# Pakistan’s state-owned enterprises report Rs5.5 trillion losses amid privatisation debates



Pakistan’s state-owned enterprises have reported substantial financial losses, amounting to Rs5.5 trillion (over $19.5 billion) drained from the national exchequer over the past decade, according to figures presented at a recent parliamentary meeting. The revelation has intensified discussions around the privatisation and accountability of these entities, highlighting long-standing challenges within the public sector.

Adviser to the Prime Minister on Privatisation, Muhammad Ali, disclosed the figures during a session of the National Assembly’s Standing Committee on Privatisation held on Wednesday. Among the most significant losses was Pakistan International Airlines (PIA), which alone reported a deficit of Rs700 billion. Ali characterised the situation as “not just unsustainable — it’s a burden on every taxpayer,” drawing attention to the urgent need for reform in the management of state-owned enterprises.

The committee meeting, chaired by Farooq Sattar MNA, also addressed the fate of the Pakistan Utility Stores Corporation (USC), which is undergoing a significant reduction in operations. Officials informed the committee that only 1,500 of the existing 5,500 utility stores will remain operational after 1,000 closures planned for this month. This downsizing has already led to the termination of 2,237 employees, and concerns were raised about the impact on workers. “The state is responsible for ensuring job security,” Sattar emphasised, warning that the privatisation process must carefully consider the futures of the employees affected.

The utility stores continue to face financial challenges. While they received a subsidy of Rs38 billion in the previous fiscal year, the Rs60 billion allocated for the current year has yet to be disbursed, exacerbating operational difficulties. This financial strain has further complicated the decision to privatise even the stores that remain economically viable.

Further updates from the Power Division revealed ongoing consultations with the World Bank concerning the privatisation of three loss-making power distribution companies: Sui Northern Gas Pipelines Limited (Sepco), Hyderabad Electric Supply Company (Hesco), and Peshawar Electric Supply Company (Pesco). These organisations are currently undergoing financial assessments, with plans to appoint financial advisors following the completion of account updates expected by September 2025.

In related developments, Pakistan International Airlines marked a milestone by resuming flight operations to Charles de Gaulle Airport in Paris on 10 January 2025, following a four-year hiatus. The event was shared publicly by the PakistaninFrance Facebook page, signalling a renewed presence in the European aviation sector.

The News International is reporting that the detailed disclosures regarding financial losses and privatisation efforts underscore the complex challenges facing Pakistan's public sector enterprises and ongoing efforts to manage fiscal sustainability and operational efficiency.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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2. <https://www.dawn.com/news/1893133> - This Dawn article details the Ministry of Finance's report on Rs851 billion losses of SOEs during FY24, highlighting ongoing financial challenges and supporting claims about the burden these losses place on taxpayers, including PIA’s financial difficulties.
3. <https://www.thenews.com.pk/print/1249299-the-burden-of-inefficiency> - The News International analysis supports the article’s disclosure of Rs5.595 trillion in losses from 2014 to 2023 by Pakistan’s top loss-making SOEs and discusses the inefficiency and privatisation challenges faced by these enterprises.
4. <https://www.dawn.com/news/1881564> - This Dawn report discusses the losses of key SOEs during the first half of FY24 and mentions PIA’s substantial deficit, reinforcing the article’s claim about PIA’s Rs700 billion loss and highlighting ongoing SOE restructuring efforts.
5. <https://profit.pakistantoday.com.pk/2024/06/27/pakistans-state-owned-enterprises-report-rs905-billion-in-losses/> - Pakistan Today reports Rs905 billion in losses for fiscal year 2022-23 by SOEs, underlining the persistent financial strain on these entities and supporting the article’s context on the financial difficulties faced by public sector companies.
6. <https://www.brecorder.com/news/40280856> - This Business Recorder article covers the downscaling of Pakistan Utility Stores Corporation’s operations, including closures and employee layoffs, which supports the article’s details on the reduction of utility stores and associated job security concerns.
7. <https://news.google.com/rss/articles/CBMigAFBVV95cUxPVmMtVmRQOHRvVC1LTW0tN1NySUg4X3Vick9RSEFrMFJIOUg0NW1aby1PWHc4Yzl5TzVvUTBUQk4zanEwc3Q2Q1pidFlZUWZfZ1NVOXFJTHA3N1BLdEVDN1dKWTd4UC1VNDNkc3dKTDNlbEJ5Vzh0a3FJRkdGVjhQMw?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data