

# **SENATE SECRETARIAT**



## **REPORT OF THE SENATE STANDING COMMITTEE ON PRIVATIZATION & STATISTICS**

### **RECOMMENDATIONS AND GUIDELINES OF THE SENATE STANDING COMMITTEE ON PRIVATIZATION & STATISTICS ON THE COMPLETION OF ITS TENURE**

**(From August, 2017 to February, 2018)**

**Presented by**

**Senator Mohsin Aziz  
Chairman, Committee**



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## Message from the Chairman Committee

I feel great pleasure to present the report of the Senate Standing Committee on Privatization and Statistics for the period from August, 2017 to February, 2018.

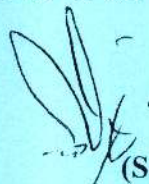
The Privatization Commission was constituted in 1991, as an integral part of the Finance Division. Thereafter, it was established as a corporate body under the provisions of Section 3(1) of the Privatization Commission Ordinance, 2000. The Privatization Commission was basically entrusted with the statutory mandate of implementing the Privatization Policy of the Federal Government. The Privatization Division coordinates and makes policy decisions while the Privatization Commission implements the said decisions. This has now been converted to a full fledged Ministry with a role to administer Privatization Commission's activities.

The Statistics Division and its attached department namely Pakistan Bureau of Statistic (PBS) conducts population & housing census in the country and collects, compiles and disseminates data on national accounts, price statistics, external trade, labour force, mining, manufacturing, agriculture, electricity generation, household income and expenditure, environment, education, transport, communication, tourism, demography, banking, stock exchange, capital market and other socio-economic indicators to provide reliable, fair and transparent data which serves as benchmark for all socio-economic development plans, administrative and political activities. Now the decision has been made as Ministry to provide timely, relevant, reliable, authentic and transparent statistics consistent with international principles and standards for effective decision making and monitoring.

During the period under report, three meetings were held in which issues of public and national importance were taken up by the Committee and recommendations were made accordingly. The proceedings of the Committee meetings and important recommendations are included in this report for the perusal and record.

I am thankful to the members of the Committee who participated in the Committee proceedings in a very effective manner. I am also grateful to the representatives of the relevant departments/organizations who have cooperated with the Committee.

I appreciate the contributions made by Ch. Salamat Ali, Secretary Committee, Malik Nudrat Ullah, Director (Staff) and other officers and staff of the Senate Secretariat who rendered valuable support to the Committee.



(Senator Mohsin Aziz)

Chairman

SSC on Privatization & Statistics



## Introduction to the Committee

I, Senator Mohsin Aziz, Chairperson of the Senate Standing Committee on Privatization and Statistics have the honor to present the report, on behalf of the Committee on the completion of its tenure.

2. The composition of the Committee is as under: -

1	Mohsin Aziz	Chairman
2	Hamza	Member
3	Nasreen Jalil	Member
4	Hari Ram	Member
5	Malik Najmul Hassan	Member
6	Zahida Khan	Member
7	Khushbakht Shujat	Member
8	Saleem Mandviwalla	Member
9	Mir Nematullah Zehri	Member
10	Mushahid Ullah Khan	Member
11	Sherry Rehman	Member



## **Meetings of the Committee**

The Senate Standing Committee on Privatization and Statistics was constituted on 11-08-2017 as a result of Privatization Commission and Statistics Division upgraded to a full fledged Ministry. The meetings of the Committee was held on 29-08-2017, 18-10-2017, 07-11-2017, 30-01-2018 & 20-02-2018 to consider the agenda and matter referred to this Committee by Honorable Chairman Senate, dated 07-11-2017.

## **Proceedings and Achievements of the Committee**

The Committee in its First meeting held on 29<sup>th</sup> August, 2017 discussed the provisional results of the 6<sup>th</sup> population census and expressed reservations over the census results as most of the political parties had not accepted the results. The Consultant, PBS gave a detailed presentation on carrying out the Census-2017, and said that after the decision of the Supreme Court dated 7<sup>th</sup> December, 2016, and issuance of the directions by the Council of Common Interests (CCI) dated 16-12-2016, the census process started on 15<sup>th</sup> March 2017, and completed on 24<sup>th</sup> May, 2017. He said that 200,000 Army personnel were deployed on census duty out of which 44,000 were deployed for field operation along with civilian enumerators, while the remaining were used for provision of security, supply of census material and logistic support. Similarly, 120,000 civil staff was employed as Enumerators, Circle Supervisors and Charge Superintendents.

