
PSMC Privatization - PSM out of privatization list finally

Thursday, 19 Feb, 2009

It is reported that Pakistan government on Tuesday approved its new privatization policy envisaging sale of 26% shares of 21 state owned enterprises with management control through public private partnership repealing the previous government policy of strategic sales.

The new policy, approved by the Cabinet Committee on Privatization headed by Advisor to Prime Minister on Finance and Revenue Shaukat Tarin would also ensure transparency and take necessary safeguards to maximize documentation in line with the privatization commission ordinance.

The list includes

A)

1. SME Bank Limited
2. Peshawar Electric Supply Company (PESCO)
3. National Power Construction Company (NPCC)

B)

1. Faisalabad Electric Supply Company (FESCO)
2. Jamshoro Power Company (JPCL)

C)

1. Heavy Electrical Complex (HEC)
2. Pakistan Machine Tool Factory
3. Pakistan Mineral Development Corporation (PMDC)
4. Morafco Industries
5. Pakistan Railways (PR)
6. PTDC motels and restaurants
7. Utility Stores Corporation (USC)
8. Pakistan Post
9. Kot Addu Power Company (KAPCO)
10. National Insurance Company (NIC)
11. Pakistan Reinsurance Company
12. State Life Insurance Corporation (SLIC)
13. Printing Corporation of Pakistan
14. Services International Hotels
15. Sindh Engineering Limited
16. Republic Motors Limited

The government has consciously excluded the names of Pakistan Steel Mills and Qadirpur Gas Field from the proposed list of entities approved for privatization owing to persistent pressure from workers. However the workers' share in the new policy has been enhanced to 12% from 10% in an obvious bid to win support from the workers in future transactions.

Briefing media persons after the approval of the policy, Mr Naveed Qamar privatization minister said that the new policy was not aimed at generating revenue for bridging the balance of payment. 'We have not linked it with generation of proceeds but with improving performance of state entities.

Answering a question he said that there was no conditionality by the IMF regarding the sale of government entities. He said that "We will only sell out the public entities after having fair price from the market adding there was no deadline set for the privatization of these entities."

He said the privatization of the Pakistan railways would bring positive changes to help revive the sector. He said the post office would be converted into postal banks in future under the privatization policy.

He said attempts would be made to reduce the post privatization problems. However, he said that with regards to small entities, the government might consider some other models including strategic sales. He did not elaborate on the other

models.

(Sourced from The Dawn)

For more news visit at www.steelguru.com