

PIA reports less losses for six months

KARACHI, Aug 20: Pakistan International Airlines (PIA) posted loss amounting to Rs5.4 billion for the six months ended June 30, which reflected a substantial recovery from the loss of Rs18 billion reported in the previous corresponding period.

Analysts attributed the steep decline in loss of the national flag carrier to decrease in fuel costs and reduction in exchange losses. The results were announced by the board of directors on Thursday.

Revenue rose by 11.6 per cent or Rs4.4 billion to Rs42 billion for the six months under review, from Rs37.6 billion in the same time last year.

The board was stated to have said that the airline had achieved revenue rise, in spite of competitive pressures and adverse economic environment. Passenger revenue growth of 11.8pc was said to have helped improve the bottom-line.

Operating profit before interest, taxation and exchange losses on foreign exchange loans amounted to Rs1.9 bil-

lion, showing an improvement of Rs6.6 billion over the corresponding period last year.

The loss after tax at Rs5.4 billion was said to be the result of high financial costs and adverse impact of rupee-dollar parity on foreign currency borrowings.

The board was of the view that plausible options should be worked out for restructuring / re-profiling of non-fleet unproductive loans amounting to Rs62.3 billion and recommendation should be forwarded to the government of Pakistan for consideration and approval to help PIA pull out of the financial difficulties.

The board was briefed on Benazir Employees Stock Option Scheme (BESOS) for empowerment of employees of state-owned entities through their representation on the respective boards by transferring 12 per cent of Government of Pakistan's shares to employees.

Ch Ahmed Mukhtar, Defence Minister & Chairman PIA, currently abroad, could not attend the meeting and in his absence was presided by Secretary Defence Lt-Gen (Retd) Syed Athar Ali.

The meeting was attended by PIA MD Capt Mohammad Aijaz Haroon, Syed Naseer Ahmad, Malik Nazir Ahmad, Prof Mian Ijaz ul Hassan, Mubashir Iftikhar and Shaukat Ali Rana.—APP