

Press Release

GMR MEGAWIDE SUBMITS PROPOSAL FOR HIGHLY AWAITED 2ND RUNWAY AT MCIA

The planned second runway, which is included in a comprehensive proposed masterplan spanning 50 years, will transform MCIA into the only Philippine airport with two independent parallel runways, capably serving annual passenger capacities of up to 50 million through exceptional airside facilities and three passenger terminals.

The consortium of GMR MEGAWIDE, operators of Mactan-Cebu International Airport (MCIA), has submitted an unsolicited proposal for the long-term development of MCIA. The consortium's top officials confirm that the proposal, which includes plans for a much awaited second runway, was submitted on Wednesday, 7 June 2017.

"We have always believed in the potential of MCIA as the primary gateway to serve Visayas and Mindanao," said GMR MEGAWIDE Director Louie Ferrer. "Passenger traffic has shown incredible growth in the last two or three years. While this is good news for the country, especially for Cebu, we want to ensure that the airport can ably cope with this continued progress."

The consortium won the Public-Private Partnership (PPP) concession to operate MCIA in December 2013. However, this contract does not include the improvement, operations, and maintenance of the runway and other related facilities, which to date remain with the Mactan-Cebu International Airport Authority (MCIAA).

The Proposal: A 50-Year Masterplan

With this investment proposal amounting to Php 208 Billion, GMR MEGAWIDE intends to take over airside facilities from MCIAA and secure the unconstrained growth of the airport by providing a capacity of at least 50 million passengers per annum (mppa). This will be done through three main phases:

1. Shortly upon taking over the airside facilities, GMR MEGAWIDE will undertake (a) the rehabilitation of MCIA's existing runway and taxiways; (b) the construction of an additional full length parallel taxiway that can act as an emergency runway; and (c) the development of additional rapid exit taxiways and runway holding positions, all of which will improve the efficiency of aircraft movements;
2. Construction of a second parallel and independent runway which will significantly increase airside capacity; and,
3. Construction of a third terminal to accommodate all the additional passengers.

The project calls for a necessary expansion of airport land in order to accommodate the new facilities. GMR MEGAWIDE expressed that it will be looking into options that will minimize the impact on surrounding communities, such as a possible reclamation in Magellan Bay. "We took into account the number of residents that may be affected by the airport expansion. We will be adopting an approach that prevents any adverse effect on their daily lives," Ferrer said.

MCIA's runway capacity has long been a concern among airport stakeholders. GMR MEGAWIDE reveals that MCIAA equally shares a long-term view. "MCIAA is very forward thinking. They really

understand the requirements of the airport and the importance of planning ahead. The proposal for a second runway is a fulfilment of their vision for MCIA.”

Once completed, the project will make MCIA the first airport in the Philippines with two parallel independent runways.

When asked about the reception of government authorities to the unsolicited proposal, Ferrer says the interest in the development has been very positive. “We submitted a highly detailed proposal tailored specifically to the needs of MCIA and we are looking forward to their response.”

“As a matter of fact,” he added, “MCIAA recently passed a resolution pushing for the implementation of a second runway. Our proposal therefore dovetails perfectly with the directives of this Administration.”

Implementing Solutions for Future Airport Efficiency

The rehabilitation of existing airside facilities together with the construction of a new runway will help alleviate congestion that may be experienced by a single runway facility.

“Our studies show that passenger traffic in Cebu will reach about 28 mppa in 2039. This is traffic similar to major Asian airports such as Singapore, New Delhi and Kuala Lumpur among others. Part of our plan is to ensure MCIA will be able to avoid airfield congestion like the kind experienced by NAIA, and continue efficient operations despite this increasing traffic,” Ferrer says.

With such an encompassing plan for development, Ferrer underscores the role of the airport community in achieving the long-term plan for MCIA. “The people of Cebu have played a huge role in MCIA’s current success. We are very much hoping for their continued support so that we can create an airport we can truly be proud to call our own.”

In just over two years, from assuming operations of MCIA in November 2014, the consortium has implemented a number of critical improvements at the airport. These include lessening passenger congestion, implementing an initial renovation of the existing terminal, and the opening of new domestic and international routes.

MCIA has won a number of international awards in the past two years, including Best Regional Airport in Southeast Asia from the CAPA Center for Aviation (2016); Best Transport Deal from the Asset AAA Infrastructure Awards held in Hongkong (2015); Asia Pacific Transport Deal of the Year from Project Finance International Awards (PFI) held in London (2015); and Asia Pacific PPP Deal of the Year from Euromoney-IJ Global Awards held in London (2015). Last year, MCIA was also named 14th Best Airport in Asia by the website The Guide to Sleeping in Airports.

The consortium is currently undertaking the construction of Terminal 2, slated for completion in June 2018, which will increase the airport’s overall passenger capacity from 4.5 mppa to 12.5 mppa.

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In December 2013, GMR MEGAWIDE won the concession to develop Mactan-Cebu International Airport (MCIA) for a period of 25 years. The consortium is composed of Megawide Construction Corporation, one of the Philippines' leading engineering and infrastructure conglomerates, and Bangalore-based GMR Group, one of Asia's leading infrastructure developers with airports in New Delhi, Hyderabad, Goa, and recently, Greece.

On 1 November 2014, the company officially took over operations of MCIA through GMR MEGAWIDE Cebu Airport Corporation (GMCAC). The consortium is currently the country's largest private airport operator.

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