PAKISTAN TO PRIVATISE NATIONAL AIRLINE BY NEXT YEAR: GOVT

News / Airlines



Pakistan will privatise its national carrier by next July, a minister said Tuesday, following years of crushing losses and mismanagement that have battered the airline's reputation.

The widely anticipated announcement prompted protests by Pakistan International Airlines employees and the main opposition party.

"We are planning to privatise PIA in view of its heavy and recurring financial losses," Privatisation Minister Mohammad Zubair told AFP.

Once the government approves the sale, the Privatisation Commission will try to sell the struggling airline on the international market.

Zubair said the government was considering the mode of privatisation but one option was to sell

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26 percent of the total shares along with management control.

"We will hold road shows in the Middle East and China as well as in Europe to find a buyer," he added.

The government over the weekend converted PIA's state-owned status to a "commercial entity" through an ordinance, but stopped short of announcing its privatisation plans.

That move sparked a fierce backlash among many of PIA's 15,000 employees, who rallied at major airports across the country Monday and Tuesday.

"This is our peaceful protest against the government plan," said Shamim Akmal, a senior employee representative.

PIA's cumulative losses were 227 billion rupees (US$2.2 billion) as of last June.

The government had to inject 12 to 15 billion rupees annually to keep the airline alive and pay employees.

PIA, one of the world's leading airlines until the 1970s, now suffers from frequent cancellations and delays and has been involved in numerous controversies over the years, including the jailing of a drunk pilot in Britain in 2013.

It has also faced problems acquiring security clearances to the European Union for cargo flights.

The airline has also traditionally handed out tens of thousands of free tickets each year, contributing to its losses.

"If anybody has a better plan (except privatisation), we are ready to listen to that," the minister said.

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