The Consultant, PBS further intimated that after completion of the Census operation, the filled-in census questionnaires were retrieved in the PBS Headquarters from all over the country under the security cover of Armed Forces. The data was compiled and the provisional census results were submitted before CCI for approval. The CCI approved the provisional census results in its meeting held on 25<sup>th</sup> August, 2017, and allowed to disseminate and release the figures.

According to the provisional census results the population of Pakistan came out to 207.77 million and average annual growth rate was observed as 2.40 over Census-1998-2017 against 2.69 observed during 1981-1998. The Consultant, PBS said that in Census 2017, there was a variation in provincial shares as compared to 1998 i.e. population of Khyber Pakhtunkhwa, was increased by 13.41 to 14.69 percent, Balochistan from 4.96 to 5.94 percent, FATA from 2.40 to 2.41 percent, Sindh from 23.00 to 23.05 percent, and Islamabad increased from 0.61 to 0.97 percent, however, share of Punjab was reduced from 55.63 to 52.95 percent.

In response to a query raised by the Committee, the Consultant, PBS informed that a sum of Rs.18.5 billion was sanctioned for the Census 2017, out of which Rs.17.26 billion was spent on the whole process whereas Rs.1.24 billion were surrendered. He further intimated that 10



The Committee questioned whether there was any difference between the census records of PBS and held with the Army personnel. The Consultant replied that the information collected by the Army personnel and the PBS had the similar; however, the Army personnel were engaged in the census exercise to ensure that the process was transparent and acceptable to all the sectors. He further said that the holding of census under the supervision of Armed Forces was a pre-requisite to ensure credibility, transparency and security of census operation.

The Committee was of the view that a discrepancy existed in the census results of urban and rural population particularly margin of difference between the population of Karachi and Lahore. The Consultant said that the Government of Punjab had declared whole district of Lahore as urban area, while there were still major portions of the districts of Malir and West in Karachi classified as rural areas. He said that the PBS followed the notifications issued by the Provincial Governments / competent authorities where by any geographical area was declared as urban area.

The Committee enquired about the treatment of overseas Pakistanis, laborers residing at labour colonies, the peoples having two or more residences in the different parts of the country, disabled persons, transgender and Afghan Refugees in the Census. The Committee also observed that in most of the cases the enumerator counted the persons residing in the house from the servant or any other source without consulting any family member. The Consultant replied that the overseas Pakistanis had not been included in the census. He clarified that the results relating to transgender community and said that only those who identified themselves as 'transgender' were included in the category and no one was counted as transgender on their appearance. He said that Afghan Refugees and other Aliens living with common population were counted in the census.

While discussing the issuance of final Census Reports for the purpose of General Election, 2018, the Committee was intimated that PBS has proposed amendment in the General Statistics (Re-organization) Act, 2011 to authorized PBS to publish the provisional Summary Results of Census-2017 in order to enable Election Commission of Pakistan to complete delimitation exercise in the country on the basis of notified Provisional Census Results before holding of General Election, 2018. After approval of the said amendment, the Provisional Census Results of Census-2017 will be published which will meet the legal requirement for holding of General Election, 2018.

The Committee inquired about the issuance of final census results and conducting of post enumeration exercise to ensure the credibility of the census. The Consultant informed that the census results are provisional and the final census report would be compiled by the end of April, 2018. He said that the post enumeration exercise will be conducted in the form of a survey to



standard practice, 5% of the total population needed to be reassessed. The Committee recommended that at least 1 – 2% of census blocks (1600-3200) should be considered as a post enumeration exercise and the final census report should be completed at the earliest and the blocks be opened on the identification and suggestions of the respective Provincial governments.

