

Pakistan govt approves restructuring at PIA

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Karachi : The Cabinet of Pakistan has approved restructuring at Pakistan International Airlines. The restructuring plan has been drawn up by the governmental Economic Coordination Committee (ECC) in which the national carrier of Pakistan will halve its staff numbers and cut down its fleet in an effort to profit by 2023.

The airline's current workforce of 14,000 staff gives it an employee-to-aircraft ratio that is triple that of either Air France-KLM or Singapore Airlines, according to reports. But while the fleet will in future be kept under 30 and include more fuel-efficient aircraft, from a current tally of 32, the number of workers will be cut back to about 7,000. About 2,000 people have already accepted voluntary redundancy, PIA said.

Ishrat Hussain, an adviser to Prime Minister Imran Khan, said that the cabinet had approved the restructuring. Once its balance sheet improves, PIA will be instructed to look into selling a 26 per cent stake in the company, he added, while non-core activities like catering and engineering will be outsourced.

There are "no grandiose plans to become like Emirates or Etihad Airways or Qatar Airways," Hussain said, but the company will be transformed into "a very lean and efficient organisation."

Unlike previous attempts, he pledged, this time the plans will not be blocked by protesting employees or political opposition.

PIA currently operates 32 aircraft, including eleven A320-200s, six B777-200(ER)s, two B777-200(LR)s, four B777-300(ER)s, four ATR72-500s, and five ATR42-500s. Fourteen of these are owned and the rest are leased from seven lessors. It has a further five B777-300(ER)s on order.

Hussain said, PIA will permanently axe routes that are no longer profitable, such as those to Tokyo Narita and Manila Ninoy Aquino Int'l. The carrier does not currently operate to either of these destinations. Of its 73 routes, 24 are domestic.