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PIA - THE UNFORTUNATE

For the last two decades, Pakistan International Airlines (PIA) has been in the news for all the wrong reasons. Whenever PIA is in news, it is either a new scandal or a story of mismanagement in its operations. To bring into the knowledge of the general public, this article is being written which explains the PIA's position right from its inception.

Pakistan International Airlines commonly known as **PIA** or **Pakistan International** is the national flag carrier airline of Pakistan. It operates scheduled services to 23 domestic destinations and 30 international destinations in 27 countries across Asia, Europe and North America. Its main hubs are Karachi, Lahore and Islamabad/Rawalpindi. Secondary hubs include Peshawar, Faisalabad, Quetta, Sialkot and Multan

PIA has a history of milestones in aviation, such as being the **first Asian airline to operate a jet aircraft, Boeing 707**. It is Pakistan's largest airline with a fleet of more than 30 airplanes and at least 10 more on order. Furthermore, PIA is the launch customer of Boeing 777-200LR model. It employs nearly 19,000 people as of July 2015.

- **On 4 December 2015, Pakistan International Airlines Corporation (PIAC) was converted into a new entity called Pakistan International Airlines Corporation Limited (PIACL) through a secretive presidential ordinance.**

HISTORY & LANDMARKS:

In 1946, when it got confirmed that Muslims are going to get their own country, Quaid-e-Azam, Muhammed Ali Jinnah realized the need for a flag carrier for the prospective country and requested financial help from wealthy businessmen Mirza Ahmad Ispahani and Adamjee Haji Dawood for this purpose. So, a new airline "Orient Airways" was registered in Calcutta on 23 October 1946. In February 1947, the airline bought three DC-3 airplanes from a company in Texas and obtained a license to fly in May of the same year. On 14 August 1947, **PAKISTAN** got independence and the Orient Airways started relief operations for the new country.

- On 6 June 1954, Orient Airways started its operations by offering flight services between East and West Pakistan, with service from Karachi to Dhaka. In addition, the airline also introduced two new domestic routes, i.e., Karachi-Lahore-Peshawar and Karachi-Quetta-Lahore.

- On 11 March 1955, Orient Airways merged with the government's proposed airline, becoming **Pakistan International Airlines Corporation**. The newly formed airline also inaugurated its first international route, Karachi-London Heathrow Airport via Cairo and Rome, using four newly acquired Lockheed Super Constellations. The airline continued using DC-3s on domestic routes in Pakistan.
- In May 1956, PIA ordered two Super Lockheed Constellations of the latest L-1049H type and five Vickers Viscount 815.

Appointment of Air Marshal Nur Khan as the Managing Director of PIA in 1959 heralded an era of success for PIA.

- In March 1960, PIA leased a Boeing 707 from Pan American airlines, thereby becoming the first Asian airline to induct a jet-aircraft in its fleet. With the newly acquired aircraft, the airline introduced its first trans-Atlantic route Karachi-New York via London.
- In 1961, it expanded its fleet by placing orders for Boeing 720s, Fokker F27s.
- In the same year, one of Boeing 720s flown by Captain Abdullah Baig flying from London to Karachi established a world record for the ***Speed over a commercial airline service*** for powered landplanes of 938.78 km/h, a record which still holds to this day.
- **PIA was the first air line which introduced in flight entertainment / movies on long international routes.**
- In 1963, upon the establishment of ties between Pakistan Government and People's Republic of China, PIA started flying to Beijing, **becoming the first airline of a non-communist country flying to the People's Republic of China.**
- At the outbreak of Indo-Pakistan War of 1965, the Pakistan Armed Forces used PIA's services for logistics and transport purposes.
- **During this time PIA purchased Roosevelt Hotel, in New York, USA. The Scribe Hotel in Paris, France and also established Skyrooms (Private) Limited in Karachi.**
- **PIA acquired and still holds one of the best “International Operating Rights” in the aviation industry.**

Note: Our present government while trying to privatize PIA, when tried to negotiate for the transfer of those “Rights” to the newly created company, they were straightway refused with the remarks, that those “RIGHTS” were for PIA and still stand for PIA and can't be transferred to any other organization even if only the name is changed.

