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## **PSMC Privatization - Workers oppose move**

*Thursday, 16 Feb, 2006*

The People's Workers Union of Pakistan Steel Mills has termed the planned privatization of the large steel manufacturing public sector organization as unjustified and demanded the government reconsider its decision. In a letter sent to the Prime Minister Mr Shaukat Aziz the general secretary of the union Mr Syed Hameedullah rejected the government's perception that the PSM was making losses and only private sector could turn it into a profitable organization.

He said that the Privatization Commission was incorrect in stating that the PSM had come into profit only after manpower and financial restructuring made by the government in 2000. This is distortion of facts because according to audited accounts it came into profit as early as 1988-89, he added. "Most regrettably, the PSM after a tremendous upswing from 2001 to 2005 has seen an unprecedented decline during first seven months of current financial year," he said adding that this happened because plant was not maintained in last two years by present management.

Blaming the present management for a loss of Rs18 billion the labor leader said that according to the documents prepared by the Privatization Commission this amount was required to rehabilitate the plant for achieving its production capacity of 1.1 million tonnes. "This huge investment would not have been necessary had the plant been maintained during the tenure of the present chairman," he said adding that if the plant had been maintained its production capacity could have been enhanced to 1.5 million tonnes through an investment of \$160 million as proposed by the Russians in 2004.

Giving details of the losses the CBA leader demanded an inquiry and steps to recover the amount. "If the PSM is now making profit, would it be correct to hand it over to the private sector," he questioned.

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