Incorporation of Privatization Commission of Pakistan and the Impact of Privatization of SOEs on the Economic Conditions of Pakistan

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Abstract
Privatization is an initiative or process in which the selling-off of the state owned enterprises (SOEs) occurs. This process can also be seen when the government of a certain country contract outs the state services. Pakistan, as one of the developing country in the world enjoys a specific status due to its geographical locations, does not stand as a nation that participates unduly in privatizing the government assets. Today, despite the government’s urge, some unforeseen circumstances and incidents that happen in Pakistan are not to attract the foreign direct investment from the investors, who desire to invest in SOEs. The aim of this research is to explain the impact of the incorporation of Privatization commission of Pakistan and the impact of selling-off of SOEs on the economic growth of the country and on other macroeconomic indicators. The data has been collected from different articles and from the government released statistics keeping in view the reviews of international organization such as World Bank and International Monetary Fund (IMF), catering the time period from 1991 to 2018. The figures of revenue from the sale of SOEs in different time periods are taken from the annual report of 2018 from the ministry of Privatization and could be relied upon. The research study has found a consistent rise, over the period of time, in rate of GDP, while the floats of privatization remained unsteady.

Key-words: World Bank and International Monetary Fund (IMF), Economic Conditions, Pakistan, State Owned Enterprises (SOEs)
1. Introduction

At the time of independence there were only 34 Factories employing almost 26000 people for almost 80 million of its people (including Bangladesh). The GDP of Pakistan in 1960's was 5.8-7.5, because of the private sector growing on an expeditious rate. But the decade of 1970's was an era of nationalization, where the main concentration was to redistribute national assets from the private owners to the government. It was due to the capitalization due to which the government at that time took this extreme radical action because of wealth being concentrated in fewer hands, rich were getting richer and the poor getting poorer. It was asserted by Pakistan People's Party government that the state control over the entities would promote the best interest of the poor. The support for this strategy came from the success of the Soviet Union and the socialist economic model practiced in the continent of Asia. The 1980's and 1990's era proved these assertions that drove this nationalization were not only unrealistic but the consequences were exactly opposite to what it was intended (Yan & Yu, 2021). Public enterprises including banks became a drain on the country's finances. Almost Rs. 100-200 billion a year are spent out of the budget annually on plugging the losses of these corporations, banks and other enterprises. These public entities suffered due to the political decisions of some political parties in power to hire their loyal supporters and compromised on merit based hiring.

The state owned enterprises are for generating profit and helping in the economic stimuli for the smooth working of the state (Sappington & Sidak, 2003) e.g. providing job opportunities. The controlling authority and the decision making power for the SOEs is in the hands of government and helps in running the economy (Gomez, Tham, Li, & Cheong, 2020). SOEs are an important part of the government due to their income generating power. But the situation in Pakistan is quiet worse because the SOEs are all loss making in billions of rupees.

State owned enterprises became an integral part of the governments in 1980's, but it was in 1991-1992 when it became effective and work for privatization started. Privatization is a politically and socially a very sensitive process. Privatization of state owned enterprises should be incorporated with a well-devised plan which takes care of its all stakeholders including labour, consumers, investors, economy and the government. Pakistan's governments established, privatized or restructured SOEs in different decades by introducing the international best practices to ensure effective public service delivery mechanisms dictated by international agencies and the economic situation of the country.
Privatization is considered to be a program on experimentation, innovation, and a wish to achieve something (Estache, 2020). It is now the global phenomenon that they are going towards privatization. Improving the nation's institutions has become the main focus of the governments and it has become the pride for certain governments that privatization happened in their tenure. These inflows of resources by selling the SOEs have energized the upcoming governments, mostly in the developing world. It enables the laying off of monopolies and cartels in various business fields and in various departments of the government. Privatization in general changes the balance between the private and the public responsibilities in the policies of the governments. Pakistan as a state was of the view of the privatization but the conclusion is that it has its critics (Nellis, 1999). The philosophy of privatization is that the governments should think towards the performance of its core obligations i.e. in setting the rules and regulations only and rest of the economic activity. Pakistan has developed the privatization commission in 1991, which was formed to dispose-off the property of the government for best possible price. Many things can affect this selling process of the public assets i.e. the nature of the asset, the proportion of the asset being disposed-off and the management of the enterprise, which depends upon the purchaser whether he retains or it not.

The main objective of this study is to recognize the elements which may help us in understating, whether the privatization helps in the sustainable economic and social progress. Privatization being a complex thing, this research provides the basic understandings of its effect on the socio-economic progress of Pakistan.

