


KARACHI: Pakistan Airline Pilots Association (PALPA) has suggested a two-phase PIA fleet renewal plan, considering the national airline's current liabilities and financial health.

In a statement Monday, PALPA suggested measures to overcome the problems being faced by the new management under the chairmanship of Lt Gen (R) Asif Yasin Malik.

Phase one will help maintain schedule integrity and punctuality as per industry practice, and similar type of aircraft with similar engines should be inducted, which will result not only in substantial savings in recurring maintenance cost but will also save on the crew conversion cost, said PALPA. In the second phase, after consolidation and maintaining at least a breakeven level, the airline can embark on a fleet modernisation/expansion plan for the medium term period, it added.

The association stated that PIA acquired wide body/long range B-777 aircraft with a grant of \$150 million by the government and a total of \$1.6 billion in investment to completely revamp its brand image in the marketplace.

However, real earnings of PIA per aircraft went down and since the payment statement is made in Pakistani rupee, an unnecessary burden is shown in the financing cost due to rupee depreciation.

The present obsolete fleet of B-737-300 aircraft have only two operational planes. It is therefore recommended that PIA should dispose of these aircraft along with all surplus inventories to generate cash and acquire B-737-400 aircraft on dry lease basis, the association advised.

Likewise, it adds, at present of a total of 12 A310-300 aircraft, only eight aircraft are operational. In order to maintain a sustainable schedule for improved productivity, PIA needs a minimum of 25 operating aircraft other than the turbo props.

At present, PIA is paying approximately Rs62 billion per annum with regard to fuel purchase. If the contracts are reviewed and the market is explored aggressively, we can surely save five percent of the total amount, which would be approximately Rs3.1 billion per annum, the association suggested.

PALPA also suggested that the overhaul and repair capability should be developed in house which will save \$10 million per annum for the national airline.

Courtesy: The News