The Committee in its 2<sup>nd</sup> meeting held on 18<sup>th</sup> October, 2017, enquires about the privatization undertaken in the last 4 years and future plan. The Secretary, Privatization intimated that the Cabinet Committee for Privatization and Privatization Commission Board recommend the entities by considering due financial aspects and transparency. The Chairman, Committee enquired about the shares of UBL and HBL sold on 6-7% discounted rate which was less than the original market price of the shares. The Minister informed the background of the matter in detail. Replying to a question, it was intimated that the total shares of UBL, HBL and ABL have been privatized and the Government has no share in these banks. The Committee directed that the detailed reasons may be communicated why 6-7% discount was given for selling the shares of UBL and HBL in bulk as the market price of the said shares were higher than the sale price.

The Chairman, Committee questioned why the profitable units have been disposed-off and the units in loss did not consider for privatization. The Minister, Privatization replied that the units sold in the past, have been giving higher profit after privatization. However, the desired results have not been obtained from the privatized banks due to their irresponsible behavior. The Chairman, Committee said that the banks are under the control of “Saiths” and the SBP has no proper control on these banks. The banks get deposits in billions and provide loans in millions. The Committee recommended that the parameters and regulations of private banks for providing loans should be defined and implemented properly.

Replying to a question the Minister, Privatization informed that the Sindh Government has never shown its willingness to take the responsibility for controlling and operating the PSM. However, the matter will be reconsidered. The Committee recommended that there should be a definite and comprehensive privatization policy of the Government to privatize the state owned entities. While briefing regarding future plan of privatization, it was informed that 37 entities have been short listed including SME Bank, Mari Petroleum, and Pakistan Steel Mill.

The Committee in its 3<sup>RD</sup> meeting held on 7<sup>th</sup> November, 2017 visited the Statistics House, PBS to physically monitor the compilation process of census-2017 and to ascertain the latest position of the census process. The Committee checked the arrangements made for the storage, safety and security of the census record and expressed its reservations over such arrangements. The Chief Consultant briefed the Committee on the compilation process of census



2017. The Committee raised questions over the authenticity of the provisional census results. Senator Nasreen Jalil inquired about the social indicator for the confirmation of household size, growth rate, block wise results, average ratio of voters, CNIC, and limitations. She asked whether the Afghan Refugees were included or separately enumerated in the population census of KP. She further asked whether the reservations pertaining to Sindh province has been conveyed to the Federal Government as the census results would have a deep impact on resource distribution among provinces under the NFC Award. The Chief Consultant intimated that the Afghan Refugees were included in the population of KP in the provisional census results.

Senator Sherry Rehman observed that there was no counterfoil or acknowledgement slip as part of the survey forms. She said in absence of proper check and balance, the census results were controversial and waste of public money. Due to non-availability of counterfoil, the Chairman, Committee declared it a serious fault. He further said that the Census Form was so complicated and it was not possible for an uneducated person or a servant to provide the requisite information as in most cases the forms have not been filled by any member of the family and this in fact is a very serious negligence. The Chief Consultant replied that the acknowledgment was not part of the plan designed by the technical committee.

The Committee suggested that the Government may constitute a parliamentary committee to monitor the census process for addressing the reservations about the census. Senator Hari Ram said that since a large number of Hindus living in Sindh kept migrating in different seasons, the results were not accurate. He further said that the census in Thar was conducted at a time when most of the occupants had migrated owing to draught in the area.

The Chairman, Committee inquired about the possibility of verification/confirmation of the census results by individuals. The Chief Consultant replied that the confirmation/verification will be possible after issuance of final results. Replying to another question regarding availability of provisional census results publically, he said there was no issue in making the provisional census results public but it requires permission from the Government.

While briefing the Committee regarding finalization of census results, the Chief Consultant informed that the CCI had given a deadline up to May, 2018 to complete the final census results, however, the PBS determined to complete the process by end of April, 2018. He further intimated that no area was left uncovered in the census as no region had boycotted or was exempted from the process. The Committee suggested that the compilation staff may be doubled to finalize the census results at the earliest.