2. Literature Review

Privatization is a process which relieves the state of the funding support (Savas & Savas, 2000), it gives for the survival and the smooth running of the SOEs. Since most of the state owned enterprises (SOEs) are loss-making since last 4 decades, the sale of the state owned enterprises (SOEs) will enable the state to improve its macroeconomic status because it is facing the worst economic crises since its independence due to the record debts both internal and external and the current account deficit of almost $19 billion (in financial year 2018) and the circular debt of power generating companies of almost Rs. 1,384 billion. By transferring State owned enterprises (SOEs) ownership to the top private experienced hands, not only will the state receive more funds in the form of sales revenue but also the resources drained in huge amount from government budgets by subsidies will be removed (Jijun, Dong, & Dan, 2010). If enterprises which are privatized can improve its productivity, the state can expect more revenue in the form of taxes (Besley & Persson, 2009).
present world privatization has helped to improve the capital markets (Kirkpatrick, 2020). There are no hard rules and criteria to be used in privatising a SOE but the pressure from the labour and management of the state enterprises will also have to manage in a proper way. This literature on privatization shows that the criterion used is varying from one country to the other and also there appear to be periodic changes in the lists of the state owned enterprises (SOEs) due for privatization. In Pakistan, an enterprise making losses and marked by relatively simple technology would be a favourable candidate fit for privatization while a profitable SOE is not a candidate as the government is interested in its revenue and profits. But in Sri Lanka the list of privatization is topped by profitable SOEs, because they are the easier to sell and attract the investors and also they open the way for the future sales. Enterprises which are in sensitive areas i.e. making losses or not performing well are not seen anywhere as candidates for privatization (Cuervo & Villalonga, 2000).

The privatization of the state owned enterprises in Pakistan started in 1988, this privation was attributed to:

- Mismanagement in the SOEs i.e. human resource,
- The low or bad quality of goods and services produced by these enterprises,
- Corruption across the board in the organizations which is major cause of bad performance,
- Financial losses and large debt burden due to various reasons.

In May 1990, 10% shares of Pakistan International Airlines (PIA) were divested. A firm was indulged to seek their recommendations to implement the privatization policy in Pakistan (Sadiq, Laila, Mehmood, & Haqqi, 2020). On the recommendation of the firm an authority was formed with the name National Disinvestment Authority (NDA), which was formed to examine the privatization process.

Initially, 14 of the enterprises which were showing losses were identified by NDA. But, due to the political instability in the country the government moved away from their objective. Afterwards, toward the beginning of 1991, the administration set up a commission with the name of Privatization Commission (PC) and a Special Committee on Privatization—led by the Finance Minister. These two specialists were appointed the forces to execute the privatization approach in an appropriate manner. The fundamental assignment given to the Commission was to identify SOEs which are to be privatized and giving the method of reasoning for doing as such. Different assignments included prescribing store costs for these ventures, calling and handling offers, and finely gathering of their examination and proposals. These two bodies were liable to the Cabinet Committee (CC), henceforth presented their reports with recommendations. As a subsequent the Commission was additionally
answerable for reasonable and straightforward exchange of the benefits and assets of the privatized units from government control to the private control. The privatization wing of the Ministry of Finance with the help of Ministry of Law encouraged Privatization Commission on the lawful parts of the privatization procedure.

The privatization approach of Pakistan depended on the accompanying standards:

- Privatization will be led to help all, not for the benefit of a couple.
- Privatization should make nearby ventures and administrations increasingly effective and aggressive inside Pakistan and abroad
- The entire strategies of privatization ought to be straightforward.
- In instance of specific units, for example, significant utilities or banks there will be a procedure of prequalification.

| Number of Units Privatized in Pakistan till dates are as follows: |
|---------------------------------------------------------------|
| **Sector** | **Number** | **Amount (Rs. in millions)** |
| Banking | 7 | 41,023 |
| Capital Market Transactions | 26 | 303,494 |
| Energy | 15 | 54,273 |
| Automobile | 7 | 1,102 |
| Cement | 17 | 16,177 |
| Chemical | 16 | 1,643 |
| Engineering | 7 | 183 |
| Fertilizers | 7 | 40,281 |
| Ghee Mills | 24 | 842 |
| Rice | 8 | 236 |
| Roti Plants | 15 | 91 |
| Textile | 4 | 371 |
| Newspapers | 5 | 271 |
| Tourism | 4 | 1,805 |
| Others | 6 | 158 |
| **Total** | 172 | **648,972** |

Source: Privatization Commission’s Annual Report (2017-18)

As per the Asian Development Bank study, the general privatization program of Pakistan was an accomplishment in term of selling the units. It was well in front of its local partners, both regarding quantities of organizations privatized, and the profundity of the program in handling progressively complex privatization, for example, those of utilities. The program had accomplished, in any event somewhat, the majority of its different destinations. These included, improving productivity of ventures and the economy, improving state funds, enlarging and developing capital proprietorship, and securing the interests of workers.
3. Methodology

Privatization of a Public Sector Entity is a difficult assignment, which can't be executed in a self-overseeing way, as it requires across the board due-tirelessness, including however not restricted to lawful, budgetary, human asset and so on parts of the concerned business, to be privatized and due coordinated effort from all the pertinent partners.

