

Soekarno Hatta Airport, Building the Airport City of the Future.

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By E. Watzema

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Departures terminal 2

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Ownership of Soekarno-Hatta

Currently, there are no plans to privatize the airport. At the end of the nineties, there were plans to privatize Soekarno-Hatta airport. Interested parties were Aéroports de Paris and the combination of Schiphol group-BAA. According to Hooper¹ (2002, page 292), "the weakness of the Indonesian currency, Rupiah, and the downturn in tourism made it difficult to move ahead with these plans". Therefore, the airport remained part of Angkasa Pura 2, as the most profitable airport. PT (Persero) Angkasa Pura 2 is a fully state-owned company, engaged in the provision of airport management of ten airports in the western region of Indonesia.

Location

Soekarno-Hatta international airport is one of two major airports serving the greater Jakarta area, which encompasses the cities of Bekasi, Bogor, Jakarta and Tangerang. The greater Jakarta area has a population of around 12 million people, and it continues to grow rapidly. The airport is located approximately 20 kilometers (or 12 miles) west of Indonesia's nine million people capital Jakarta, which is the economic and political centre of Indonesia. The airport was opened in 1985 to replace Halim Perdana Kusuma airport and it gave the city a modern airport with an increased capacity to serve travelers from and to Indonesia's capital. Soekarno-Hatta airport has two parallel runways (3,600 x 60 meters each) and is located just outside the municipal borders of Jakarta in the province of Banten. Soekarno-Hatta airport connects Indonesia, a stretched chain of tropical islands with a total population of 230 million, with the rest of the world. Soekarno-Hatta airport is also the biggest hub, connecting Jakarta with other major

¹ Hooper, P (2002) "Privatization of Airports in Asia" Journal of Airport Management 8, page 289-300.

cities on the island of Java and with the other islands of Indonesia. Considering the state of the Indonesian infrastructure, air travel is the most convenient way to travel between the islands, but also between the major cities of Java.

Back on track again

The financial crisis and the subsequent political instability that started in 1997, Meant a major blow for the airline and airport growth in Indonesia. Soekarno-Hatta was hit hard by falling passenger numbers and declining aircraft movements. Fortunately, the situation changed for the better in 2000, when the total number of passengers increased by one million to 10 million passengers a year. In the following years, passenger numbers were rising even more spectacularly. Between 2001 and 2002, passenger numbers increased 25.5 percent, and between 2002 and 2003 the increase was a whopping 32.9 percent, bringing the total number of passengers to just over 19.7 million. To some extent, these increases were due to the improving state of the economy, as well to the implemented airline deregulation process, which opened up the market for many (low cost) entrants. The increased domestic passenger numbers contributed to the increased total passenger numbers, thus offsetting the stagnant number of international passengers that hovered between 4.2 million and 5.6 million since 1998 until 2004. Domestic passengers increased from around 5 million in 1998 to an estimated 16 million in 2004. The estimated total amount of passengers in 2004 is 21.7 million. The tax, known as *fiskal* and which is imposed on Indonesian nationals wishing to travel abroad, is said to have restricted the growth of international travel. Low cost air travel between Jakarta and Singapore or Kuala Lumpur is not so 'low-cost' anymore after taxes are included,

which can add up to over \$110 per person. The improving economy, the increasing number of (low) cost intra-ASEAN flights and the possible abolishment of the tax scheme, as described above, could potentially mean the same kind of development as seen on a national level.

Development of the Airport

The astonishing increase in the number of domestic passengers could not have been foreseen by Soekarno-Hatta Airport, which has a capacity of 18 million passengers a year with its two main terminals. Both terminal one, which opened in 1985, and terminal two, which opened in 1992, can handle nine million passengers each. Together, the two terminals almost form a circle as the crescent-moon-shaped terminals face each other. Walking on the concourse to the aircraft, you can see the beautifully maintained gardens on both sides, a unique feature of this "garden" airport. Apart from the two main terminals, Soekarno-Hatta airport has another terminal, which is only used for the Haji pilgrimage, and another one that is only used for the Indonesian migrant workers. The increase in passenger numbers has led to severe capacity problems, but airport management is currently taking drastic measures to ensure a smooth handling of passengers, for now and in the future. Facilities



Interior Terminal 1

have already been improved by providing more parking space, better restrooms and more seats inside the terminals and in the entrance hall. Also, several more far-reaching activities are undertaken to ensure sufficient capacity - these activities include increasing capacity of current terminals and redesigning terminal usage. A second level will be constructed in terminal one to separate incoming and outgoing passenger flows, and will lead to increased capacity. The capacity will also be increased by changing the dedicated check-in counters to common-use counters throughout the airport.

	Passengers total	Cargo	Aircraft movements in total
1999	8,537,259	270,420	92,006
2000	10,676,200	292,260	106,021
2001	11,818,047	281,765	123,540
2002	14,830,994	306,252	144,765
2003	19,702,902	310,131	186,695
2004*	21,757,552		

*Estimated. Source: Data compiled from several annual reports and an interview with Angkasa pura.



View on terminal 2



Shopping area at Soekarno-Hatta's terminal 2

Currently, the airport is studying whether the special terminal used for the Haji pilgrimage can be transformed into a low-cost terminal. The low-cost terminal would probably be cheaper in usage for both airlines and passengers, because it has fewer facilities. The Haji pilgrims would then move to the terminal that is currently used by the Indonesian migrant workers, informally known as terminal three. The Indonesian migrant workers will subsequently move to a yet-to-be constructed smaller building, adjacent to terminal two.

During its history, Soekarno-Hatta airport has had several master plans, each varying in the number of terminals and runways. The new plan, however, consists of a building, that will connect terminal one and two. The function of the new building would primarily be to increase capacity at the current two main terminals. The new building would be used for boarding and disembarking, shopping, and it would provide space for airline offices that would free up floor space in terminal one and two. A new terminal will not be built in the near future, because management of Soekarno-Hatta airport is unsure about the sustainability of the present low-cost carriers. Several extra buildings and some changes in the use of the current terminals must provide the extra capacity that is needed now and in the future. The airside will remain the same as it is right now.

Improving connectivity

Soekarno-Hatta airport aims to become more of a hub airport, than it is now, by stepping up its efforts in convincing foreign airlines to add Soekarno-Hatta Airport to their route networks. However, these efforts are undermined by local airports in Indonesia, that wish to upgrade their current status to that of 'international airport' - a good example is Semarang's Achmad Yani airport that became an international airport in August 2004.

There are plans for a multi-modal transportation system to improve transport connections between the Airport and Jakarta City. A monorail transportation system is planned

(called the City Link) right next to the existing toll road. The line would run from train station Manggarai to the Airport via station Dukuh Atas, located in the central business district. Should the plans materialize, travelers will be able to check-in at Manggarai station and enjoy a comfortable ride all the way through the city, until they reach the airport, without having to deal with the ever-present traffic jams. Before it becomes reality however, Soekarno Hatta's airport manager, Angkasa Pura 2, is trying to set up a new company with two other parties and one of them is Indonesia's national railway company. Who the third party member will be, is not yet clear, but several local and international investors have already shown their interest in the project.

The information in this article has been collected from several editions of Angaksa Pura 2's annual report, the company profile brochure, an interview with Angkasa Pura 2 staff, and the Jakarta Post. The author would like to thank Mr. Kasmin Kamil (Corporate Secretary) and Mr. Andang Santoso (Assistant Manager Public Relations) of Angkasa Pura 2 for the interview.



Terminal 2 and parking area