

End of an Era: Pakistan Sells PIA

- A Monitor Desk Report

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Dhaka: Pakistan government on December 23 sold 75pc of its national airline- Pakistan International Airlines (PIA) for Rs 135 billion to a consortium, led by Arif Habib Investment, following a competitive bidding process in Islamabad.

The sale, the largest transaction in Pakistan's history, exceeded the government's reference price of Rs 100 billion. Other bidders included Lucky Cement and Airblue, with Airblue quoting the lowest bid of Rs 26.5 billion. Arif Habib secured the deal after aggressive bidding against Lucky Cement.

Under the agreement, the winning bidder has 90 days to acquire the remaining 25pc stake. Of the sale proceeds, 92.5pc will be reinvested in PIA, while 7.5pc will go to the government.

The consortium is also required to invest an additional Rs 80 billion over

five years.

The government had assumed Rs 654 billion of PIA's debt last year to facilitate the sale. Prime Minister Shehbaz Sharif praised the transparent process, which was broadcast live on local television.

A previous attempt to privatise the airline failed last year due to low offers.

Once a leading regional carrier, PIA has struggled for years due to mismanagement, leading to declining service quality and losses.

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