Privatization approach is in vogue, since 1994 and based on worldwide and local encounters, a privatization procedure has been created. The equivalent are assessed now and again, so as to make it similar with best practices of the territorial and universal patterns and prescribed procedures.

So as to accomplish the destinations of this exploration on research work, contextual analysis approach was considered appropriate. According to a famous saying, a case study is “...an empirical inquiry that investigates a contemporary phenomenon (the case) in depth and within its real-world context”.

Case study includes a point by point investigation, regularly with data collected over a period of time, of a deep inside their unique situation. The essential goal is to produce an examination of the unique situation and procedures which illuminates the hypothetical inquiries being looked into. Contextual investigation approach is most reasonable for replying 'how' and 'why' questions. Since this examination is worried about how question of the authoritative execution after privatization, contextual investigation approach was considered suitable.

This research paper is dependent on auxiliary information got from lawful instruments, public records and organization's financial reports. All SOEs are incorporated in population, in the investigation for inspecting corporate administration instruments, state controls and the autonomy of SOEs. The corporate administration models and control and independence of SOEs are inspected at formal level through pertinent arrangements gave in people in general/private laws looking at substance of different legitimate instruments.

The accumulation of information that ranges for just about few days depended on different sources. First archives (counting reports from government departments, budgetary establishments, industry specialists and corporate reports) were investigated to get foundation data about the privatization procedure. The research was done for the time of 5 decades, from a period when nationalization occurred in 1970's till this date. The period was picked so as get bits of knowledge about both pre and post privatization execution.
4. Results and Discussions

This segment presents discoveries of the case study in connection to the post-privatization execution from the point of view of financial, social and ecological effects. The information gathered, the descriptive analysis is described in a diversified manner in order to investigate the trends and patterns of different macro-economic variables, in line with the privatization of SOEs. Finally, this section has also analysed the variations in certain set of variables over the period of time.

The study shows that the privatization in 1990's was slow after the development of the Privatization commission and it continued in the same manner till the financial year 2002. The constant decline behaviour in the proceeds from 1991 to 2000 was due to the unforeseen collapse of two elected governments of Muhammad Nawaz Sharif in 1993 and 1999 and of Benazir Bhutto as in 1996. This political instability destroyed the consistency in the economic policies. But in the financial year 2002, due to the political stability under the rule of Pervaiz Musharraf the proceeds dramatically changed and showed positive results. Economic growth and stability plays a vital role in the privatization of the state owned enterprises and this was the case in 2002 where increase in proceeds was due to the consistency in the economic growth. In 2005 the proceeds from privation went further high and were the highest till date due to economic stability in the country with the GDP growth of 9% and GDP per capita of $777 as compared to the GDP growth in 2002 of 3.1% and GDP per capita of $544.

The graph shows the revenue on sales of SOEs

![Graph showing revenue on sales of SOEs](image)

The trend line in the Unemployment graph makes it clear that unemployment in during the course of time since 1991 to 2001 have had a gradual rise in raising the rate of unemployed labour force. On the other hand it is consistent to rising poverty pressures. Financial years 2000 to 2003 showed a gradual increase in the unemployment but during the financial year 2004-2005 a gradual fall was seen. The proceeds from the privatization of SOEs were of major amounts in 2005 which
provided some relief to the economy which resulted in the gradual fall in unemployment. Again in 2008 a rise in unemployment rate was seen but now it was due to unclear economic patterns. Rising unemployment rate resulted in the rise of poverty from the financial year 1994 to 1999. From the financial year 1991 to 1994 and from financial year 2000 to 2004 showed the fall in poverty due to decline in unemployment rate. The reason for all this fall in poverty was due to the investment and seriousness of the private sector which showed their confidence on the government policies and consistency in the economic policies after the collapse of the democratic governments of Pakistan in 1999. After the financial year 2008 it again showed an increase but this time due to the macroeconomic variables i.e. economic policies of the government were not bearing fruits after certain stability from Financial year 2004-2008 many energy shortages in power sector resulted in the closing down of industries and wheat shortage in the country was the icing on the cake which rise in poverty.

This graph shows the unemployment rate

![Unemployment Rate Graph]

The inflation graph shows that after the financial year 1995, the inflation rate started to fall and continued till financial year 2003. The fall of inflation rate was due to the appropriate economic policies, the demand factor in the market and the rising rate of economic growth (Ahmed, 2020). Financial year 2004 was when the inflation rate started to rise and went to the highest 19.56% in financial year 2009. In comparison major Privatization took place in the year 2005, which might be the reason that the future inflation rates were incorporated due to which the government took benefit by privatizing the SOEs before it could reach the highest level. The economic growth of Pakistan reached 6.2% in the financial year 2006 but in later years till the financial year 2010 it became a big challenge for the government. According to the findings of the top economists this was due to the wide gap between the demand and supply, which appeared when the economy reached to its full capacity of employment level with no more production capacity. On the other hand the monetary
policy of the state bank of Pakistan put fuel on the fire by continuously printing of currency notes, which devalued the currency and raised the inflation in the country.