The 70s was marked by resumption of transatlantic flights, introduction of new destinations, appointment of Nur Khan as its Chief Executive for the second term, and the beginning of a financially successful period for the airline.

- In 1972, with the establishment of cordial ties between the Libya and Pakistan governments, PIA added a new international route, Tripoli, to its map.
- It also signed an agreement with Yugoslav airline JAT. PIA acquired McDonnell Douglas DC-10s in 1973 and used those planes to replace Boeing 707-300s.
- In 1974, PIA launched **Pakistan International Cargo**, offering air freight and cargo services.
- In 1975, PIA introduced new uniforms for air hostesses which were chosen through an open competition, with the winning entry designed by Sir Hardy Amies, the designer of Her Majesty Queen Elizabeth II.
- The later half of the decade witnessed further expansion of PIA's fleet with the introduction of Boeing 747s.
- **PIA, since inception was taken amongst the first five best airlines of the world, but During this decade PIA was regarded as Asia's best airline.**
- For the first time since its inauguration, PIA started providing technical and administrative assistance or leased aircraft to foreign airlines including Somali Airlines, Philippine Airlines, Air Malta and Yemenia.
- A subsidiary of PIA also started providing hotel management services in United Arab Emirates towards the end of the decade.

The 1980s decade began with the opening of a cargo handling centre at Karachi airport, duty-free shops, the first C and D safety checks on its entire fleet, as well as the introduction of airline's first Airbus A300 aircraft.

- In 1984, the airline introduced Night-Coach service as a low-cost alternative to day-time domestic flights.
- In the following years, PIA Planetarium was inaugurated in Karachi which was followed by planetariums in Lahore and Peshawar. These planetariums featured retired PIA aircraft on display for educational or observational purposes. Two more retired Boeing 720B airplanes were donated to the planetariums in Karachi and Lahore later on.
- In 1985, five new Boeing 737-300s airplanes were introduced in PIA's fleet, **making PIA the first Asian airline with such a diverse aircraft fleet.**
- In 1987 and early 1988, services to Malé and Toronto were introduced.

In the mid-1980s, PIA also helped establish Emirates by leasing two of its airplanes Airbus A300 and Boeing 737 (737-300), as well as providing technical and administrative assistance to the new carrier.

- In June 1991, Airbus delivered the first of six Airbus A310-300 aircraft. With the new airplanes, the airline introduced flights to Tashkent and to Zürich.
- In March 1993, AVM Farooq Umar became MD PIA and also open skies from Karachi to Dubai were declared.

In 1993, Nawaz Government issued licenses to 12 private air lines, who were allowed to operate domestically in Pakistan. Both steps came simultaneously and put great pressure on PIA's financial performance.

AVM Farooq Umar, the MD, to meet the challenge, fought the battle of open skies and opened up six new routes to the Persian Gulf and CIS countries along with tourists attraction “air safari”. He also made major changes in routes and schedules and started non stop flights from Lahore and Islamabad to JFK and Canada.

PIA added Jakarta, Fujairah, Baku and Al-Ain to its destinations in 1994. In addition, PIA became a client of three flight-reservation systems, namely: Sabre, Galileo and Amadeus.

In 1995, 1996 Farooq Umar handed over PIA to another MD March 1996 closing his tenure with great success and leaving PIA profitable with last 6 months profit of more than 55 million.

AVM Farooq Umar, despite many difficulties because of private air lines faced a lot of problems, but he kept the national airline in profit. After his departure PIA started to nose dive.

