

San Miguel mulls financing for Bulacan airport phase 2

Civi Yap

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Filipino conglomerate San Miguel Aerocity has begun arranging debt financing for the second phase of a greenfield airport in north of Manila, *IJGlobal* has learned.

San Miguel has selected the same financial advisers from phase 1 – SMBC and Standard Chartered – for the transaction, 2 sources close told *IJGlobal*.

The sponsor is looking to raise a debt of around \$3-\$5 billion, expected to be sent to the market by Q3 or Q4 (2023), the first source added.

Project phase 2 contains "everything else," described the first source, which could include terminals, 2 more runways – boosting capacity to 100 million passengers per year, and auxiliary infrastructure.

The Bulacan International Airport, or new Manila International Airport, is a greenfield asset in the coastal area of Bulacan, about 35km north of Manila. San Miguel's subsidiary San Miguel Aerocity has a 50-year concessionaire under a BOT model. The entire project value was P735.6 billion (\$13.5bn), according to the Philippines PPP Centre.

In March 2022, San Miguel [closed the project phase 1](#) involving [land development works](#). The \$2.17 billion [debt package](#) had a 4-year tenor with an option for extension by 10 years. The airport consists of up to 6 runways, of which 2 will be constructed in the Phase 1 which is set to be operational by 2027.

Lenders for the Phase 1 included:

- Standard Chartered
- SMBC
- KfW
- HSBC
- MUFG
- ANZ
- ING

Atradius was the insurance provider.

The land development activities seek to establish the airport's platform to ensure that the area is suitable for airport operations. As of December 2022, the site clearance was 94.06% complete while land filling was 52.81% complete.

The company in September 2019 received a notice to proceed from the Department of Transportation after submitting an unsolicited proposal.

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