

New PIA owners eye technical partner, fleet expansion after Rs135bn deal

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Dhaka: The newly auctioned Pakistan International Airlines (PIA) is seeking partnerships as part of its ongoing privatization plan, as the carrier seeks to modernize operations and enhance competitiveness, said renowned industrialist Arif Habib, the Chief Executive of Arif Habib Corporation Limited, reports local media.

“We are working to bring in a technical partner as well,” said Arif Habib while talking to Aaj News program Rubaroo on 4 January.

“If we bring in a partner, it will be a partner at the airline level. The government holds an option regarding its 25% shareholding, which could eventually be exercised and transferred to a new partner,” he said.

The remarks came after a consortium led by AHCL last month emerged as the winning bidder for the acquisition of a 75% stake in Pakistan International Airlines (PIA), submitting a top bid of Rs135 billion, which was well above the government's initial minimum price of Rs100 billion and the base price of Rs115 billion, at which the auction began.

Arif said that the privatization deal has allocated Rs125 billion for PIA's rehabilitation and development, with Rs10 billion in cash and Rs45 billion in shares going to the government.

"Currently, only 14-15 aircraft are serviceable, with several grounded due to shortages of engines and spare parts. The plan is to expand the fleet to 38 aircraft within three years," he said.

Commenting on the economic trajectory, Arif Habib said that macroeconomic stability had been achieved.

"Inflation has come down, reserves have increased, government revenues have improved, remittances have risen, and both the trade and current account deficits—especially the latter—have narrowed.

"These are positive trends. However, we are not claiming that we have won the match, but the trajectory has improved.

"A lot of work still needs to be done. There are serious challenges, particularly high electricity prices, high interest rates, and high tax rates. These three major issues must be addressed if we are to achieve meaningful economic growth," he said.