



SUSTAINABLE VISION FOR A RESILIENT NATIONAL AIRLINE – INTERVIEW WITH DAVID CURMI, EXECUTIVE CHAIRMAN, AIR MALTA

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Day one of MACE 2022 revealed what country's national airline, Air Malta, is undergoing. Executive Chairman of the carrier, Mr. David Curmi, started his Keynote with an absolutely clear statement - Air Malta – Looking to the Future. He described actual situation, future plans and restructuring drivers. Almost 50 years of history and operations, the national airline on the edge of Europe. Air Malta is all about ensuring the connectivity of the island. Mr. David Curmi immediately indicated the main challenges that the company is currently facing:

- Serious financial difficulties;
- Bureaucracy and inconsistent service;
- Access to capital;
- Trade union power and oversized workforce;
- No clear strategy;

What is the goal – Financially sustainable flag carrier of Malta, aligned to national interests. What's on the table – 48 years of experience. Full dedication to serve Malta. Direct point to point connectivity to key European cities and major airports. 13 codeshare partnerships and 61 interline partnerships.

Restructuring drivers are:

- Focus on profitability and sustainability;
- Fundings – acceptable and sustainable;
- Maximization and optimization of revenue strategy, restructuring to a new cost base;
- Respond to changing customer's needs according to a new air market dynamics and new technologies;

Air Malta will become single aircraft type airline – A320neo. Reducing fuel consumption, reducing noise and CO2 emissions. Special attention to improve customer experience: new loyalty program, first Air Malta Mobile App, renegotiation of catering contract. Airline will offer 20 key routes with optimized fares. New destinations to be revealed for summer 2023. New maintenance contract. 50% of workforce reduction. Airline will outsource ground handling and IT operations.



After his intervention, we had some additional questions to Mr. David Curmi:

Q. What is your biggest challenge in restructuring Air Malta?

A. My biggest challenge in restructuring Air Malta is changing the legacy systems, work practices, culture and mindset of a fifty-year old flag carrier and to embrace change.

Q. You mentioned that there was no clear strategy for Air Malta, how this situation is changing now?

A. In the past Air Malta experimented with both Point-to-Point and Hub-and-Spoke Networks. There was a time when Air Malta considered a long-haul strategy.

Today our strategy is much clearer. For the foreseeable future, will be a full-service point-to-point carrier. Our purpose is to provide stable and regular connectivity to and from the Maltese Islands at all times, good or bad.

We aim to do this by flying to key European cities and major European airports and cargo hubs and to attach to the bigger airlines through our 13 codeshare and 61 interline agreements.

To support the strategic and commercial vision of our business we are continuously reviewing and optimizing our network with an increased focus on RASK considerations and route profitability.

Q. The decision to go to onetype fleet is logical. Do you think it would make sense to have a smaller aircraft for short haul routes?

A. Our financial modelling clearly show that a smaller aircraft makes financial sense for our short haul routes, but we feel that we are at a very complex and delicate phase in the restructuring of the airline and the introduction of a different aircraft at this juncture would not be advisable as this would have other negative financial implications on other areas of our operations.

Q. Recently ICAO adopted a collective long-term global aspirational goal of net-zero carbon emissions by 2050, what does this mean for Air Malta?

A. We currently operate a fleet of eight Airbus, (four) A320NEO and (three) A320CEO aircraft. We started the renewal of our fleet in 2018, moving from our old A320CEOs to the greener A320NEOs and by early 2024 our entire fleet will consist of a single-type aircraft the A320NEO. With the deployment of these new energy-efficient aircraft, Air Malta will significantly reduce fuel consumption, CO2 emissions and noise footprint and will therefore be well-placed to be a leader in the reduction of human induced climate change and in meeting our and international sustainability targets.

Below the wings, together with our ground handling partner at our Malta hub, we have a plan a detailed on how to reduce our environmental footprint.

We wish Mr. Curmi to guide the company to succeed in reaching the ambitious goals. We hope to hear about the success story at the next MACE 2023.



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