

## **Lufthansa Technik plans USD 400m aviation facility expansion in Clark**

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**Dhaka: Lufthansa Technik plans to invest at least USD 400 million to expand its aircraft maintenance, repair, and overhaul (MRO) operations at Clark Freeport in the Philippines, according to the Bases Conversion and Development Authority (BCDA).**

BCDA president and chief executive Joshua Bingcang said negotiations with Lufthansa Technik are currently underway, with both parties aiming to finalize the agreement by the first quarter of 2026.

“They submitted their proposal in January. They conducted surveys, ground assessments, and spent on pre-development activities. We are now negotiating the final terms,” Bingcang said, without specifying an exact timeline for the signing.

The planned expansion includes the construction of new hangars

capable of accommodating wide-body aircraft, including the Airbus A380, the world's largest passenger aircraft currently in commercial service.

Construction is expected to begin shortly after negotiations conclude, with the overall project targeted for completion within two to three years, depending on regulatory approvals and infrastructure readiness.

Bingcang said the proposed investment would likely be governed by a long-term contract of around 25 years. Lufthansa Technik has not yet clarified whether it plans to fully relocate its existing Manila operations to Clark or continue operating in both locations.

The expansion comes as aviation-related businesses seek additional capacity outside Ninoy Aquino International Airport, where congestion and space limitations restrict further growth of maintenance and logistics activities.

To support Clark's development as a major aviation hub, BCDA is also advancing infrastructure upgrades, including apron expansion and runway-related improvements to ensure operational resilience.

Bingcang said the agency estimates spending around PHP 7 billion, equivalent to USD 119 million, on aviation support infrastructure, with priority given to apron development to prevent disruptions during peak operations.

"The existing runway system can already accommodate flight volume, but we need additional apron capacity to ensure redundancy and safety," Bingcang said.

The infrastructure push is partly driven by expansion plans from global logistics operators based in Clark. FedEx is seeking to transform the airport into its Southeast Asian hub.

Once FedEx's new regional facilities become fully operational, daily flights could increase from three to four to as many as 20 flights per day, Bingcang added.

FedEx currently operates a gateway facility covering about 17,000 square meters at Clark. Meanwhile, global courier firm UPS is nearing completion of its own logistics facility in the same area.

Bingcang said the presence of major aviation and logistics brands reinforces Clark's position as a premier aviation and logistics gateway and aligns with BCDA's strategy to attract foreign direct investment and sustain long-term infrastructure growth.

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