely account for 50 percent of the airports handling 60 million-plus passengers in 2018, and more than 60 percent in 2020.

"Asia's fast-growing share is an indication of Asia's increased role in global traffic," said CAPA.

"Large Asian airports (over 30 million annual passengers) without infrastructure constraints are particularly well placed for growth, leading to a steady stream of airports reaching the 50 million and 60 million annual passenger milestones," CAPA said in a report released earlier this year.