

# PIA is Back!

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Pakistan International Airlines is a Pakistani owned enterprise that is funded by the government of Pakistan. PIA is the national flag carrier of Pakistan, whose government owns about 85% of its shares. It also conducts some contract work for aerospace manufacturers. PIA has been through several ups and downs due to different issues. In 2001, the war between Afghanistan and United States against the Taliban effected PIA in a bad way as it was declared as a warzone, leading to the shutdown of 7 airports. Hence, this caused a great loss to PIA. Moreover, in 2002, India banned PIA from entering their airspace because of which another airline, Cathay pacific, stepped up to carry PIA traffic to altered destination like Singapore and Bangkok. The political and military volatility in the Middle East and Central Asia continued to effect the operations of Pakistan International Airline.

The PIA CEO Air Marshal Arshad Malik, in a conference, said that PIA has been facing a loss of Rs. 3 billion per month whereas, the accumulated losses have climbed up to Rs. 431.1 billion, whereas the loans have moved up to Rs. 247.7 billion. After looking into this situation, the present government of PTI announced a new aviation policy in order to boost PIA's business. The five year plan of 'Strategic Business Plan 2019-2023' is also presented to the government. Moreover, Prime Minister Imran Khan has also assigned the task of drafting a new aviation policy. As the government is focusing on revenue generation and cutting costs through a detailed analysis of the market, work centre, right sizing operations, flights and routes for the revival of the national carrier. As stated by the CEO of PIA in 2019, the "Bold Steps" for cutting the costs are in progress. The time duration of flights to Europe is reduced by an hour as a result of flying over the territories of Iran and Turkmenistan; this will reduce fuel consumption. Furthermore, PIA has introduced 5 new international routes that include Multan-Muscat-Multan, Islamabad-Doha-Islamabad, Sialkot-Sharjah-Sialkot, Karachi-Jeddah-Karachi, Lahore-Bangkok-Kuala Lumpur-Karachi and Peshawar- Al Ain- Peshawar. Through these, PIA is getting 95% of its seat occupancy. PIA, after facing great losses, is now making profits.

After looking closely into the details, there were several aspects that led to this improvement; such as, they introduced 4 planes to fleet after a repair, decreased the ticket reservation cost and reduced the number of employees and others. The top PIA official revealed that the airline was saving

around Rs. 1 billion per month from the new ticket reservation software. This cost saving technique has also helped improve the airline's financial situation a lot.

In a nut shell, PIA is now on a path towards progress and profits, as compared to its situation in the previous years. However, there are still a few things which, if improved, can bring a lot more profit to PIA. It is time that PIA upgrades its aircrafts as the old air planes consume a lot of fuel. Hence, by improving this, there will be a reduction in the cost of fuel. Besides this, PIA still has a large number of employees as compared to other airlines. Hence, reducing its excess of employees will also have a direct impact on the cost. Lastly, I believe that PIA should also focus on its business class as well. They should create good marketing plan for promoting it as many customers will be attracted to it, and since more customers lead to an increase in revenue.



# Forum

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Bridging the Gap Between  
Youth and Policy Makers