This graph show the inflation rate

![Inflation Graph]

X-axis=no. of years, Y-axis=inflation rate

The graph of GDP shows a gradual increase in the GDP since the year 1991. The GDP in 2005 showed a great increase of 9% and on the other hand major privatization in terms of monetary vales also happened in 2005 which show that the private consumption which is a major component while analysing the GDP was improved.

This graph show the GDP growth in millions of $

![GDP Growth Graph]

X-axis=no. of years, Y-axis=GDP in million of $

On January 22, 1991 the privatization commission of Pakistan was established in the tenure of Pakistan Muslim league under the premiership of Nawaz Sharif. The government's major objective for establishing this commission was to favour free market economic principles, the private sector ownership in the economy and to attract foreign direct investment without any fear from government.

The economic theory that "privatization brings down poverty and reduces the rate of rise in price levels of the economy". When after privatization, a private sector enters and applies its competence, it brings a rise in the production capacity and supplies additional products in the market
The results of this research have shown that privatization has brought an increase in GDP. The revenue from the sale of SOEs fell by -92.6% in the year 1993, after the government of Nawaz Sharif ended, this contributed to the increase in inflation and unemployment. On the other hand the GDP growth has seen an increase of 4%, which showed the continuity of the policies taken by the new government. After the newly elected government of Pakistan people's party the period in between 1993-1994 and 1995-1996, showed a rise in privatization. In this period the GDP also showed an increase. After the Pakistan people's party government in 1996, Pakistan Muslim League again formed its government and the signs of privatization were all in negative i.e. because no major sale of SOEs was done but GDP was growing. This shows that either GDP didn't follow the trend of privatization or privatization had not affected the GDP. Sharp decrease in the inflation rate also happened in between 1997-1998, but the rate of unemployment also increased in the same period. The unemployment was explained, as due to the higher rate of the population growth which was 3% higher than before.

The period 1999-2002 the sale of SOEs remained positive and was accompanied by the rising trends in GDP. Pakistan economy took off in between the period 2004-06. In 2008 the government of Pakistan People's party could not retain the previous government pattern of privatization due to the incidents of terrorism and the assassination of Benazir Bhutto. The privatization in the PPP tenure was not taken seriously as of the fact the SOEs were going into all-time high losses in between the years 2008-2013. Unemployment and inflation were all time high but GDP showed positive signs but was not growing at a pace before PPP's government. In 2013 Pakistan Muslim League (Nawaz) again formed the government and in 2014 and 2015 it sold out 19% shares of UBL, 5% shares of Pakistan petroleum limited and also sold shares of Habib bank limited and Allied bank limited. But as expected GDP showed growth and inflation was down to 7.36% in 2013 from 11% in 2012.

5. Conclusion

The conclusion drawn from this research highlights that privatization of state owned enterprises is extremely useful for extracting additional resources that can be utilized on the latter tasks which the government believe are important to invest in. Professional expertise and proper planning are required to initiate this privatization.

The Government of Pakistan has completed 172 transactions of the disposing off the SOEs of Rs.648.972 billion till date, according the record of Ministry of Privatization data. According to the
analysis the variable considered in the study had unexpected effects on the economic growth. Economic growth has been rising in an unsteady manner and it is concluded that privatization appears to be least effective to an economic growth.

In response to this study, it is suggested that Pakistan must realize that privatization of SOEs is a tool of increasing the revenue of the state (Zafar & Khan, 2020). But governments should be clear that once a SOE is sold, it will neither have control of it nor it can enjoy the revenues generated from that SOE. The process of privatization should be transparent so that it can help the government in achieving its desired objectives i.e. of spending on human development, health and education or can support in the financing of ongoing projects. While privatization has insignificant effect on economic growth it is advocate that if government feels necessary to privatize the SOE, it should then attempt to partially transfer the ownership rights of the SOEs.

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## Annexure A

**Privatized Transactions from June 1991-June 2018 (Rs. In millions)**

| Sr. no. | Unit Name | Sale Price | Date of Transfer | Buyer |
|---------|-----------|------------|------------------|-------|
| 1       | Allied Bank Limited (51%) | 972 | Feb-91 | EMG |
| 2       | Muslim Commercial Bank (75%) | 2,420 | Apr-91 | National Group |
| 3       | Bankers Equity Ltd. (51%) | 618 | Jun-95 | LTV Group |
| 4       | Habib Credit & Exchange 70% (22,500,000 shares) | 1,634 | Jul-97 | Sh. Naeem bin Mubarak Al-Nahyan |
| 5       | United Bank Ltd. 51% (1,540,465,680 shares) | 12,350 | Oct-02 | Consortium of Beirut & Abu Dhabi Group |
| 6       | Bank Alfalah 30% (22,500,000 shares) | 620 | Dec-02 | Abu Dhabi Group |
| 7       | Habib Bank (51%) | 22,409 | Dec-03 | Agha Khan Fund for Economic Development |