- PIA purchased a Boeing 747 flight simulator to train its pilots. It also purchased another used Airbus A300 aircraft from Air France. A Tupolev Tu-154 aircraft was also leased briefly in 1996 to cope with surge in passenger traffic during summer 1996. Flights to Beirut were resumed the same year as well.
- In 1999, PIA leased five Boeing 747-300 aircraft from Cathay Pacific to replace its Boeing 747-200M fleet. The aircraft were painted with a new livery - a handwork Pashmina tail on white body and large Pakistan titles on the front fuselage. The livery was adopted in early 90s but due to some copyright issues it was dropped. The Boeing 747-300s remained in the new look but with a plain green tail with PIA titles. The other aircraft in the fleet were repainted in early 1990s livery.
- In July 2002, PIA purchased six Boeing 747-300 aircraft from Cathay Pacific, five of which were already on lease. The sixth one arrived shortly afterwards and was used mainly on its North American and European routes.
- In October 2002, after a period of ten years without any new orders, the airline placed an order for eight Boeing 777 aircraft from The Boeing Company. The order included all three variants of 777, i.e. three 777-200ER (Extended Range), two 777-200LR (Longer Range) and three 777-300ER versions. PIA was the launch customer that revived the Boeing 777-200LR project that, until then, only had three orders by other airlines.
- Boeing delivered the first of three 777-200ER aircraft to PIA in January 2004.
- PIA introduced a new livery for 777-200ERs airplanes that was applied to most airplanes of its fleet.
- PIA also leased six more Airbus A310-300/ET planes from Airbus company directly. On 3 November 2005.

- PIA placed an order to purchase seven ATR42-500 aircraft from ATR to replace its aging fleet of Fokker F27 aircraft.
- On 6 December 2005, PIA acquired another new Boeing 777-200ER.

On 25 February 2006, Boeing delivered its first 777-200LR to PIA, when it flew from Everett to Islamabad via Manchester. **With the induction of long range aircraft in its fleet, PIA started offering non-stop flights from Toronto to Karachi, Islamabad, and Lahore from 3 March 2006. PIA had also planned non-stop flights to New York, Chicago, Washington, and Houston but was not given permission by US authorities (unless the airline implemented a European stopover on the flight to American cities). Only the New York flight remains, and it only is nonstop on the way back to Pakistan (from Pakistan to New York the flight stops in Manchester). Washington service ended in the 1990s, Houston services ended in 2006, and Chicago service ended in 2012.**

ATR delivered two of the seven ordered airplanes by PIA in May and December 2006 respectively, following which the airline ceased using military Lockheed C-130 Hercules for passenger services in northern areas of Pakistan. The military planes were being used after the PIA Flight 688 accident.

- On 23 December 2006, PIA took delivery of its first Boeing 777-300ER.
- On 5 March 2007, the European Commission banned all but nine planes of the PIA 42-plane fleet from flying to Europe citing safety concerns of its aging fleet. The ban was imposed following an on-site visit led by Federico Grandini, European Commission's Air Safety Administrator. The remaining seven, namely the fleet of Boeing 777s, was exempted from the ban. PIA claimed that the ban was discriminatory and unjustifiable.
- On 26 March 2007, Tariq Saeed Kirmani was forced to resign after pressure from higher authorities because of the EU ban. Zafar Khan was appointed as the new chairman of Pakistan International Airlines.

The ban on the eleven of thirty five aircraft was lifted after a period of four months on 5 July 2007, following an inspection by the European Union Air Safety Administration. Of the eleven aircraft, five were Boeing 747-300s and the remaining six were Airbus A310-300s. On 29 November 2007, the EU completely removed the ban and PIA's entire fleet was permitted to fly to Europe. To avoid such an incident in future, PIA signed a deal to lease seven new Airbus A320-200 from Kuwait-based leasing company ALAFCO. The aircraft were supposed to be delivered during 2008 and 2009 but the deal was cancelled before deliveries.

In 2010, PIA altered their livery . They replaced the tail design with a much larger version of the Pakistan national flag, and have added the text "Pakistan international" in gold writing underneath the large billboard style PIA on the fuselage. The green stripe was modified to include gold and has extended to the rear of the fuselage.

Most of PIA's fleet will use this livery until 2015, when a new livery will be introduced.

- In February 2012, PIA ordered 5 more Boeing 777-300ER aircraft with delivery starting in 2015 which will wear a new livery.

- In 2014, PIA leased 4 Boeing 737-800 from Travel service and Corendon airlines. PIA also published a tender for 4 Boeing 777-300ER. The airline also wanted to lease 4 ATRs. However, the bids for the 777's were not accepted due to bidding standards. Later, The airline managed to lease A320 aircraft, and inducted 2 A320-214 series aircraft in its fleet, first in June and second in July 2014 with 180 all economy seating configuration. In July 2014 aircraft seating was reconfigured as 150 economy and 8 business class seats. Another wet leased A320-211 aircraft from Jordan Aviation joined PIA on August 11, 2014.

