

ARANGKADA PHILIPPINES

A PROJECT OF THE JOINT FOREIGN CHAMBERS OF THE PHILIPPINES

Media Release











JAPANESE





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Arangkada Philippines Issues New Policy Brief to Enhance Philippine Air Travel and Connectivity

The Arangkada Philippines Project, the advocacy arm of the Joint Foreign Chambers (JFC), has issued "Philippine Air Transport Infrastructure: A Policy Brief Update." The policy brief highlights airport infrastructure updates since Arangkada's last airport brief from 2016, including post-pandemic recovery, sustainability, and technological advancements, and recommends legislative reforms to unlock the full potential of Philippine air transport and establish the nation as a premier aviation hub in Southeast Asia. The brief was recently distributed at the American Chamber of Commerce's Tourism Summit on Wednesday, November 13.

"The catalytic effects of air transportation to the economy through critical sectors like tourism and trade depend on the quality of our transport infrastructure," said the brief.

Highlighting progress in the sector's recovery, the brief notes that Philippine air transport has now achieved 89% of its pre-pandemic gross value-added, with increased domestic travel and expanded international routes boosting connectivity. The brief discusses how Public-Private Partnerships (PPPs), including projects to expand Ninoy Aquino International Airport's capacity and modernize several regional airports, are critical to these efforts, bringing facilities to international standards and supporting seamless travel. As discussed in the brief, digitalization initiatives such as e-gates and self-service kiosks further improve passenger experience and operational efficiency, while expanded air cargo systems enhance economic impact across logistics, real estate, and exports.

The brief emphasizes that while recent developments have shown great improvement in Philippine air transport, achieving a higher standard that can consistently support and sustain economic growth demands not only infrastructure upgrades, but also bold reforms to the governance of air transport. The brief advocates for establishing clear, modernized regulatory structures to ensure Philippine air transport is equipped to handle the increasing demands of a globalized economy, attract investments, boost tourism, and facilitate trade.



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Specifically, the brief recommends transformative legislative proposals targeting the structural barriers that limit Philippine air transport efficiency and competitiveness, including:

- 1. The creation of a Philippine Airports Authority to take over airport operations and development, allowing the Civil Aviation Authority of the Philippines (CAAP) to focus solely on regulatory oversight, enhancing both safety and efficiency. Such a division is crucial for streamlining operations, enhancing safety, and ensuring that Philippine airports meet global standards.
- 2. The creation of an independent Philippine Transportation Safety Board (PTSB) to conduct objective investigations into aviation incidents for better accountability and transparency.
- 3. Modernizing the Civil Aeronautics Act of 1952 to position the Civil Aeronautics Board as an independent economic regulator, prioritizing consumer protection in an increasingly globalized air travel market.

You can view the brief on the Arangkada Philippines Project website <u>here</u>.

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