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### **MAJOR EXPANSION FOR THAILAND'S THIRD AIRPORT**

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### **U-tapao aerotropolis to open for bids in October**

*by Chatrudee Theparat, Bangkok Post Business*



The terms of reference (ToR) for the U-tapao aerotropolis worth over 200 million baht will be open for bidding through a public-private partnership (PPP) in October, with the winner expected to be unveiled early next year.

The Eastern Economic Corridor (EEC) meeting on Monday chaired by Prime Minister Prayut Chan-o-cha mandated to develop the first phase of the aerotropolis within five years to support a linkage with the high-speed rail connecting three airports - Don Mueang, Suvarnabhumi and U-tapao.

Adm Sophon Wattanamongkol, president of the Royal Thai Navy's advisory group, said the ToR is slated for auction via PPP this October, with the winners expected to be announced by January 2019.

The first phase of the 6,500 rai U-tapao airport and aviation centre will be capable of handling 15 million passengers in five years. Other projects include a second runway, business zone, maintenance repair overhaul (MRO), and air cargo.

The MRO, which is a joint venture between Thai Airways International Plc and Airbus, is expected to be settled when Gen Prayut visits France on June 25.

Investors from China, Japan, Europe and the US have shown interest in investing in this aerotropolis project.

Earlier, Industry Minister Uttama Savanayana said five giant bidders were expected to join the upcoming auction of the 224.54-billion-baht high-speed railway linking the three airports.

He declined to disclose the company's names, saying only the project has been in the crosshairs of several local and foreign investors.

These are likely to include BSR Joint Venture, a consortium of BTS Group Holdings Plc (75%), Sino-Thai Engineering and Construction Plc (15%) and Ratchaburi Electricity Generating Holding Plc (10%).

PTT Group and Chaoren Pokphand Group have also expressed their intention to join the auction and seek investment partners, along with firms from Japan and China.

The 2018 EEC Act allows foreign investors to own up to 51% stake, compared with general investment law capping foreign-owned share at 49%.

AirAsia has informed the government of its intention to invest in the MRO at U-tapao aerotropolis, with a total investment worth US\$150 million (4.8 billion baht).

AirAsia's MRO will also offer its service to other airlines, and the investment is expected to attract around 10-20 companies to streamline their investments into Thailand.

The company will also look for investors in a low-cost terminal at the U-tapao airport. The investment sum is projected at 1.5 billion baht, while construction is expected to take between 12-18 months.

Kanit Sangsubhan, secretary-general of the EEC office, said the EEC committee yesterday agreed, the government may need to build a medium scale terminal at U-tapao airport, which can be completed within one year, because of higher arrivals at the airport.

The first terminal can handle 3 million passengers, while the arrivals at the terminal are projected to reach 2 million by this year.

Mr. Kanit said the committee has also authorised related public agencies to plan for the third phase of the U-tapao aerotropolis development plan.

The third phase involves increasing capacity to 15 passengers over the next five years, 30 million in the next 10 years, and 60 million within 15 years.

The EEC committee has also authorised the EEC office to conduct a study for the development of surrounding areas some 10 kilometres from U-tapao airport in order to prevent environmental problems.

"The government needs to prepare ahead with town planning and specific zoning for the aviation industry," said Mr. Kanit.

Industry minister Uttama Savanayana said the government plans to conduct international roadshows following the EEC Act's enforcement, with the first roadshows scheduled in Britain and France this June and others taking place in South Korea, Japan, and China.



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