**Total:** 41,023

**Capital Market Transactions:**

| Sr. no. | Unit Name | Sale Price | Date of Transfer | Buyer |
|---------|-----------|------------|------------------|-------|
| 8       | Muslim Commercial Bank (6.8%) | 563 | Jun-01 | MCB Employees-PF & Pension-F |
| 9       | Muslim Commercial Bank (4.4%) | 364 | Nov-01 | MCB Employees-PF & Pension-F |
| 10      | NBP 10% shares IPO (37,300,000 shares) | 373 | Feb-02 | General Public Thru Stock Exchange |
| 11      | Pakistan Oil Fields Limited -CDC (28,546,810 shares) | 664 | Oct-02 | Sale thru CDC |
| 12      | Attock Refinery Limited-CDC (10,206,000 shares) | 1,039 | Jun-03 | Sale thru CDC |
| 13      | ICP Lot – A | 175 | Sep-02 | ABAMCO |
| 14      | ICP Lot – B | 303 | Oct-02 | PICIC |
| 15      | ICP – SEMF | 787 | Apr-03 | PICIC |
| 16      | NBP 10% SPO (37,303,932 shares) | 782 | Nov-02 | Sale thru CDC |
| 17      | DG Khan Cement-CDC (7,601,126 shares) | 83 | Dec-02 | General Public Thru Stock Exchange |
| 18      | NBP 3.52% 3rd offer (13,131,000 shares) | 604 | Nov-03 | General Public Thru Stock Exchange |
| 19      | OGDCL 5% IPO (215,046,420 shares) | 6,851 | Nov-03 | General Public Thru Stock Exchange |
| 20      | SSGC10% -SPO (67,117,000 shares) | 1,734 | Feb-04 | General Public Thru Stock Exchange |
| 21      | PTA 5.8% SPO (66,057,000 shares) | 1,215 | Jul-04 | General Public Thru Stock Exchange |
| 22      | PPL 15% IPO (102,875,000 shares) | 5,633 | Jul-04 | General Public Thru Stock Exchange |
| 23      | KAPCO 20% IPO (160,798,500 shares) | 4,815 | Apr-05 | General Public Thru Stock Exchange |
| 24      | UBL 4.3% IPO (21,867,400 shares) | 1,087 | Aug-05 | General Public Thru Stock Exchange |
| 25      | OGDCL 9.1% GDR (390,538,000 shares) | 44,893 | Dec-06 | GDR offering to international & domestic institutions |
| 26      | OGDCL 0.4% GDR (18,000,000 shares) | 2,070 | Apr-07 | General Public Thru Stock Exchange |
| 27      | UBL 25.0% GDR (202,343,752 shares) | 39,540 | Jun-07 | GDR offering to international & domestic institutions |
| 28      | OGDCL 0.5% SPO (21,505,000 shares) | 2,360 | Apr-07 | General Public Thru Stock Exchange |
| 29      | HBL 7.5% thru IPO (51,775,000 shares) | 12,161 | Oct-07 | General Public Thru Stock Exchange |
| 30      | UBL 19.6% (241,921,931 shares) | 58,224 | Jun-14 | Strategic Investors |
| 31      | PPL 5% (70,055,000 shares) | 15,342 | Jun-14 | Strategic Investors |
| 32      | ABL (137,275,073 shares) | 14,440 | Dec-14 | Strategic Investors |
| 33      | HBL (609,311,135 shares) | 102,365 | Apr-15 | Strategic Investors |
| **Total** | | 305,494 | |

**Total Banking and Finance:** 344,837
| Energy Sector | Company Name                                      | Shares | Date   | Description                        |
|--------------|--------------------------------------------------|--------|--------|------------------------------------|
| 34           | Mari Gas (20%)                                   | 102    | Apr-94 | Mari Gas Company Ltd.              |
| 35           | Kep Addu Power Company (25%)                     | 7,105  | Jun-96 | National Power                     |
| 36           | Kep Addu Power Company (15%)                     | 3,046  | Nov-96 | National Power                     |
| 37           | Kep Addu (Escrow A/C)                            | 901    | Apr-02 | National Power                     |
| 38           | SSGC LPG business                                | 369    | Aug-00 | Caltex Oil Pak (Pvt) Ltd.          |
| 39           | SNGL LPG business                                | 142    | Oct-01 | Shell Gas LPG Pakistan             |
| 40           | Badin II (Revised)                               | 505    | Jun-02 | BP Pakistan & Occidental Pakistan  |
| 41           | Ashi                                             | 619    | May-02 | Pakistan Oil Field                 |
| 42           | Dhurmal                                          | 161    | May-02 | Western Acquisition                |
| 43           | Ratana                                           | 25     | May-02 | Western Acquisition                |
| 44           | Badin I                                          | 6,433  | Jun-02 | BP Pakistan & Occidental Pakistan  |
| 45           | Turkwel                                          | 76     | Jun-02 | Attock Oil Company                 |
| 46           | NRL (51% shares)                                 | 16,415 | May-05 | Consortium of Attock Refinery Ltd. |
| 47           | KESC (73% GOP shares)                            | 15,860 | Nov-05 | Hassan Associates                  |
| 48           | NPCC (88% GOP shares) (1,760,000 shares)         | 2,517  | Sep-15 | Mansoor Ali Moshadi Company        |