In October 2014, airline again wet leased three B737-8 aircraft, and it also accepted bids to dry lease five ATR 72-500 series aircraft for eight years period. However, the order of 5 Boeing 777-300ER given in 2012, are postponed up to 2017 because of lack of funds.

- In 2015, after serving PIA for 16 years, Boeing 747-300 were phased out.

Pakistan International Airlines Corporation Limited (PIACL) is majority owned by the Government of Pakistan (87%) while the remainder (13%) by private shareholders. The airline is under the administration of Ministry of Defence the chairman of which is Muhammad Mian Nawaz Sharif . The airline is managed by managing director as well as the Board of Directors. The Board consists of nine independent non-executive members and has four sub-committees: an Audit Committee, Brand and Advertising Committee, Finance Committee, and Human Resource Committee each having its own charter and chairman. The MD leads the executive management of staff who run the airline.

- In 1991, the Nawaz Government took several steps towards outsourcing of non-core business. Catering units (starting with Karachi Flight Kitchen), ground handling (starting with ramp services) and engineering, were planned to gradually carved out of the airline and operated as independent companies.
- During 1997, Nawaz Government called in a team from International Finance (IFC), the consulting arm of the World Bank, to advise on restructuring and privatization of Pakistan International Airlines (PIA). However, no agreement was reached. The then government has had many plans for the privatization of the State owned airline.

In year 2013, Nawaz Government once again aimed to privatize airline due to increased losses by selling twenty six percent of shares & management control to the investor.

There is a big Question, How & Why, an airlines which was considered one of the best airlines of the world went down to an extent that now is considered in the bottom five airlines. WHY IT HAPPENED SO?

- 1- **Licensing to 11 private air lines may be for domestic routes damaged the national airline business very badly. The licensing authority never calculated the quantum of travelers, and issued 11 licenses just for their own commission. It is said that huge amount was paid under the table for the licensing.**
- 2- **It's Nawaz Government or Bhutto Government or Zardari Government, every one was keeping a close eye on the assets of PIA abroad. Those were so lucrative that all these persons when ever in power, tried to sell those assets and handover the air line to some close allies.**

- 3- Governments, since 1985 are so badly involved in politics and in their own earnings that they never gave attention to the national carrier, so, with bad management and greedy head of the organization, the national air line started suffering losses. (So is the case with Railway, Wapda and other state owned organizations)
- 4- The management spent huge amount just on livery by changing it number of times and there was no body to ask.
- 5- Employments in PIA have by and large been safarish (mostly political and bureaucratic) based. This has resulted in unqualified, incompetent and indifferent workforce being recruited.
- 6- PPP government re-instated a couple of thousand employees whose services were terminated earlier on different accounts. These employees were given back dated promotions and salaries, besides the financial burden, this move upset the airlines administrative hierarchy as these employees getting their seniority rejoined a higher levels irrespective of whether the positions were available or not.
- 7- Political party backed trade unions and their activities have had a role to play as well in matters relating to day to day functioning of the airlines. Matters relating to employments, postings, job assignments, etc etc. this resulted in wrong people being assigned to wrong jobs or even more people assigned to a particular section than the numbers required.
- 8- Administratively, PIA, headed by a Chairman, (tenure of A.M. Nur Khan) was under the Defense Ministry with full management and administrative powers being answerable to the top government functionaries. Subsequently, a separate entity, the Aviation Division was created and PIA was shifted under its umbrella. Day-to-day functions are being looked after by a Managing Director, who reports to the officials of the Aviation Division. The free hand is no longer there. Its bifurcation and formation of the independent Aviation Division has created a lot of managerial problems.

CARGO OPERATIONS

- PIA operates a cargo delivery system within Pakistan. During the early 1970s, PIA operated a service called "Air Express" that delivered documents and parcels from one airport to another.
- Pakistan International Cargo was started in 1974 using two Boeing 707-320C, with services to the Middle East and Europe. The operations ended in the late 1990s when both aircraft were grounded.
- PIA Cargo transports goods across Pakistan as well as to international destinations. These include meat and vegetables, textiles, paper products, laboratory equipment and postal mail.

