

Bumpy Road Towards Expansion: Ninoy Aquino International

There is something in the name of Manila's most important gateway. The airport is named after a Philippine opposition leader who was shot in one of its terminals in the late summer of 1983. Ninoy Aquino International Airport (NAIA) is at the heart of one of Southeast Asia's most densely populated metropolitan areas. It is the international gateway to this island archipelago and the center of the booming Philippine aviation industry. Though the airport appears to be fully consumed by the immense, frantic urban sprawl that lurks outside its gates, Ninoy Aquino Intl appears ambitious to consolidate its role as center of Philippine civil aviation.

By Daan de Jong

Manila International airport opened in 1948, adjacent to the Villamor Air Base (formerly known as Nichols Field, a US military airfield and now home to the Philippine Air Force). It has since grown to accommodate two major runways and four separate terminal buildings and it is served by a healthy range of Asian, European and American network carriers. Philippine airlines, the national carrier operates its primary hub out of Ninoy Aquino airport, but is in heavy competition with domestic carriers as Cebu Pacific, Asian Spirit, and Seair. The airport handles over 90% of international and 60% of national air traffic and appears essential to economic growth in the Philippines. Furthermore, its natural composition of thousands of islands and steep mountain ranges makes air travel by far the most convenient way of getting around. But perhaps the most important role of Aquino Intl. is facilitating the expatriate market: Over 10% of the Philippine labor force is employed overseas. The money and knowledge they bring in make up one of the pillars of local economic growth.

Planned Anarchy?

The airport's architecture and design can easily be associated with pure anarchy rather than planned development. The four terminals are spread across the airport's premises, each with its own means of connections to the city. For example, the domestic terminal (the only terminal that for some reason does not have a number) can physically be seen when standing at Terminal 2,



The new Terminal 3. Courtesy of Aranetacoliseum at <http://skyscrapercity.com>

but to get there means hopping on the typical Filipino Jeepney and spend 20 minutes battling traffic through the overcrowded residential areas that surround the airport. Because of the apparent non-cohesion and typical terminal character differences, Aquino Airport can be seen as four separate airports, conveniently sharing runways.

Though transferring from the international terminal to a domestic flight might be somewhat of a logistical nightmare, Philippine Airlines (PAL) Terminal 2 lives up to the expectations

of 21st century airport design. This 75,000-sq-ft-terminal handles an annual passenger flow of 7.5 million, and was opened in 1998. It is home to all international and domestic PAL operations and also serves its sister airline Air Philippines. Terminal 1 was completed in 1981 and still serves as Manila's primary international point of entry. It handles 4.5 million passengers a year, but reached its limit in 1991.

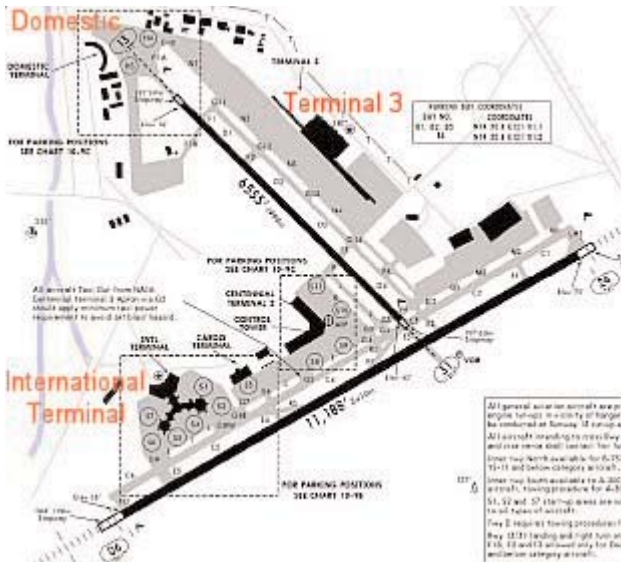
The domestic terminal and surrounding platforms date back to 1948, and form the historical heart of the airport. It is here that most domestic flights of PAL

Table 1: Modification of the use of the Terminals

Terminal	Original Plan	Current Use	From 2003
DT 1 & DT 2	-	Non-PAL domestic flights	(Not determined)
International Terminal	International flights	Non-PAL international flights	(Not determined)
Terminal 2	All domestic flights & part of international flights (1 million passengers)	PAL domestic and international flights	All domestic flights
Terminal 3	-	-	All international flights

* Ninoy Aquino International Airport Development Report 2002

Airport Diagram Ninoy Aquino International Airport



competitors depart and arrive. It's a fun and lively, yet overcrowded place.

