
PSMC Privatization – Sell off likely on 31st January

Tuesday, 17 Jan, 2006

Dr Abdul Hafeez Shaikh, Federal Minister of Privatization and Investment, has said all stakeholders are working together for satisfactory closure of Pakistan Steel Mills Corporation transaction by January 31. Dr Shaikh was speaking at a pre bid conference here on Monday for clear understanding of the PSMC transaction and the bidding process and to respond to the queries of the bidders.

The pre-qualified parties have completed the due diligence of the transaction through plant visits, physical and virtual data room. They have also conveyed their comments on bidding documents.

Five pre-qualified parties, which participated in the pre-bid conference, are 1. Al-Tuwairqi Group of Companies of Saudi Arabia with Arif Habib Group of Companies of Pakistan

2. Government of Ras Al Khaimah UAE

3. International Industries Ltd of Pakistan and Industrial Union of Donbass IUD of Ukraine

4. Magnitogorsk Iron & Steel Works Open JSC MMK Russia

5. Noor Financial Investment Company of Kuwait.

The bidders were informed that they have to deposit \$30 million four days prior to the bidding date for becoming eligible to participate in the bidding process, which would comprise two rounds. In the first round sealed bids will be dropped in the transparent bid box, which will be opened and read over by the representatives of print and electronic media. While in the second open bid round, the three highest bidders will be asked to compete. The successful bidder will be required to deposit 25 % of the bid price within 20 days after the issuance of Letter of Acceptance LOA. For the remaining amount 60 days will be given from the date of issuance of LOA.

The Privatization Commission has offered to qualify strategic Investors interested for acquiring 75% equity stake in Pakistan Steel Mills Corporation, together with management control, on an ‘ as is, where is’ basis. A consortium led by Citigroup Global Markets Limited is advising the PC on the sale.

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