Regarding the Technical Reports of Provincial Technical Committees on the Census-2017, the Chief Consultant informed that the provincial governments had constituted technical committees to oversee and monitor the process of editing, coding, scanning and data processing at the PBS headquarters. He intimated that the technical committees of Punjab and KP showed their satisfaction over the steps taken by the PBS for smooth processing of the census data. However, the Sindh showed some reservations on the conduct of census in the province. He further intimated that PBS have requested to the Chairmen of the Provincial Technical Committees to share their reports with the PBS. After receipt of the reports, the shortcomings identified therein will be addressed subsequently. The Committee directed the PBS to furnish the record of the correspondence with the provincial technical committees.

The Committee strongly recommended that although the processing of data is being done in two shifts basis, yet in order to expedite the process to get the final results in 2-3 months' time, the staff and hardware such as computers/scanners etc be increased immediately.

The Committee discussed the Public Petition No. 1992 which was submitted by the 1045 employees of PBS to the Chairman, Senate pertaining to conversion of 1045 temporary posts into permanent posts. The Chief Consultant informed the Committee that the concerned staff was recruited in the financial year 2007-08 for the purpose of census activities as well as all types of surveys, studies, and assignments of PBS. These posts were being continued on yearly basis. He further intimated that the Finance Division has accorded approval to the continuation of the posts for a period of 8 months w.e.f 1-7-2017 to 28-02-2018 which created an impression of dissatisfaction amongst the employees. He informed the Committee that the conversion of these posts on permanent footing is essential and in the public interest. Therefore, a proposal in this regard has already been forwarded to the Finance division for concurrence. The Committee directed the PBS to pursue the matter and submit report to the Committee accordingly.

The Committee's 4<sup>th</sup> meeting was held on 30<sup>th</sup> January, 2018. The Minister and the Secretary, Privatization briefed the Committee on the agenda. The Secretary, Privatization told that the manifests of Privatization policy of the Government were set in 1991-92, based on the two main principles i) to reduce the government's direct role in commercial and industrial activities, and ii) to promote the private sector as the "engine of growth" and to encourage it to play a leading role in economic development of the country.

While briefing on the agenda, the Minister, Privatization said that a comprehensive privatization policy ensures overall deregulation and liberalization of the economy and helps for the effective management of domestic industry, investment and economic growth. He said that the



privatization policy is used to mobilize savings, generate funds and to create a mechanism to debt reduction. He further said that a comprehensive policy would ensure improvement in operational efficiency, expansion and capacity building for utilities to keep up with growing demand and to improve quality of services. He said that the public sector entities are being sold assets, business, shares, lease or any other prescribed method keeping in view the global as well as national policy to introduce the concept of public private partnerships while ensuring transparency and safeguard of other national interests. The main objective of privatization is to optimal use of national resources and assets for enhancing the value of Government shareholding, to maximize profit, modernize and up-grade public sector entities, and to generate employment.

The Committee was apprised that the Cabinet Committee on Privatization approved a broad-based privatization program of 68 public sector entities since October, 2013. Regarding future plan of privatization, it was informed that 37 entities have been short listed. He said that presently the Privatization Commission is working on privatization of SME Bank, Mari Petroleum Company, Pakistan Steel Mill and PIA. The CCoP in its meeting held on January 27, 2017 approved Transaction Structure to privatize SME Bank. The Privatization Commission issued advertisement seeking appointment of Financial Adviser of the divestment of upto 18.39% shareholding in MPCL. The Transaction Structure of PSM has been approved by the PC Board. While replying to a question, the Minister said that he was optimistic about receiving long outstanding US \$800 million from Etislaat for privatization of PTCL, as Etislaat has shown willingness for evaluation of 33 properties, which were not transferred to the buyers. He said that higher evaluation price of 33 properties will be deducted from \$800 million and rest of the amount will be given to Pakistan.

While discussing the power sector privatization, the Minister said that privatization of power sector companies-distribution and generation companies remained a grey area without non-determination of the multi-year tariff by NEPRA. He stated that NEPRA has given partial tariff for the power sector companies. He further said that even the government-owned DISCO is apprehensive about their survival on the assumption cited by the NEPRA for tariff determination. He said that the government wants to privatize at least one DISCO and one GENCO. Regarding FESCO and GEPCO, he said that the government wants to privatize one of them and one generation company Jamshoro power plant. He said that with the increase in power production, the quantum of circular debt will also increase if structural issues of power sector are not resolved. The Committee recommended that the Chairman, NEPRA should be called in the next meeting to brief the Committee on the issue.