**Total Energy Sector** 54,273

| Telecommunication | Company Name                                      | Shares | Date   | Description                        |
|-------------------|--------------------------------------------------|--------|--------|------------------------------------|
| 49                | PTCL (2%)                                        | 3,033  | Aug-94 | General Public Thru Stock Exchange|
| 50                | PTCL (10%)                                       | 27,499 | Sep-94 | Through Dr. 1 Form                |
| 51                | 26% (1,326 billion) B class shares of PTCL       | 155,992| Jul-05 | Etisalat UAE                       |
| 52                | Carrier Telephone Industries                     | 500    | Oct-05 | Siemens Pakistan Engineering Co. Ltd. |

**Total Telecommunication** 187,024

| Industrial Units | Company Name                                      | Shares | Date   | Description                        |
|------------------|--------------------------------------------------|--------|--------|------------------------------------|
| 53                | Al-Ghazni Tractors Ltd.                          | 106    | Nov-91 | Al-Futain Industries (Pvt) Ltd. UAE|
| 54                | National Motors Ltd.                             | 150    | Jan-92 | Biloo Jee Services                 |
| 55                | Millat Tractors Ltd.                             | 366    | Jan-92 | EMG                               |
| 56                | Balochistan Wheels Ltd.                          | 276    | May-92 | A. Qadir & Saleem I. Kapoorwala    |
| 57                | Pak Suzuki Co. Ltd.                              | 172    | Sep-92 | Suzuki Motors Co. Japan            |
| 58                | Naya Daran Motors Ltd.                           | 22     | Jan-93 | Farid Tawakkal & Saleem I. Kapoorwala |
| 59                | Bolan Castings                                   | 69     | Jun-93 | EMG                               |

**Total** 1,102

| Cement           | Company Name                                      | Shares | Date   | Description                        |
|------------------|--------------------------------------------------|--------|--------|------------------------------------|
| 60                | Maple Leaf Cement                                | 406    | Jan-92 | Nukhat Mills Ltd                   |
| 61                | Pak Cement                                       | 189    | Jan-92 | Mian Jahangir Ellahi & Associates  |
| 62                | White Cement                                     | 138    | Jan-92 | Mian Jahangir Ellahi & Associates  |
| 63                | D.G Khan Cement                                  | 1,961  | May-92 | Tariq Sehgal & Associates          |
| 64                | Dandot Cement                                    | 637    | May-92 | EMG                               |
| 65                | Garibwal Cement                                  | 836    | Sep-92 | Haji Sairullah & Group             |
| 66                | Zaal Pak Cement                                  | 240    | Oct-92 | Sardar M. Ashraf D. Baluch         |
| 67                | Kohat Cement                                     | 528    | Oct-92 | Palace Enterprises                 |
| 68                | Dandot Works - National Cement                   | 110    | Jan-95 | EMG                               |
| 69                | General Refractories Limited                     | 19     | Feb-96 | Shah Rukh Engineering             |
| 70                | Wah Cement                                       | 2,416  | Feb-96 | EMG                               |
| 71                | Associated Cement Refri                          | 255    | Nov-03 | National Transport Karachi         |
| 72                | Thatta Cement                                     | 294    | Jan-04 | Al Abbass Group                    |
| 73                | 10% additional shares – Dandot Cement            | 8      | Oct-04 | EMG                               |
| 74                | 10% additional shares – Kohat Cement             | 41     | Oct-04 | EMG                               |
| 75                | Mustelkam Cement Limited                         | 5,205  | Nov-05 | Bestway Cement Limited            |
| 76                | Javedan Cement Company Limited                   | 4,316  | Aug-06 | Haji Ghani Usman & Group           |

