

## Malawi restructures debt-ridden national airline

BLANTYRE, MALAWI: Malawi has placed its debt-ridden national airline Air Malawi in voluntary liquidation after two previous restructuring attempts failed, the government said last week.

It has created a new company, Air Malawi (2012) which will soon pick an investor to help recapitalise the flight carrier.

"The government has embarked on a process of restructuring Air Malawi primarily involving the engagement of a strategic equity partner to recapitalise it," Jimmy Lipunga, chief executive officer of the country's Privatisation Commission, said in a statement.

So far 11 local and international companies, including Ethiopian Airlines, South Africa's Comair and Botswana's Global Business Network, have expressed interest in partnering with the airline.

Air Malawi is saddled with a debt of over US\$50m, according to airline sources, arising mainly from the grounding of two of its four aircrafts.

The government will settle all of the company's debts.

Two Air Malawi Boeing 737 aircraft have been parked at a maintenance hangar in South Africa for three years after the airline failed to pay for repairs and storage fees.

The carrier has had to fly leased aircraft at "enormous cost and reduced frequency on the profitable routes within the country and in the region.

The airline is one of dozens of loss-making parastatals in Malawi.

Half of the country's 67 parastatals have been sold to private investors.

Source: *AFP* via I-Net Bridge