The Secretary, Privatization gave a detailed briefing on the proposed privatization plan of PSM and fate of its employees. He said the transaction model, approved by the PC Board, will be a 30-year lease plan of the plant and core land of the PSM. He informed that presently the PSM has 11,500 employees with a total of Rs.188 billion liabilities. He said that PSM has been sustaining losses since 2008-09 and non-operational since July, 2015. The Federal Government has been ensuring monthly salaries to the employees of PSM and paid Rs.14.67 billion on account of salaries for the period from November, 2014 to September, 2017. In addition, the ECC of the Cabinet on 7<sup>th</sup> September, 2017 also approved an amount of Rs.322 million to settle the outstanding provident fund and gratuity liability of 138 deceased employees of the PSM. He said that 920 acres of core land is being used for developing industrial estate by NIP and the amount received in this regard will be used for the payment of arrears of salaries, provident fund and gratuity to the retired employees on priority basis. It was further informed that the Sindh Government has never shown its willingness to take the responsibility for controlling and operating the PSM. Senator Saleem Mandviwala said that the both, Sindh Government and Privatization Commission, have not shown seriousness in the matter.

The Minister, Privatization informed the Committee that the government is near to achieve a breakthrough in its negotiations with NBP and SSGC on the repayment of loans and arrears by PSM. First step is the settlement plan to settle the PSM's liabilities prior to entering into an agreement with the prospective bidder. Against SSGC's claims of Rs.44 billion, the PSM put the outstanding bill at Rs.31 billion including the late payment surcharge. According to him the SSGC has informally agreed to accept around Rs.31 billion. He informed that NBP was also ready to significantly reduce the claim of Rs.53 billion. He said if these issues were resolved, the Privatization Commission would invite Expression of Interest for giving the PSM on 30-year lease. He insisted that the government would also settle about Rs.15 billion of liabilities of over 3500 employees of PSM, who would retire up to June, 2018. He further said that the PC in consultation with the M/o Industries and Production and Finance Division is ensuring payment of salaries to the employees of PSM with the approval of ECC. It was further intimated that the audit of accounts, management and employees of PSM is continue and expected the same will be completed in near future. He further assured that the land of PSM is not going to sell; however, the land will be used by NIP for industrial purpose. The Committee recommended that the Federal Government should have taken Sindh Government on board regarding lease agreements so that no issues arise later regarding land of the PSM.

While discussing the privatization of PIA it was intimated that the PIA has been incurring financial losses since 2005, resulting in accumulated losses of Rs.328 billion as on 31<sup>st</sup> March, 2017. It has been continuously operating in loss and requires assurance to operate and



sustain as a viable business entity in long-term. PIA has been highly dependent on Government of Pakistan for provision of financial support. It is focusing on developing a long-term business plan with the objective to turn around the airline by curtailing losses and bringing in operational efficiencies. In view of the Cabinet Committee on Privatization Commission's decision dated October 03, 2013, the PC appointed consortium of M/s Dubai Islamic Bank, IATA consulting and others for the restructuring of PIAC leading to strategic private sector investment. The Financial Advisory Consortium recommended conversion of PIAC a statutory corporation functioning under PIAC Act, 1956, into a public limited company, registered under the Companies Ordinance, 1984 and the amendment in this regard was unanimously passed by the parliament in April, 2016.

The Minister, Privatization further briefed to the Committee that the government has been following the PIA Corporation (Conversion) Act, 2016 approved by the parliament and legally bound to initiate the PIA privatization process. He said under the law the government is required to carve out the non-air transport business of the airline has to be completed within two years by April, 2018, and then carry out a valuation of the air transport business component. He said that after the completion of two steps, the government can move towards sale of up to 49% shares. He informed that the national flag carrier was facing accumulated losses of Rs.350 billion while the government was providing Rs.380 million for Pakistan Steel Mills to pay salaries of the employees. He further said that if PIA and PSM are privatized, the Government should be able to divert about Rs.6 billion to each district of the country to meet the social sector needs. He informed that about 68 sick government-owned entities were swallowing over Rs.650 billion annually which could have been spent on the provision of health, education and infrastructure building for the socio-economic uplift of the country.