**Total** 16,177
| Chemicals |
|-----------|
| National Fibres Ltd | 757 | Feb-92 | Schon Group |
| Kurram Chemicals | 34 | Feb-92 | Upjohn Company USA |
| Pak PVC Ltd | 64 | Jun-92 | Riaz Shafiq Raviolen |
| Sint Alkalis Ltd | 152 | Oct-92 | EMG |
| Antibiotics (Pvt) Ltd | 24 | Oct-92 | Tesco (Pvt) Ltd. |
| Swat Fertilization | 17 | Dec-94 | Sahib Sultan Enterprises |
| Nowshera PVC Co Limited | 21 | Feb-95 | Al Syed Enterprises |
| Swat Ceramics (Pvt) Limited | 39 | May-95 | Emperial Group |
| Itihad Chemicals | 400 | Jul-95 | Chemi Group |
| Pak Hye Oils | 54 | Jul-95 | Tariq Siddiqui Associates |
| Ravi Engineering Limited | 5 | Jan-96 | Petronis Products |
| Nowshera Chemicals | 21 | Apr-96 | Mahboob Ali Manjee |
| National Petrocarbon | 22 | Jul-98 | Happy Trading |
| National Petrocarbon (add 10% shares) | 2 | Mar-92 | Pakka |
| Khouram Chemicals (additional 10%) | 6 | Oct-03 | Paki Pakistan |
| Total | 1,643 | | |

| Total - Engineering |
|--------------------|
| Karachi Pipe Mills | 19 | Jan-92 | Jamal Pipe Industries |
| Pioneer Steel | 4 | Feb-92 | M. Usman |
| Metropolitan Steel Mills Limited | 67 | May-92 | Sardar M. Ashraf D. Baluch |
| Pakistan Switchgear | 9 | Jun-92 | EMG |
| Quality Steel | 13 | Apr-93 | Marketing Enterprises |
| Textile Machinery Co | 28 | Oct-95 | Mehran Industries |
| Indus Steel Pipe | 43 | Jul-97 | Hussain Industries |
| Total | 183 | | |

| Fertilizer |
|------------|
| Pak China Fertilizers Company Limited | 435 | May-92 | Schon Group |
| Pak Saudi Fertilizers Ltd. (50%) | 7,336 | May & Sep-02 | Fauji Fertilizers |
| Pak Saudi Fertilizers Ltd. (10%) | 815 | Sep-02 | Fauji Fertilizers Ltd. |
| Pak Arab Fertilizers (Pvt) Ltd (94.5%) | 14,126 | May-05 | Export Relevance- Consortium |
| Pak American Fertilizers (100%) | 15,949 | Jul-08 | Azevar 9 |
| Lyallpur Chemical & Fertilizers | 280 | Feb-07 | Al Hamd Chemical (Pvt) Limited |
| Huzara Phosphate Fertilizers Limited | 1,340 | Nov-08 | Pak American Fertilizers |
| Total | 40,281 | | |

| Ghee |
|------|
| Fazal Vegetable Ghee | 21 | Sep-91 | Mian Mohammad Shah |
| Associated Industries | 152 | Feb-92 | Mehmood Abu-eer-Rub |
| Shah Fazal Rahaman | 64 | Apr-92 | Rose Ghee Mills |
| Shah Fazal Raham (additional 10% shares) | 2 | May-05 | Rose Ghee Mills |
| Kakikhel Industries | 55 | May-92 | Mehmood Abu-eer-Rub |
| United Industries | 16 | May-92 | A. Akbar Mugo |
| Haripur Vegetable Oil | 30 | Jul-92 | Malik Naseer & Associates |
| Bara Ghee Mills | 28 | Jul-92 | Darwood Khan |
| Hydari Industries | - | Aug-92 | EMG |
| Chultan Ghee Mills | 43 | Sep-92 | Baluchistan Trading Co. |
| Wanz Ali Industries | 32 | Dec-92 | Treat Corporation |
| Asaf Industries (Pvt) Limited | 11 | Jan-93 | Murafa Ali Isani |
| Eshun Vegetable | 8 | Jan-93 | Haji A. Majid & Co. |
| Surat Vegetable Ghee Industries | 11 | Jan-93 | Trade Lines |
| Crescent Factories Vegetable Ghee Mills | 46 | Jan-93 | S. J. Industries |
| Bengal Vegetable | 19 | Mar-93 | EMG |
| A & E Oil Industries Limited | 29 | Mar-93 | Al-Hashmi Brothers |
| Dargai Vegetable Ghee Industries | 26 | Nov-97 | Gul Cooking Oil Industries |
| Punjab Vegetable Ghee | 19 | May-99 | Canal Associates |
| Burma Oil | 20 | Jan-00 | Home Products International |
| Edal Oil Mills | 94 | Jul-02 | Star Cotton Corp. Ltd. |
| Masool Oil Company Ltd. | 28 | Jul-02 | Madonna Enterprises |
| Kohinoor Oil Mills | 81 | May-04 | Iqbal Khan |
| United Industries Limited | 8 | Sep-05 | A. Akbar Mugo |
| Total | 542 | | |
| Minerals          | Code | Location     | Type         | Description                           |
|------------------|------|--------------|--------------|---------------------------------------|
| Makerwal Collieries | 131  | 6            | Jul-95       | Ghani Group of Industries             |
| Sheikhpura       | 132  | 28           | Mar-92       | Contrast Pvt Ltd.                     |
| Faizabad         | 133  | 21           | May-92       | Packages Ltd.                         |
| Siranwali        | 134  | 16           | Jul-92       | Enkay Enterprises                     |
| Hafizabad        | 135  | 20           | Sep-92       | Pak Pearl Rice Mills                  |
| Eminabad         | 136  | 24           | Nov-92       | Pak Arab Food Industries              |
| Dhanukel         | 137  | 79           | Jun-93       | Dorda Pakistan Pvt Ltd.               |
| Maharipur        | 138  | 14           | Nov-93       | Maktaj (Pvt) Ltd.                     |
| Shikarpur        | 139  | 33           | Mar-96       | Afral Ahmad                           |
| Total            |      | 236          |              |                                       |

