

BILLION-DOLLAR INVESTMENT

INDONESIA PLANS NEW AIRPORT

Angkasa Pura II hopes to tap travel boom and compete with neighbouring countries for tourism revenue

JAKARTA

INDONESIA'S largest airport operator is looking to spend billions of US dollars to build a new facility in Jakarta and upgrade the existing one to cater to an unprecedented travel boom and compete with neighbouring countries for tourism revenue.

Angkasa Pura II, the state-owned operator of 16 airports across Indonesia, will conclude a feasibility study for a greenfield airport here this year that may require an investment of about 100 trillion rupiah (RM407 billion), according to its president director Muhammad Awaluddin.

The company is already spend-

ing hundreds of million dollars in adding a new terminal and a runway in Jakarta's Soekarno-Hatta International Airport, he said.

Jakarta is the latest to join cities in Southeast Asia, including Bangkok and Kuala Lumpur, to expand capacity as travel demand in the Asia-Pacific region is set to double in the next two decades on rising wealth.

Passenger traffic in Soekarno-Hatta may surge 46 per cent to top 100 million within a decade, Angkasa Pura estimates.

With President Joko Widodo identifying tourism as a key foreign-exchange earner in the face of declining exports of oil and gas, better airport connectivity

will be important in luring travellers, said Muhammad.

"Jakarta and the surrounding areas with a population of about 50 million will need a multi-airport system that's connected to meet the demand," he said, pointing out that the London metropolitan area with less population had at least five facilities. "The new airport will be a masterpiece of the country."

Indonesia's domestic airline market has boomed in recent years to become the fifth largest in the world. Local air traffic more than tripled between 2005 and 2017 to 97 million people, according to the CAPA Centre for Aviation. **Bloomberg**



Indonesia's domestic airline market has boomed in recent years to become the fifth largest in the world. BLOOMBERG PIC