The Committee observed that the Minister, Privatization's stance was different from what the Advisor to Prime Minister on Aviation said in the Senate. According to the Committee, the Adviser emphasized that there was no plan to privatize PIA. The Chairman, Committee said that the government was making contrasting policies as one minister was making long-term commitments to restructure the airline while the other wanted to privatize it in four months. The Committee recommended that the Advisor to Prime Minister on Aviation should be called for in the next meeting to clarify the matter.

The Committee showed its reservations due to paucity of time, privatization transactions initiated by the present government could not be completed before its term expires. According to the Committee an effective plan was required even if privatization was the only option in the case of PIA. In view of the Committee, privatization of national flag carrier in hurry would put the incoming government in a lot of problems to implement the decision of the



privatization. Senator Saleem Mandviwala opposed the plan to privatize PIA before the expiry of the existing government's tenure. He criticized the government's plan and said his party would strongly resist the privatization of the national flag carrier at this stage. According to him the privatization must be withheld as possible buyers would lack confidence in the decision and it would become a burden on the next government to implement the decision.

The Chairman, Committee said that the government may continue the process of separating the core functions but PIA should not be privatized at this stage. He advised the government that divesting PIA in haste would create problems for the next government to implement the decision. The Committee recommended that carving out process might be conducted and evaluation procedures followed but the actual privatization should be put on hold till the next government takes office.

The Chairman, Committee enquired about the shares of UBL and HBL sold on 6-7% discounted rate which was less than the original market price of the shares. The Committee wants to know the reasons why 6-7% discount was given for selling the shares of UBL and HBL in bulk as the market price of the said shares were higher than the sale price. The Minister, Privatization assured the Committee that the Committee's reservations will be responded in detail in the next meeting.

The Committee's 5<sup>th</sup> meeting was held on 20<sup>th</sup> February, 2018. While discussing the agenda item, the Chairman Committee said that the purpose of the meeting was to get clarification regarding contradict statements given by the Adviser to the Prime Minister on Aviation and the Minister for Privatization regarding privatization of PIA. He said that the Adviser to PM on Aviation said in the senate that there was no plan to privatize of PIA at this moment whereas the Minister for Privatization said that the PIA privatization process is under way. Due to these contradictory statements, the Committee called for the Adviser to PM on Aviation and Minister for Privatization to attend the meeting and clarify the matter. The Committee showed its reservations over such contradictory statements and expressed its annoyance over the absence of the Adviser to PM on Aviation from the meeting.

The Minister for Privatization briefed the Committee that the PIA has been incurring continually financial losses since 2005 and highly depending on government for provision of financial support. Regarding privatization of PIA, he said that the PIAC Conversion Act 2016 was passed by the parliament which was aimed to give more autonomy to the airline for its successful business. He informed the Committee that under the PIAC Conversion Act 2016 it was essential to separate air transport business from the non-air transport business. He said that the PIA's assets and



the government, while 49% shares of it will be sold up till April 15, 2018 as stipulated under the PIAC Conversion Act of 2016. He said that the process has been under way for the last 30 months. He said that the transport model has been approved by the Cabinet Committee on Privatization. He informed that the Privatization Commission has engaged the services of Financial Advisory Consortium comprising Dubai Islamic Bank as legal financial advisor for the restructuring of PIAC leading to soliciting private sector partnership in core operations to enable the airline to rebuild on its improved operating performance. He said that the Financial Advisors have prepared reports on the assets and liabilities that are not part of the air transport business.

The Committee observed that the Adviser to PM on Aviation had recently assured the Senate that government would not privatize the PIA in its tenure, which is ending in May this year. However, the Cabinet Committee on Privatization has recently approved the privatization of PIA. The Chairman Committee asked why the government is interested to privatize the national flag carrier when less than 100 days are left of the government to complete its tenure. Senator Sherry Rehman said that government has deliberately crippled the PIA. She said that the government while responding to her calling attention notice had ruled out the possibility of the privatization of PIA. She said that the issue would be raised on the floor of the House. Senator Saleem Mandviwala said that the Adviser to PM on Aviation has breached the sanctity of the house. He remarked that the government had already entered into clandestine sale deal with some of its blued eyed party and the actual deal will be a formality.