Terminal 3 becomes the center of politics and conflict.

Arriving onboard an international flight (not Air Philippines) at Ninoy Aquino International Airport means arriving at old and rusty terminal 1. This international terminal stands in stark contrast to other Asian 21st-century airport terminals. Outdated and with a lack of proper facilities, this airport reached its capacity limit in 1991 and has not changed a lot ever since. It is not surprising that contractors and the Philippine government initiated the construction of a brand new international terminal in 1997. Ten years later, however, the first aircraft still has to dock.

Nowadays, an observant traveler might notice the brand new terminal whilst taxing to and from the runway. Though its shiny modern appearance fits the usual anonymous international airport look, something is clearly missing. Perhaps it is the absence of aircraft that you notice, or maybe the mile-long stretch of fence that separates this 650-million-dollar piece of engineering from the rest of the airport.

Terminal 3 was designed by Skidmore, Owings and Merrill, which is an international architect firm, to facilitate 13 million passengers a year. Construction would be executed by a German-led consortium consisting of Fraport (Frankfurt's airport) and Paircargo, united under the name PIATCO: Philippines International Air Terminals

Company. The terminal was scheduled to open in 2002, but a dispute over the Build-Operate-Transfer (BOT) agreement between the builders and the Government delayed the opening indefinitely.

BOT is a common construction financing model. A private entity receives temporary franchise/ownership of a public facility to finance, design, construct and operate it. After an agreed period of time, ownership is passed back to the government. By then, the private entity should have managed to get a healthy return on its investment, through operating income.

The agreement, which was signed by a previous administration of president Joseph Estrada, is drenched in an atmosphere of bribery, fraud and conflict of interest, according to local media. Current president Gloria Macapagal-Arroyo had the agreement nullified by a Philippine regional court in 2004, in an attempt to rectify the anomalous handling by the previous administration. Critics however claim the president is merely looking for a 'cheap way out'.

Whilst a regional court voted for the expropriation of the 640-million-dollar terminal away from the consortium, a compensation of 6 million dollars was awarded - not even one per cent of the initial construction costs. PIATCO found itself without legal ownership of a building it had financed, and so, without any means of even partially returning its investment. It has since filed suits with international chambers of commerce and trade in Singapore and Washington DC, but none have come up with a definite solution yet.

Perhaps 2007? But new problems and conflict arise.

Things seem to be clearing up with the final transfer of terminal ownership from PIATCO to the Philippine government in September 2006. Yet, the

popular INQ7 Philippine news network reports: getting the terminal operational anytime soon is not a realistic expectation due to lack of maintenance and already outdated (pre 09-11-01) systems and procedures.

The opening was delayed when a 100m²-portion of the terminal roof collapsed in March 2006. The Association for Philippine Engineers concluded that poor construction and use of inadequate materials was to blame for the collapse. These are followed, without any doubt, by further complicating claims and lawsuits concerning operating and ownership rights.

In November 2006, terminal 3 is amidst yet another debate. International airlines currently operating out of Terminal 1 have expressed resentment against a decision of the Airport Authorities to allow domestic carrier Philippine Airlines to move both its domestic and international operations to new terminal 3. They claim that Terminal 3 would not have the capacity to accommodate both PA and international airline operations. This is a surprising move as Terminal 3 was originally designated to facilitate carriers operating out of the international terminal 1 and the domestic terminal (mainly used by PAL's domestic competitors), both heavily outdated.

NAIA's terminal 3 is now expected to open in March 2007, almost 5 years behind schedule. In my opinion, it is evident that the booming Philippine aviation industry and international reputation have suffered. Undoubtedly, international investors are not eager to become the next PIATCO. But there is more. Clark International Airport, now renamed Diosdado Macapagal International Airport, (north of Manila) is becoming a serious alternative, as we speak. The Clark International 2025 master plan provides for ambitious plans to develop a new international gateway as an alternate for gridlocked Ninoy Aquino Intl. It is already attracting various Asian low-cost airlines such as Air Asia and Tiger Airways. Korean carrier Asiana recently started air service to Clark, proving that even established network airlines are prepared to make a switch.