Mahan Air
Bringing Respect to Iran
by Ken Donohue
Named after a small town in south-central Iran, Mahan Air was formed by a son of President Rafsandjani in 1991 when the Iranian government established a pilot program allowing private air carriers to offer comparable services to those provided by state-run IranAir (Airways, Jan/Feb 1998). Mahan Air was one airline that took advantage of this new policy, and in 1992 began scheduled domestic passenger operations with two Tupolev Tu-154M tri-jets; international service to Damascus followed shortly afterward. Dedicated freight flights started in 1994, with a pair of Ilyushin Il-76TDs acquired from Cairo Charter and Cargo.

The airline's first few years were unremarkable in almost every way. In fact, Mahan Air was about to close its doors, but in 1997 a new management team was introduced giving the airline a better chance of success. Mahan Air expanded its international route network to include Dubai, and is today not only one of seven airlines operating in Iran, but also the second largest. The carrier now serves 22 destinations from Tehran, including cities in Asia and Europe.

Mahan Air's recipe has been simple: combine western equipment with good service. In 1999, two Airbus A300B4s joined the fleet, another following a year later. These new aircraft put Jeddah, Saudi Arabia, on the airline's network, and allowed Mahan Air to stretch its wings to Bangkok, then to Delhi.

Six Airbus A310-300s were bought from THY Turkish Airlines in 2002, two for immediate delivery. That year, a plan to merge with another Iranian independent airline, Kish Air, failed to materialize, as did a scheme to invest in Delsey Airlines of Belgium to offer a connection to New York.

Earlier this year the airline began wet-leasing Airbus A320s and an A321 from Blue Wings of Germany. Eight examples of the A320 family are due in service next year, enabling the remaining Tu-154Ms, used primarily on domestic routes, to be phased out.

Last year was a record year for Mahan Air, with more than 1.2 million passengers flown, its largest one-year total, representing a 42% increase over 2002. While figures were not released, the airline says that it recorded a larger profit than in any previous year.

Success has not come easily for Mahan Air, however. Mahdi Bahrami, Mahan's vice president commercial, tells Airways that the airline's biggest challenge is the lack of support from the government. "The state carrier, IranAir, gets all the good

Iran, known as Persia until 1935, is a country with a proud and rich history (the Achaemenid, the First Persian Empire, was founded in 550 BC). Yet it is easily one of the most misunderstood nations in the world. Some are quick to vilify its people, with one world leader using the word 'evil' to describe the country. But Mahan Air, a private Iranian airline, is working hard to erase the misconceptions that people have about Iran. In doing so, it is bringing respect to a much-maligned country.
routes,” laments Bahrami, “we just get whatever is left.” He also suggests that while, in principle, the government accepts the idea of private airlines competing against the state companies, it is often difficult to secure support from all government departments.

Some might assume that Bahrami would be bitter about the challenges his airline faces. He is not. Instead, he talks about the airline’s success in meeting the needs of its passengers and the international community. “We have a good relationship with the United Nations,” says Bahrami. “On short notice, we have flown tents and medicine to areas of the world in need.”

The airline is also very timely in taking advantage of global events, as on December 22, 2001, it became the first to offer commercial flights to Kabul (Bagram) after the Taliban was run out of Afghanistan. However, the service to the Afghan capital was halted after only six months, because there was little or no security at the airport (Airways, October 2002). And only ten days after the July 2001 terrorist attack on the international airport in Colombo, Sri Lanka (Airways, November 2001), Mahan Air had resumed service to that airport. At short notice, Mahan Air was called upon to transport Afghans to Mecca for the Hajj. “We have a short chain of command,” Bahrami says with pride. “This allows us to make decisions quickly.”

While the airline has tasted success, it is not about to rest on its laurels. Mahan Air’s short-term goals include concentrating on offering more internal flights and providing better service than its competitors. The company has a relatively limited domestic presence, serving 12 destinations—although its load factor on those routes is an enviable 95%—and would like to start offering daily and twice-daily flights. “Less than 10 percent of Iranians travel by ‘plane,” Bahrami tells Airways, “so there is lots of potential for growth.” Iran is a large country, about the size of Alaska, but economic conditions prevent the majority of citizens from travelling by air.

For most foreigners, however, the cost of a domestic flight is still one of the best bargains anywhere in the world. Earlier this year, the price of a one-way ticket from Shiraz to Tehrān, a 90-minute flight, was $30, including taxes and fees. The government regulates domestic fares and an increase of 17.2% was recently approved to compensate for fuel prices that have tripled over recent years.

In July 2004, the airline increased its Düsseldorf service to four times a week, from the previous three, and Birmingham became the airline’s second European destination, with twice-weekly flights from Tehrān. While many Asian and Middle Eastern airlines have found success in Manchester, Mahan Air is expecting similar success in Birmingham. The airline would like to start offering more connecting flights; such as it currently does between Düsseldorf and Bangkok. Bahrami reminds Airways that Birmingham has a large Indian community, and Mahan Air is looking to tap into that market by offering convenient service to Delhi, via Tehrān.

“Geographically, Tehrān is well suited as a hub,” says Bahrami. “We know we can never compete with Emirates and Dubai (Airways, November 2004), but we can be successful by offering a good product, and convenient connections.” Bahrami also says that the Iranian government has made it easier for people to obtain transit visas. Mahan Air will also offer complimentary coach service from Manchester to Birmingham. The airline accommodates all of its connecting Delhi and Bangkok passengers, including those in economy class, in the business lounge at Tehrān’s Mehrabad Airport (IATA: THR/ICAO: OIII).