While replying to the questions of the Committee, the Minister for Privatization said that the government was bound to initiate the privatization process and separate the core and non-core business of the PIA by 15th April, 2018 as per the PIAC Conversion Act 2016. He denied the allegations leveled by Senator Saleem Mandviwala that government had already settled the deal with a blued eyed company. He clarified that the government will retain 51% shares and its management control will also retain with it. He said that the Privatization Commission has been implementing the decision of the Cabinet Committee on Privatization and preparing the plan to privatize only 49% shares of PIA. He assured the Committee that the process will be transparent and completed according to the time frame given by the law. He further assured that the assets of PIAC like Hotel, Flats, Abbottabad farm etc will not be sold out. He said that the assets and liabilities, that are not part of air transport business, will be shifted to a new government owned company which has yet to be named. He further intimated that the audit of the accounts has been conducted. According to him, after taking these steps, the investment rate of PIA will be restored for making the national flag carrier a positive equity company. He said that government could not bear Rs.40 billion financial loss every year occurring due to the PIA.



The Committee discussed the matter in detail and showed its reservations over the privatization of PIA at this stage and concluded that it is not appropriate time to privatize the PIA as the government has left only three months to complete its tenure. The Committee expressed displeasure over the hurried attempt of the government to privatize the national flag carriers before ending its tenure. According to the Committee, the buyers will not have confidence to purchase the shares of PIA at this moment and recommended that the privatization process should be hold on till the new government. The Committee further decided to call for the Adviser to PM on Aviation, the Secretaries Aviation Division and Privatization Division in the next meeting to brief the committee on the privatization of PIA.

The Committee deferred the agenda item-ii regarding 6-7% discount given to sale the shares of UBL and HBL as compared to the market price of said shares at that time. In this regard the ministry concerned provided its written reply to the Committee and the Minister for Privatization assured the Committee that its reservations will be responded to in the next meeting.



## **Important Recommendations of the Committee**

1. The Statistics Division, in collaboration with the Council of Common Interest (CCI), should ensure to re-assess at least 2% of the 168,943 census blocks across the country in order to ensure the creditability of 6<sup>th</sup> population census.
2. The Committee decided to visit office of the Pakistan Bureau of Statistics to physically monitor the compilation process of Census 2017.
3. The provisional census results should be notified at the earliest in order to satisfy all concerns as most of the political parties and civil society have shown reservations on the credibility of the census results. The Committee recommended that centers at provincial levels should be opened to verify the census results by the public. Moreover, the Non-Muslims' census results are also placed in the centers for verification.
4. The Provincial Technical Committees are required to furnish their Technical Reports immediately to the PBS as submitted to the provincial governments. The Committee directed to PBS to submit the photocopies of correspondence made with provincial governments in this regard for taking necessary action by the Committee.
5. The Committee directed to the Statistics Division to take up the matter pertaining to conversion of 1045 temporary posts of PBS on permanent footing with Finance Division for its early finalization.
6. The parameters and regulations of private banks regarding loan policy should be defined and implemented properly.
7. The Committee directed that the detailed reasons why 6-7% discounts was given to sale the shares of UBL and HBL as compared to the market price of the said shares.
8. The Committee recommended that there should be a definite and comprehensive privatization policy of the Government to privatize the state owned entities. Moreover, the Government may not be involved itself in business.
9. The Committee recommended that carving out process might be conducted and evaluation procedures followed but the actual privatization of PIA should be withheld till the next government takes office as the divesting PIA in haste would create problems for the next government to implement the decision.
10. If law/dates are coming in the way of transparent privatization of PIA, amendment in law/date should be waved accordingly to parliament.
11. The Committee recommended that the Federal Government should have taken Sindh Government on board regarding the lease agreements so that no issues arise later regarding land of the PSM.
12. The Committee recommended that the Advisor to Prime Minister on Aviation should be called for in the next meeting to clarify his statement given in the Senate regarding privatization of PIA.
13. The Committee recommended that the Chairman, NEPRA should be called for in the next meeting to brief the Committee on determination of tariff and privatization of power sector particularly DISCO and GENCO.



