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## 5 regional airport PPP deals attract more honchos

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Chrisee Dela Paz



1ST PPP CALL. These 5 airport PPP deals — cumulatively worth some P108.9 billion — were previously rolled out under the administration of former president Benigno Aquino III. Rappler file photo

MANILA, Philippines — [Ayala Corporation's infrastructure](#) group and Lucio Tan-led [Asia's Emerging Dragon Corporation](#) could go head-to-head with other top listed conglomerates for the development, operations, and maintenance of 5 unbundled regional airports in Bacolod, Davao, Iloilo, Laguindingan, and Bohol.

These two groups, along with other foreign and local companies, attended the pre-qualification conference on the public-private partnership (PPP) projects in Mandaluyong City on Monday, March 13.

If they push through with the bidding, AC Infrastructure Holdings Corporation and Asia's Emerging Dragon will battle with a consortia led by Metro Pacific Investments Corporation (MPIC), [Aboitiz](#) InfraCapital Incorporated, San Miguel Holdings Corporation, Filinvest Development Corporation, and Megawide Construction Corporation.

Both AC Infrastructure and Asia's Emerging Dragon — a firm built by Lucio Tan, John Gokongwei, Andrew Gotianun, Henry Sy Sr, George Ty, and Alfonso Yuchengco — have also expressed interest in the auction of the P74.56-billion (\$1.66-billion) deal to upgrade the Ninoy Aquino International Airport (NAIA).

Although these big local investors were lured in by the unbundled airports, a couple of them are finding it difficult to partner with global airport operators because of the size of the airports. (READ: [1st PPP rolled out under Duterte: 5 regional airports](#))

Previously pre-qualified bidders in the bundled airport project are considered pre-qualified in these unbundled deals, provided that there are no changes in their legal, technical, and financial capacities.

### Too small for global players?

Regional airports being auctioned off under the PPP scheme are: the P20.26-billion Bacolod-Silay Airport, the P30.40-billion Iloilo Airport, the P40.57-billion Davao Airport, the P14.62-billion Laguindingan Airport, and the P2.34-billion New Bohol (Panglao) Airport.

Both officials of MPIC and [Aboitiz](#) have raised concern on the 10% equity requirement of an airport operator to a participating consortium.

"I think one of the big considerations really is the equity requirement. That is a major hurdle for smaller airport bids of this nature because in the prior iteration of the larger bundled airports, you can still attract the big global players," [Aboitiz](#) InfraCapital first vice-president [Roman Azanza](#) III said on the sidelines of the conference.

His remarks were echoed by MPIC vice-president for business development Karim Garcia. (READ: [PH sticks to bundled plan for 5 airports](#))

"We are echoing [Aboitiz](#) in the equity requirement. With the airports unbundled, we will have a hard time looking for an operator," Garcia said during the conference.

This was after the French partner of MPIC, [Aéroports de Paris](#), had backed out from the auction for the unbundled regional airports, citing weaker economic viability of smaller gateways.

"Our foreign partner has notified us that they are pulling out of the airports because the unbundling resulted in the individual airports being too small," MPIC president Jose Ma. Lim had said.

For Azanza, this is "a whole new ball game."

"We'll really be starting from scratch so I think the fair answer is we will probably be exploring all options at this early stage including creating the perfect consortium for this type of bid," the [Aboitiz](#) official said.

The transportation department has set the qualification documents submission deadline on May 11, and the bid proposals submission on December 8.

The department plans to award these regional airport projects by January 2018. — [Rappler.com](#)