| Roti Plants      | Code | Location     | Type         | Description                           |
|------------------|------|--------------|--------------|---------------------------------------|
| Gulberg, Lahore  | 140  | 9            | Jan-92       | Packages Ltd.                         |
| Peshawar         | 141  | 3            | Jan-92       | Saleem Group of Industries            |
| Head Office, Lahore | 142 | 10           | Jan-92       | Haja Textile Mills                    |
| Hyderabad        | 143  | 5            | Jan-92       | Utility Stores Corp.                  |
| Faisalabad       | 144  | 12           | Jan-92       | Arad Ahmad                            |
| Bahawalpur       | 145  | 2            | Feb-92       | Utility Stores Corp.                  |
| Multan           | 146  | 3            | Feb-92       | Utility Stores Corp.                  |
| Quetta           | 147  | 5            | Feb-92       | Utility Stores Corp.                  |
| Islamabad        | 148  | 4            | Mar-92       | Utility Stores Corp.                  |
| Tammura, Karachi | 149  | 9            | Jun-92       | Spot Light Printers                   |
| SITE, Karachi    | 150  | 5            | Sep-92       | Specialty Printers                    |
| Multan Road, Lahore | 151 | 4            | Dec-92       | Utility Stores Corp.                  |
| Korangi, Karachi | 152  | 5            | Apr-93       | Utility Stores Corp.                  |
| Mughalpura, Lahore | 153 | -            | Jun-96       | Pakistan Railways                     |
| Gulshan-e-Iqbal, Karachi | 154 | 20           | Mar-98       | Ambreen Industries                    |
| Total            |      | 91           |              |                                       |

| Textile          | Code | Location     | Type         | Description                           |
|------------------|------|--------------|--------------|---------------------------------------|
| Quaidabad Woollen Mills | 155 | 86           | Jan-93       | Jehangir Awan Associates              |
| Cotton Gunning Factory | 156 | 1            | Jun-95       | Hamid Mirza                           |
| Bola Textile Mills | 157  | 128          | Oct-05       | Sadaf Enterprises                     |
| Lasbella Textile Mills | 158 | 156          | Nov-06       | Raza Ahmed                            |
| Total            |      | 371          |              |                                       |

| Total Industrial Units | 60,930 |

| Miscellaneous      | Code | Location     | Type         | Description                                      |
|--------------------|------|--------------|--------------|--------------------------------------------------|
| National Tubewell Construction Corp. | 159  | 19           | Sep-99       | Through Auction                                  |
| Duty Free Shops    | 160  | 13           | Sep-99       | Weitmaur Holding Ltd.                            |
| Republic Motors (Plot) | 161 | 6            | Nov-99       | Muhammad Mushtaq                                 |
| Al Haroon Building Karachi | 162 | 110          | Sep-02       | LG Group                                         |
| International Advertising (Pvt) Ltd. | 163  | 5            | Apr-05       | EMG                                              |
| Total              |      | 152          |              |                                                  |

| Newspapers        | Code | Location     | Type         | Description                                      |
|--------------------|------|--------------|--------------|--------------------------------------------------|
| N.P.T Building     | 164  | 185          | Oct-93       | Army Welfare Trust                               |
| Mashriq - Peshawar | 165  | 27           | Jun-95       | Syed Tajmir Shah                                 |
| Mashriq - Quetta   | 166  | 6            | Jan-96       | EMG                                              |
| Progressive Papers Ltd. | 167 | 46           | May-98       | Mian Saifi-ur-Rahman                             |
| Mashriq - Karachi  | 168  | 7            | Aug-98       | EMG                                              |
| Total              |      | 271          |              |                                                  |

| Tourism           | Code | Location     | Type         | Description                                      |
|-------------------|------|--------------|--------------|--------------------------------------------------|
| Cecil’s Hotel     | 169  | 191          | Jun-98       | Imperial Builders                                |
| Federal Lodges - 1-4 | 170 | 39           | Jan-99       | Hussain Global Assoc.                            |
| Dean’s Hotel      | 171  | 364          | Dec-99       | Shahid Gul & Partners                            |
| Fallet’s Hotel Lahore | 172 | 1,211        | Jul-04       | 4B Marketing                                     |
| Total              |      | 1,805        |              |                                                  |

| Grand Total        | 648,972 |