14. The reasons why 6-7% discount was given for selling the shares of UBL and HBL in bulk as the market price of the said shares were higher than the sale price should be intimated. In this regard the Minister, Privatization assured the Committee that the reservations of the Committee will be responded to in detail in the next meeting.
15. The Committee showed its reservations over the privatization of PIA at this stage and recommended that it is not appropriate time to privatize PIA as the government has left only three months to complete its tenure. The Committee viewed that the buyers will not have confidence to purchase the shares of PIA at this moment and recommended that the privatization process should be hold on till the new government.



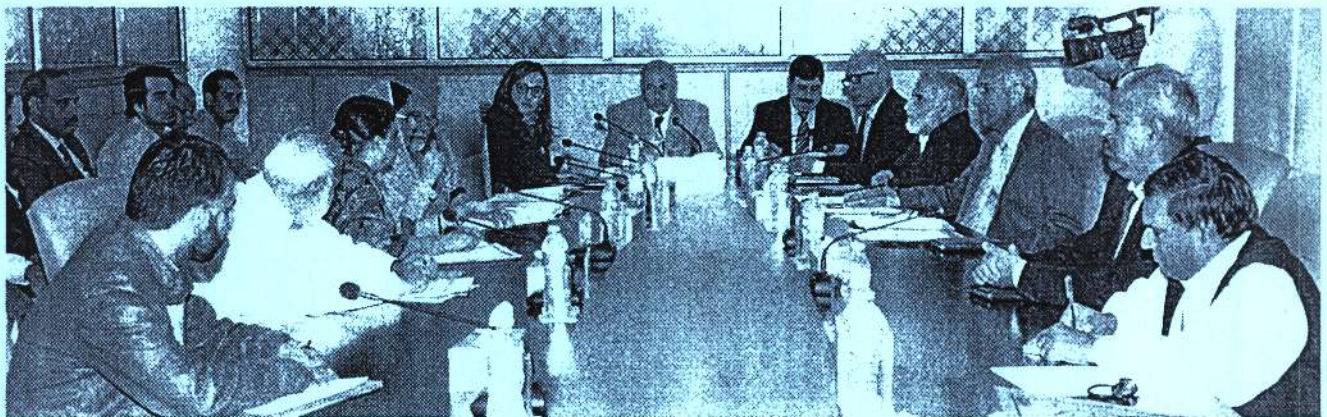
## SITTINGS OF THE COMMITTEE



SENATOR MOHSIN AZIZ CHAIRMAN SENATE STANDING COMMITTEE ON PRIVATIZATION AND STATISTICS PRESIDING OVER A MEETING OF THE COMMITTEE, AT PARLIAMENT LODGES ISLAMABAD ON AUGUST 29, 2017.



SENATOR MOHSIN AZIZ CHAIRMAN SENATE STANDING COMMITTEE ON PRIVATIZATION AND STATISTICS PRESIDING OVER A MEETING OF THE COMMITTEE, AT PARLIAMENT LODGES ISLAMABAD ON OCTOBER 18, 2017.



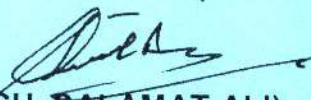
SENATOR MOHSIN AZIZ CHAIRMAN SENATE STANDING COMMITTEE ON PRIVATIZATION AND STATISTICS PRESIDING OVER A MEETING OF THE COMMITTEE, AT STATISTICS HOUSE, PAKISTAN BUREAU OF STATISTICS, ISLAMABAD ON NOVEMBER 07, 2017.








SENATOR MOHSIN AZIZ, CHAIRMAN SENATE STANDING COMMITTEE ON PRIVATIZATION AND STATISTICS PRESIDING OVER A MEETING OF THE COMMITTEE, AT PARLIAMENT LODGES ISLAMABAD ON FEBRUARY 20, 2018.

  
(CH. SALAMAT ALI)  
D.S/Secretary Committee

  
(SENATOR MOHSIN AZIZ)  
Chairman Committee