FLIGHT AIRLINE BUSINESS AWARD

FERNANDO PINTO

TAP Portugal

Airbus

Fleet renewal is under way

There have been few more challenging environments to be an airline chief executive than leading a medium-sized flag carrier in Europe. The quest to establish a sustainable business capable of attracting private investment is made tougher, not just by swings in market conditions, but by ever-expanding low-cost rivals.

That makes it all the more remarkable that one of Europe's longest-serving chief executives should have helmed a carrier that has had to withstand its share of challenges during his 17 years in charge.

TAP Portugal turned to former Varig chief Fernando Pinto in late 2000. It was no easy time. Cabin crew were embroiled in a pay dispute, the airline was heading for losses and a major restructuring was required.

On the horizon was the proposed privatisation of the carrier under a deal in which SAirGroup was to take a 34% stake. The meltdown of the Swissair holding company put paid to that. It was not until 2015 that privatisation ambitions were finally realised with a David Neeleman-backed consortium.

To some extent Pinto's tenure at TAP can be split into halves.

Over his first seven years TAP restructured, expanded, acquired regional operation Portugalia and joined the Star Alliance.

"In the seven years I've been here we actually reduced headcount by 10% and grew the airline two-fold," Pinto told FlightGlobal in early 2008. "We're now very efficient here. We have to be because the ticket prices here are very low. This is survival."

Having improved the airline's financial performance, the carrier was readied for privatisation in 2008. But then came the global financial crisis.

TAP hunkered down. Passenger numbers and revenues slipped, and it returned to the red. But Pinto's survival instincts remained. After a period of stabilisation TAP ultimately returned to growth and profit. Notably while low-cost carriers have grown their presence in Portuguese short-haul markets, TAP has continued to grow.

TAP capitalised on its cultural links and geographic positioning to serve Latin America

Crucially, TAP capitalised on cultural links and geographic positioning to serve Latin America, and Brazil in particular. It has doubled the size of operations to Brazil since Pinto took over, and FlightGlobal schedules data shows it is the largest operator between Europe and the country.

This positioning, Pinto told FlightGlobal in 2014, was crucial to attracting interest from private investors that culminated in Neeleman leading the Atlantic Gateway consortium's successful bid for a majority stake.

That in turn has unlocked further investment and growth. TAP switched an order for 12 Airbus A350-900s with one for 14 A330-900neos, and committed to 39 A320neo-family aircraft. It also renewed its regional aircraft fleet and embarked on a cabin-refit programme for its Airbus fleet.

TAP posted a profit in 2016 and lifted passenger numbers to 11.7 million – more than double the number carried when Pinto first arrived at the carrier. That growth continues this year.

Graham Dunn

PAST WINNERS

2016 Tony Tyler, IATA | **2015** Alex Cruz, Vueling | **2014** Adel Ali, Air Arabia | **2013** Titus Naikuni, Kenya Airways | **2012** Akbar Al Baker, Qatar Airways | **2011** Tim Clark, Emirates Airline | **2010** Steven Udvar-Hazy, Air Lease | **2009** Pedro Heilbron, Copa Airlines | **2008** Giovanni Bisignani, IATA | **2007** Norm Mineta, former US Transportation Secretary | **2006** Dr Assad Kotaite, ICAO | **2005** Herb Kelleher, Southwest Airlines | **2004** Maurice Flanagan, Emirates | **2003** Jürgen Weber, Lufthansa | **2002** Pierre Jeanniot, IATA

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