In 2003 PIA launched "PIA Speedex", a courier service in Karachi, Lahore, and Rawalpindi/Islamabad; expanding within a year to 12 cities. Today, the airline offers over 70 locations within Pakistan, with shipments collected and delivered from customers' homes. From 2004 to September 2007, PIA Cargo operated two Airbus A300 Freighter aircraft chartered through MNG Airlines to Haan and Luton; initially these also operated to Amsterdam, Basel and Cologne.

CORPORATE SPONSORSHIP

The airline has sponsored events, both within Pakistan and in its overseas markets.

- The airline supports the Pakistan International Airlines first-class cricket team that plays in the Quaid-i-Azam Trophy and Patron's Trophy.
- PIA sponsors the PIA football club, and the A1 Team Pakistan in the A1 Grand Prix open-wheel auto racing series when it was initially launched.
- The airline also promotes the Shandur Polo Gala, that takes place every year in the Chitral and Gilgit regions of northern Pakistan during the summer period.
- PIA also has its own Sports Division since 1958 promoting sports within Pakistan such as cricket, hockey, football, squash, polo, tennis, bridge, chess, table tennis, cycling, and body building.
- PIA has its own Boy Scouts Association (PIA-BSA) working in partnership with Pakistan Boy Scouts Association.
- PIA was one of the official sponsors of the "Destination Pakistan 2007" festivals.
- In 2008, PIA teamed up with mobile phone provider, Ufone to provide air miles to passengers who used the mobile network.
- Standard Chartered Bank and PIA launched Credit Cards allowing passengers to earn air miles for use of their credit cards.
- In 2009, PIA was the gold sponsor for Logistics Pakistan, an Exhibition and Conference poised to highlight the emerging opportunities for the Logistics sector in Pakistan.
- In 2009, PIA and Pakistan Remittance Initiative (PRI) formed a strategic alliance to promote world money transfers.
- The airline supports non-profit organizations within Pakistan such as; Al-Shifa Trust, Zindagi Trust, The Citizens Foundation and Sindh Institute of Urology and Transplantation (SIUT).
- In 2009, PIA teamed up with the fast-food franchise, McDonalds, to offer passengers discounts on meals and upgrades.

- PIA also owns three hotels, the Roosevelt Hotel, in New York, the Scribe Hotel in Paris and Skyrooms (Private) Limited in Karachi. The airline also has an agreement with Pearl Continental Hotels for its UAE based passengers.

HAJJ AND UMRAH OPERATIONS

PIA (Pakistan international) operates a two-month (pre- and post-) Hajj operation each year to and from Jeddah and sometimes Madinah in Saudi Arabia. PIA transports over 130,000 intending pilgrims each year from Karachi, Lahore, Islamabad, Peshawar, Quetta, Faisalabad, Multan, Sialkot, and Sukkur to the Kingdom of Saudi Arabia with its fleet of Boeing 747-300, Boeing 777 and Airbus A310.

STATE OFFICIALS TRANSPORTATION

PIA has been continuously serving government officials of Pakistan, and has always transported the President and Prime Minister on overseas visits. During the late 1990s, a PIA Boeing 737-300 was used for official visits by the Bhutto and Sharif governments. The aircraft wore official government colours but was later repainted in the airline official colours at the end of the decade. When the government changed after a military coup in 1999, the Boeing 737-300 was transferred to PIA permanently. The President and Prime Minister then resorted to using two of PIA's Airbus A310-300 for official visits, while rare trips were done on regular commercial flights of the airline. In February 2007 the government of Qatar gifted one of their VIP fleet A310 to the Pakistani government, this has ended the need for use of PIA aircraft. However, from time to time the government uses the airline's Airbus A320, Airbus A310 or Boeing 777 for official trips.

