

# Emerging Asian Resort Areas Tap Into Phuket Airlift Model

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One of the best adages about successful tourism growth is the basic requirement for sustainable airlift or in a nutshell best summed up as “you can’t stay there, if you can’t get there. Southeast Asia is currently seeing a game changing development path of new or re-expanded resort airport’s, which looks to contribute sizeable volume for domestic and international tourism numbers.

One leading example is Boracay in the Philippines which has managed to evolve despite limitations at the nearby Caticlan airport, while relying on the distant larger Kalibo International Airport as a mainstream point of access. This is about to change with the a massive upgrade of Caticlan’s Godofredo P. Ramos Airport which will see a runway extension to 1800 meters and the ability to accommodate Airbus and Boeing single-aisle passenger jets. In the past service has been restricted to turbo-prop planes only.

While the new extended runway will be brought into service a broader expansion plan will see a larger passenger terminal added within the next two years. One key feature of the enhanced runway is the ability to land planes at night which will be a strong boost to airlift. Driving the project is an affiliate of San Miguel Corporation who are planning a larger tourism footprint in Caticlan which looks to boost the vision of a Greater Boracay link between the two very much how Phuket and Phang Nga trade off each other in Thailand.

Raising airlift capacity can broadly stimulate not only tourism and hotels but had a halo effect for real estate, yachting and a far broader economic footprint. Land prices naturally escalate at a higher trajectory along with completed properties and this pushes highest and best use development towards more internationally branded hotels and real estate projects.

Looking around Southeast Asia at locations that look to connect the dots between resort airlift and tourism making recent news in Vietnam is the Sun Group, who are reportedly participating in development of a new airport at Ha Long Bay on a BOT (build operate-transfer) basis with a 2017 opening expected. While in Indonesia, Labuan Bajo in Flores is becoming a tourism hub as the gateway to the Komodo National Park, and has seeing an influx of new resort, marina and property projects on the move including the new Sudamala Resort and Le Pirate Beach Club.

Getting back to the Philippines who are experiencing a second breath in their tourism development one of the country’s largest conglomerate Ayala Land are focusing on airlift into their El Nido integrated destination resort in Palawan. A recent announcement has been made on that a subsidiary AirSWIFT had acquired another 42-600 ATR airliner to increase capacity to the destination. Late last year expansion of gateway airports added Cebu service to El Nido to complement the existing Manila flights.

Another developing storyline resort and property developers are closely watching is in Palawan as well, at San Vicente. As Puerto Princesa's legacy airport undergoing a large-scale conversion to an international gateway, in San Vicente a new airport has been developed in cooperation with the Philippine government's TIEZA (Tourism Infrastructure and Enterprise Zone Authority). Discussions are currently underway with various operators to determine a private sector approach to service commercial operations and as such remains a work in progress.

There is little doubt what an impact airlift can have on local tourism based economies. Looking at what happened in Indonesia's Bandar Udara Internasional Lombok with the relocation and expansion of the international airport that came into service a few years ago. Broad resort area land prices over a four year period grew in the range from US\$2-5 a square meter and now have risen in resort areas to US\$60-80. One notable project is [Selong Selo](#) in the south, which has been successfully into tapping international property buyers from Singapore and Hong Kong. Comparing the rise to the popular nearby icon Bali, Lombok has been strong yet quiet success store with a higher appreciation of land prices over the same period.

Going back to the subject of Boracay the Caticlan expansion is poised to take development to the next level, not only with new products, but also it will put pressure on land values that will have existing resort owners under pressure to upgrade, re-develop or to create a transaction market that has seen limited trading in the past. The new Greater Boracay catchment is one worth keeping track of given it's predominance as the Philippines best known resort area.

We are seeing a new wave of leisure property-driven projects in the country such as the Sheraton in Cebu, [Anya Resort](#) and Residences Tagaytay and Bicol's ultra-luxury [Ugen Island](#) starting to attract broader global attention and this bodes well for destinations that have airlift fundamentals.

Source: <http://www.c9hotelworks.com/news/emerging-asian-resort-areas-tap-into-phuket-airlift-model.php>