

## Ethiopian Airlines wins Air Malawi bid

Written by Taonga Sabola  
Friday, 15 February 2013 08:35

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Government, through the Private Public Partnership (PPP) Commission, on Thursday named Ethiopian Airlines as the preferred bidder to partner Capital Hill in the yet to be established Air Malawi 2012 Limited.



Ethiopian Airlines, according to PPP Commission Chief Executive Officer Jimmy Lipunga, scored 67 points against Fly Africa of South Africa's 61 and Global Business Networks of Botswana's 59 points.

Following the development, Ethiopian Airways will have 49 percent stake in the new company with government holding 20 percent while the remaining 31 percent will go to Malawian citizens who can either be individuals or institutions.

Ethiopian Airways will be at liberty to chose local partners in the restructured Air Malawi 2012 Limited.

"The selection has been largely influenced by its global experience and competitiveness. The viability of the restructured Air Malawi will be greatly enhanced through strategic partnering with a global player. Air Malawi (2012) Limited will gain more traffic through international route linkages," said Lipunga.

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Following the announcement, PPP Commission will have to write Ethiopian Airlines for the company to respond in two weeks for negotiations to start. Ethiopian Airlines will also be expected to pay an unspecified commitment bond.

"During negotiations the preferred bidder will be expected to satisfy the desire by Malawians for competitively priced and high quality air services to multiple destinations originating from Malawi. This is also in keeping with the drive to promote the tourism industry," said Lipunga.

Lipunga could, however, not indicate the amount of money that will be required to set up the new company.

He expressed optimism that the new company should be able to roll out its operations in the next two months, depending on how fast the negotiations will go.

Meanwhile, Air Malawi Limited, currently under liquidation, on Wednesday sent over 90 percent of its staff on an indefinite leave pending retrenchment, following a halt in operations.

Liquidator for the stone broke airline Lekani Katandula confirmed the development in an interview yesterday.

He said he had asked government to refund the losses registered by the airline during the liquidation process, adding that the money has not been forthcoming, hence the move to send the staff on an indefinite leave pending retrenchment.

"We have sent over 90 percent of the staff on leave. We have retained a few people to help sorting out a few issues," said Katandula.

He added that, at the end of the day, all the staff will be retrenched once he is given the

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necessary amounts of money to pay them.

PPP Commission Chief Executive Officer Jimmy Lipunga, whose organisation is facilitating the winding up of Air Malawi Limited as well as the creation of a new entity, Air Malawi (2012) Limited, defended the move by the liquidator, saying it was done to protect the company's assets.

He said the airline has not been covering its costs hence the need to suspend operations.

Air Malawi Limited grounded operations on Wednesday with a last flight to South Africa.