

Pacific Airlines: Making the Impossible Possible

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Running steady losses in the past, Pacific Airlines has opened a new chapter with a change in the management structure. For many, the recent success of Vietnam's first joint stock airline is nothing short of a miracle.



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Local press wrote many articles debating the possible collapse of Pacific Airlines, but by summer 2005, Pacific Airlines' flights were full.

Despite rising fuel costs of nearly VND60 billion more than in 2004 for the same number of flights - Pacific Airlines has now balanced its accounts thanks to a number of programs to help save costs and restructure operations. Its number of passengers has been constantly increased as its reputation grows.

This complete turnaround came only after Prime Ministerial Decision 64/2005/QĐ/TTg dated January 21, 2005, which allowed the transfer of 86.49 percent of the shares of four stockholders under the Vietnam Airlines Corporation to the Finance Ministry to restructure Pacific's operations and management.

Today, Pacific Airlines is proud of being Vietnam's first air carrier offering compensation to passengers with flight delays or cancellations. It is also the only air carrier with free transportation for passengers between Noi Bai International Airport and Hanoi.

Pacific Airlines' customer service system has improved day after day. All flight attendants have a chance to take part in courses taught by experts from one of world's leading training centers for flight attendants, the Little Red Dot Academy of Singapore. Customer service and booking systems operate around the clock, seven days a week, along with an attractive promotional program for regular customers. Passengers making seven roundtrip flights can make the eighth free of charge, while passengers making 10 one-way flights in a year can fly the eleventh for free.

Along with stabilizing and restructuring its operations, Pacific Airlines has reworked its route plans, services, and prices. On November 4, the airline will operate its new Hanoi-Da Nang route with one flight per day. Also during November, Pacific Airlines will also increase the number of flights between Ho Chi Minh City and Hanoi from four flights a day to six or seven, with a better flight schedule of around two hours per flight.

Pacific Airlines has offered new prices for passengers booking tickets 30 days, 14 days, and seven days in advance, with roundtrip tickets starting at VND1,199,000 per passenger flying between Hanoi/Ho Chi Minh City and Da Nang, and VND1,999,000 per a passenger flying between Hanoi and Ho Chi Minh City. War invalids and other prioritized passengers will enjoy discounts of 25 to 50 percent on flights.

To offer the smoothest trip for business travelers, Pacific Airlines selects at least three-star hotels for its air and hotel package services, which include two nights at a hotel (breakfast included) for the same price.

In the future, Pacific Airlines management plans to shake hands with one foreign shareholder, Temasek Holdings Private Limited - a finance investment company of the Singapore government - who will be allowed to buy up to 30 percent of Pacific Airlines' stocks. Pacific Airlines has been working with Temasek to develop a new business model for a reasonably priced airline and a five-year plan for 2006-2010 for submission to the Vietnam Civil Aviation Department. Under the plan, Pacific Airlines will run domestic routes, international routes within the Association of Southeast Asian Nations (ASEAN), several international routes to northeastern Asia to Japan, the Republic of Korea, and China (including Hong Kong and Taiwan), as well as to India. Its fleet will consist of Boeing (B737-400 and B737-800/900) or Airbus A320.

Today, Pacific Airlines leaders are no longer worried about their company. Instead, they have worked on a long range development strategy for sustainable growth. Pacific Airlines may continue to be hot item in the press, but now articles rave about the airline's continual growth.

By Hong Ha