HOW TO IMPROVE

1- MAIN FEATURES:

Having achieved the position of a progressive and reputable airlines in the world, PIA has seen some turbulent years that have resulted in its drop in international ratings. Relatively poor aircraft maintenance practically brought the airline to a virtual halt when its serviceable fleet was reduced to just over a dozen aircrafts. Frequencies to the American continent were curtailed along with those to Europe. The airline's major hub in Europe, Frankfurt was closed. Quite a few "non-profitable" international stations and routes were closed. Revenues dwindled. It appeared that the airline management's priority was to "shut down" non-profit earning stations and routes rather than analyze why it is so followed by necessary remedial measures to arrest the trend.

Mindset, working and priorities in public and private sector organizations are different. Private sector organizations are purely profit oriented while public sector organizations are welfare oriented which are supposed to work on "if break even is achievement" basis, but PIA was earning good profits before 1990. Being the national carrier, PIA has an important national role to play:

- Providing convenient link to far flung and remote areas to the main cities and business centers at an affordable cost. Points like turbat, pasni, gawadar, gilgit, chitral, etc
- To provide employment opportunities every year to some of the young graduating students.
- Making available to its employees a working and growth environment where by their quality of life improves over the years of service. this is in the form of medical facilities, educational facilities in the airlines staff colony, pickup/drop transport facilities between work and home, rebated travel facility (at practically no cost to the airline as the travel facility is on the basis of "space available" only) enabling the employee and his family an opportunity to see the world and benefit with this rich experience etc etc.

Experience shows that invariably, private entrepreneurs offer their employees the bare minimum facilities and that too because of the labour laws and government legislation.

- Allowing private airlines to operate domestic routes, the revenues of PIA have dwindled not because the private airlines services were better but because these airlines operated flights on the profitable domestic sectors only totally ignoring the loss bearing remote area routes which PIA continued to operate being the national carrier. PIA's domestic operations have become a burden on the airlines financial resources.
- As a matter of fact, the government should have ensured that the private airlines should operate services on the remote routes in the same ratio as they were operating service on the profitable routes. Shouldering the burden of non-profitable remote area flights coupled with the sharing of business (and profits as well) on the profitable routes with the private operators.
- The governments "open skies" aviation policy resulted in the Middle Eastern carriers offering greater and unrestricted capacity to and from Pakistan. the point-to-point passenger movement between Pakistan and these middle eastern countries was far less than the capacity available on the sectors as a result these middle eastern carriers started to target Pakistan origin passengers going to Europe, USA and Canada. with a huge aircraft fleet available, these Middle Eastern carriers offered frequent services and beat PIA out of the market. For points where PIA offered a flight daily, these carriers offered two. PIA also suffered due to this account.
- These middle eastern carriers not only offered numerous flights per week out of Pakistan, they also offered numerous flights per week to points in Europe, USA and Canada, as a result, with these carriers, the Pakistani passengers could chose the day they want to travel along with whether they want to travel in the morning or in the evening. PIA with its limited fleet could not offer this.
- Policy should be revised and PIA should also be allowed to operate accordingly.

- On domestic routes, PIA has been forced to offer discounted travel to armed forces personal, journalists etc. It should be stopped with immediate effect or may reduced to 25%, which at present is 50%.
- Governmental political priorities have played an important role in the acquisition of aircrafts and related supplies in PIA, same holds true in case of quite a few other activities. Kitchen and other facilities should be revived as those were before 90's.
- The Karachi Work-shop of PIA should also be revived with latest possible equipment, it was a big source of income for PIA.

2- MARKETING:

One major change that dynamics of markets have brought about is a shift from “producer markets” to “consumer markets”. Gone are the days when customers would buy whatever the producer would produce and offer for sale. Gone are the days when the buyers were ignorant or ill informed of the options available. Today, the customer is often more knowledgeable about the product he is interested in, what are the options in the market, what are the prices, strengths and weaknesses. He may even have a better knowledge of the competition than the salesperson.

- The airline management should develop a “customer oriented” strategy at all levels in the organization, starting from the lowest level to the highest in the hierarchy. Customer feedback systems---internal as well as external, need to be placed in operation.
- PIA staff may well have put in their very best in terms of service, aircrafts, schedules etc, the result of all this will be reflected in how the passenger perceives---his experience, his satisfaction. Is he willing to pick the airline for his next travel. Will he be talking of his excellent in-flight service or will he be complaining.
- PIA has in place an internal customer feedback mechanism. Progressive organizations are relying more on external customer feedback systems as they find them more meaningful and reflective of the customers impressions as compared to the internal ones which invariably fall victim to organizational and personal biases, both at the survey as well as the analysis stages.