Mahan Air’s first European destination was Düsseldorf, added in 2002, and it has been so successful that the airline’s main rival, IranAir, recently started service to Köln [Cologne], only 60km (40mi) away. In Asia, the airline has been committed to Bangkok, but this has recently been a challenging destination, because of ongoing international health concerns
such as SARS (Airways, September 2003) and avian flu. During the summer months, Mahan Air operates a number of popular charters to destinations such as the Maldives and Turkey.

While Mahan Air does not serve North America directly, it has developed a successful relationship with German carrier LTU International. In 2003, both airlines cooperated on offering service between Los Angeles and Tehran, through LTU’s base at Düsseldorf. This year, the trans-Atlantic connection has been increased to include Toronto and Miami, in addition to the Los Angeles route, which has one of the best connection times in the region. “Along with our partner, LTU, we can offer less than two hours’ connection between Iran and North America,” says Bahrami. “No other airline can claim this.”

A six-and-a-half-hour technical delay marred our flight to Tehran from Düsseldorf. Once aboard the Airbus A310, passengers were offered a candy before takeoff, and safety announcements were given in Farsi and English. Service from the flight attendants was very good, considering the wait they had also endured. During the five-hour flight the only negative aspect was in-flight entertainment (IFE), which, in economy class, consisted only of the moving map display. The audio channel did not work at my seat, and I noticed other passengers having similar problems. Iranians themselves may not expect a good IFE product, but international passengers accustomed to other airlines surely will.

Business class on the return fight was good, although there is room for improvement. Again, the cabin attendants provided excellent service. A selection of juices and a small dish of pistachios were served before takeoff, along with Persian and English newspapers and magazines. A fresh rose was placed on each passenger’s tray table with breakfast. We were offered a selection of hot items—which could have been warmer—and one movie was played on a screen at the front of the cabin. Both meals served during the flight to Düsseldorf were impressive. However, one disappointment was that the business class seats were not equipped with footrests. On balance, Mahan Air’s in-flight product is good. Cabin attendants are friendly and attentive, and with management’s commitment to providing better service there is no
reason why standards could not match the best in the region.

Mahan Air takes any schedule disruption seriously, and has a policy of the airline's managing director being immediately made aware of any delay over 15 minutes. The airline's international affairs director, Hossein Hosseini, was very apologetic when we arrived in Tehran, and said that the delay was unprecedented. I am apt to believe him after reading a newspaper article that lauds Mahan Air as having the best on-time performance amongst Iranian airlines, with an average delay of only five minutes during the first quarter of 2004. The airline was also quick to take care of its Bangkok passengers, once it was determined they would miss their connection in Tehran. Arrangements were made for them to travel to the Thai capital on another carrier.

Customs and immigration at Mehrabad Airport was efficient and hassle-free. Built in 1941, the airport has two international terminals, which are connected to each other, and a domestic terminal a short distance away. The international terminal is equipped with only three airbridges, and because of the high cost to use them, Mahan Air has opted for remote stands, busing passengers to and from the terminal. The new international terminal is equipped with only three airbridges, and because of the high cost to use them, Mahan Air has opted for remote stands, busing passengers to and from the terminal. The new Imam Khomeini International Airport (ICAO: OIIE) was opened briefly in May 2004, then closed after two flights because of a dispute between the government and the company hired to provide security (Business Flyer, Airways, November 2004). Initially, flights to Dubai were supposed to begin operating out of the new airport, some 40km (25mi) south of Tehran.

Construction work on OIIE began 30 years ago, and has been marked by controversy. The plan was to operate international flights from the airport, while domestic services would continue at Mehrabad, something not welcomed by most connecting passengers. Bahrami tells Airways that passengers would need at least two hours to connect and one hour for ground transport, and another hour to check in. "Moving our operations to the new airport is not a challenge, but a nightmare," admits Bahrami." The government has promised that the new domestic terminal will be built at Imam Khomeini, but, for the time being, all flights are still using Mehrabad.

Mahan Air was originally based in Kermān, in southern Iran, but the airline found it more efficient to center its operations in Tehran. The company still operates its training center in Kermān, which is home to the airline's Airbus A300B simulator. Maintenance is performed in Tehran, at Mehrabad, in a hangar that can accommodate eight aircraft, and is owned and shared by Mahan Air, IranAir, SOGERMA EADS France, and Iran Aircraft Industries. The installation is JAR (European)-certified, and Mahan Air's mechanics are trained by Airbus.

Much is made of the trade embargo placed on Iran by the United States, especially when it comes to aircraft safety and maintenance, but Bahrami plays down the suggestion that it has a big impact. "It affects us somewhat, but aircraft manufacturers have a responsibility to support the airplanes they make, which includes ensuring the availability of spare parts."

Bahrami tells Airways that he is very proud of Mahan Air's turnaround, and suggests that the airline's continued success depends a lot on market conditions, while trusting in God for a better future. Yet Mahan Air is not relying solely on divine intervention; as a sign of its commitment to improve in-flight service, the airline has built a new flight kitchen next to the airport.

Mahan Air's latest marketing slogan is 'Expect Great Things!' Many pretend, but few airlines can actually deliver on such a statement, and while there is much work to be done, Mahan has the perfect ingredients to become one of the world's best airlines. Despite the negative rhetoric, Iran is a safe, historic, and beautiful country. Its people are welcoming and hospitable. And Mahan Air reflects those qualities.

An A310 outside the FARS Co maintenance hangar at Tehran. Both of Mahan Air's A310-300s were acquired from THY Turkish Airlines, and another four are expected from the same source.