- **Adding value to the service is the call of the day.**

3- MANAGEMENT:

The airline management should be free of external (political, bureaucratic or governmental) interference in as far as day-to-day functioning is concerned. This is essential to ensure strict professional management of the airlines affairs. As someone put it, “there is either a rule, or there is no rule, but there should be no exception to the rule”. Guidelines from the government may pour in giving the road map to be followed which is in the best interests of the nation and the government's

international policy without meddling in the day-to-day working. Employments and job assignments be made purely on merit.

Labour unions be made free from political backing and influence. Their charter should be defined so as to protect the rights of the work force, check exploitation of manpower, and ensure working in accordance with the country's labour laws. Constructive and positive trade unionism benefits. Destructive and negative trade unionism harms.

4- **FINANCIAL DISCIPLINE:**

Financial mismanagement is one of the major reasons why organizations go bankrupt or fall out of business. Financial discipline should be ensured with necessary checks and balances to identify deviation at the initial stages so that the effect is minimized. Profitability should be the aim of the management not essentially by reducing costs but by enhancing revenues.

5- **CORE AND NON-CORE FUNCTIONS:**

Concentrate on core airline functions. Form subsidiaries to operate and manage the non-core activities. Non-core activities (hotels, flight kitchen, ground technical support, training center) with a potential of providing services to outside parties may be made financially independent to secure business and finance their operations. PIA should also pay them for their services availed. Employees of such non-core operations may be allowed rebated travel on space available basis as admissible to core operations employees.

With the non-core activities being shifted to subsidiaries, the employee/aircraft ratio will become relatively realistic.

6- **AIRCRAFT FLEET: (The most important)**

For airlines with fewer aircrafts, it is always feasible to have a standardized fleet, both from the engineering as well as the operational aspects. For each type of aircraft in the fleet, the airline must have a specifically designated engineering facility and team, inventory of spare parts, pilots and engineers. PIA's current fleet comprises of B777, B737, A310, A320, ATR.

PIA continued to operate the aging and fuel wise inefficient B747's with a high operating cost per hour flown as the airline did not have the resources to replace them with the fuel efficient state of the art aircrafts. This has had its negative effect.

Way back in the early 70's, after the fall of East Pakistan, the then management decided to revamp the operations in the light of the fact that the eastern wing was no longer there resulting in a substantial reduction in the traveling traffic. The management decided to lease out aircrafts which in their view would now be surplus. Aircrafts were leased out. The government meanwhile decided to appoint Mr Rafiq Saigol, a business man of repute to head the airline. In one of the first presentations highlighting the economy measures being adopted the point of leasing the aircrafts came up. The new MD, interrupted the presentation and asked the PIA team "what is your core business"? Transportation, he was told. Transportation of what?

Transportation of passengers and cargo, he was told. How do you transport them, he asked. In the aeroplanes, he was told. The MD then remarked, aero planes you have given to other airlines, how are you going to transport passengers and cargo now. There was pin drop silence. He immediately ordered that the fleet should be restored adding that the management team should ensure that the operations are successful or else they lose their jobs. The fleet was restored, the routes were restored, the aircrafts operated, PIA recovered well from the 1971 setback. Mr Siagol was given a free hand, he delivered.

It seems that the message Mr Rafiq Saigol gave to the management then was placed in the archives to rest in peace.

From above one can easily understand the reasons of airlines nose down and with a few suggestions stated above, once again the national carrier can attain its lost position. The government and the management today should objectively analyze and take necessary remedial measures.

Shutting down operations and privatizing the airlines operations by selling it and its assets to interested buyers is not the solution. PIA is a national asset. It is the pride of the nation. It is the country's international Flag Carrier. Let it remain so.

Even today, PIA has on its payroll, intelligent, competent, honest and hardworking people who have the spirit and desire to revive the airline. They are trained to develop, give them a free hand. Let them manage and prove their worth.

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