GOVERNMENT OF PAKISTAN
PRIVATIZATION DIVISION
ISLAMABAD

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YEAR BOOK
2008-2009

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FOREWORD

Government of Pakistan attaches high priority to private sector development. The Government endeavours to provide level playing field and encourages local as well as foreign direct investment in all sectors of economy. Regulatory regime has improved and doing business has become more profitable in Pakistan over last few years. The Government believes that private sector is the engine of growth and the Government has no business to do business.

The Fiscal Year 2008-09 has been a lean year for the Ministry but also for the nation due to Law and Order state and the most important Global Financial Crisis which enabled us to review our past performance and learn from that in order to overcome our deficiencies and be prepared for future challenges.

Hazara Phosphate Fertilizers Limited is the only transaction that was completed during the year. Apart from transactions; there has been a radical revamping of privatisation policy. As against orthodox ways of transactions like strategic sale, IPO and GDRs etc, the new policy envisages Public Private Partnership (PPP) wherein the management may be transferred to investors through sale of 26% shares is being implanted throughout the privatisation programme. The details are made part of the Book. Besides this volume depicts broad features of privatisation policy being pursued by the Government and includes information about the organizational set up of the Ministry and the Privatisation Commission, a body corporate established under the Privatisation Commission Ordinance 2000. The book also contains data on the privatisation activity including the period under review as well as the detailed data encompassing the entire history of privatisation since 1991. For further details, the reader may also refer to our website **http://www.privatisation.gov.pk**

Every effort has been made to make the book useful for the researchers, scholars and general readers. Nevertheless, any criticism, suggestion or observation to improve the year book will be welcomed.

Syed Naveed Qamar
Minister for Privatisation

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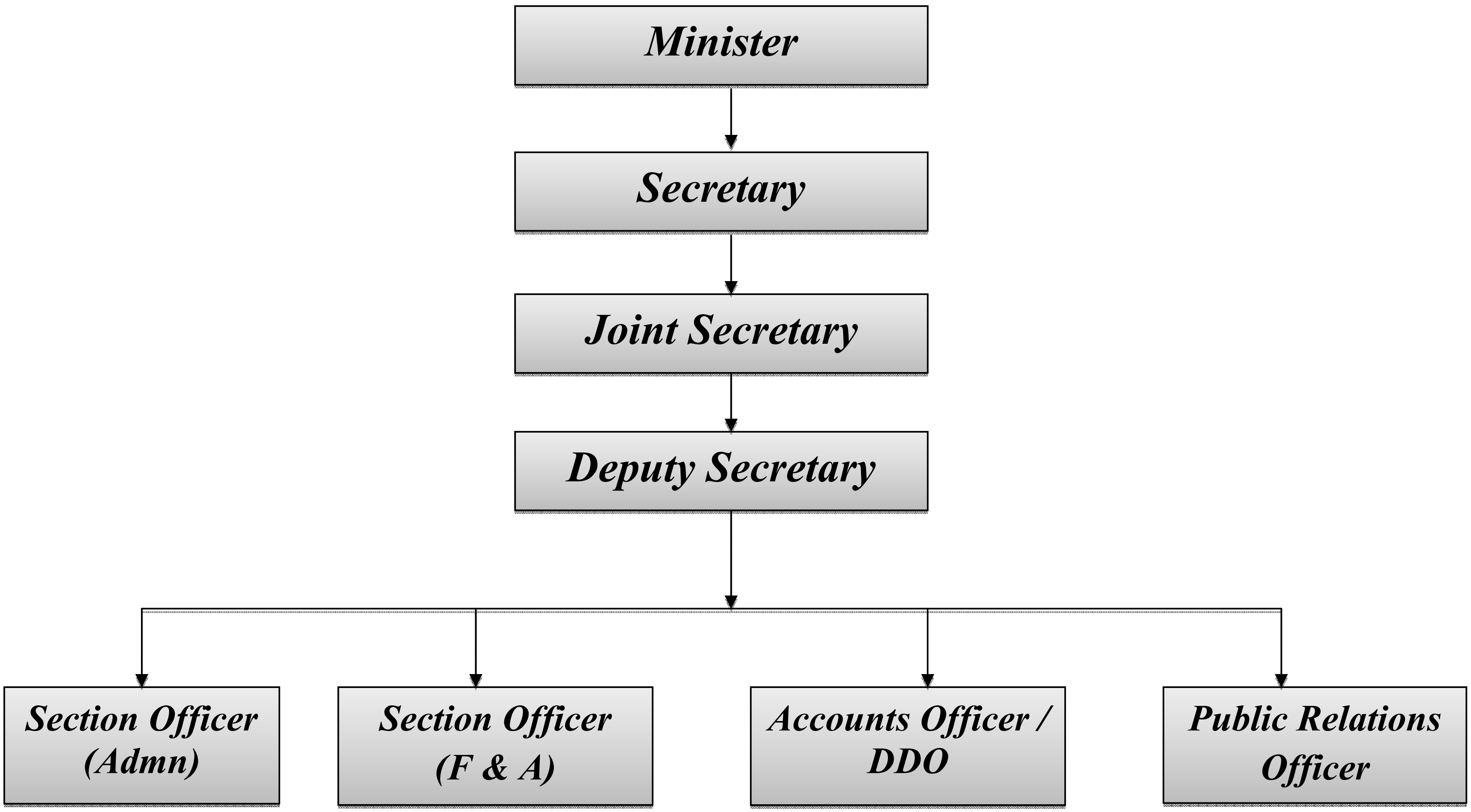
PRIVATISATION DIVISION

Introduction

The Ministry of Privatisation was created on 28th November, 2000. This was a sequel to PC Ordinance 2000 which by strengthening and expanding the scope of Privatisation Commission (PC), necessitated the creation of a separate ministry (Prior to it, PC had been working as a part of Finance Division since its inception a decade earlier in 1991). Two years later in November 2002, the scope of Ministry was expanded by attaching the Board of Investment. This was prompted by the consideration to couple privatisation with the inflow of foreign and domestic investments. The name however was not changed till September 2004 when it was renamed as Ministry of Privatisation & Investment. The Division was later bifurcated on 30.10.2007 into Privatisation Division and Investment Division, under the same Ministry. The Investment Division was later made a separate Ministry on 8th December, 2008.

ORGANOGRAM OF PRIVATISATION DIVISION



MANAGEMENT INFORMATION

The Privatisation Division consists of 74 posts in various categories during the year under review. Details are as under (Table 1): -

STAFF STRENGTH OF THE PRIVATISATION DIVISION

Sr. No.	Name of the Posts	BPS	No. of Posts
1	Secretary	22	1
2	Joint Secretary	20	1
3	Deputy Secretary	19	1
4	Section Officer	17/18	2
5	Accounts Officer / DDO	17/18	1
6	Public Relation Officer	17/18	1
7	Private Secretary	17/18	4
8	Superintendent	16	1
9	Stenographer	15	8
10	Steno typist	12	4
11	Assistant	11	5
12	Telex/Fax Operator	11	1
13	UDC	7	2
14	Telephone Operator	7	2
15	Record Sorter	7	1
16	LDC	5	10
17	Staff Car Driver	4	5
18	Dispatch Rider	4	2
19	Qasid	2	3
20	Daftary	2	1
21	Naib Qasid / Farash	1	16
22	Sweeper	1	2
Total			**74**

PRIVATISATION COMMISSION

Introduction

On January 22nd 1991, the Privatisation Commission was established as a sub-branch of the Finance Division. Then on September 28th 2000, the Government approved the Privatisation Commission Ordinance 2000.

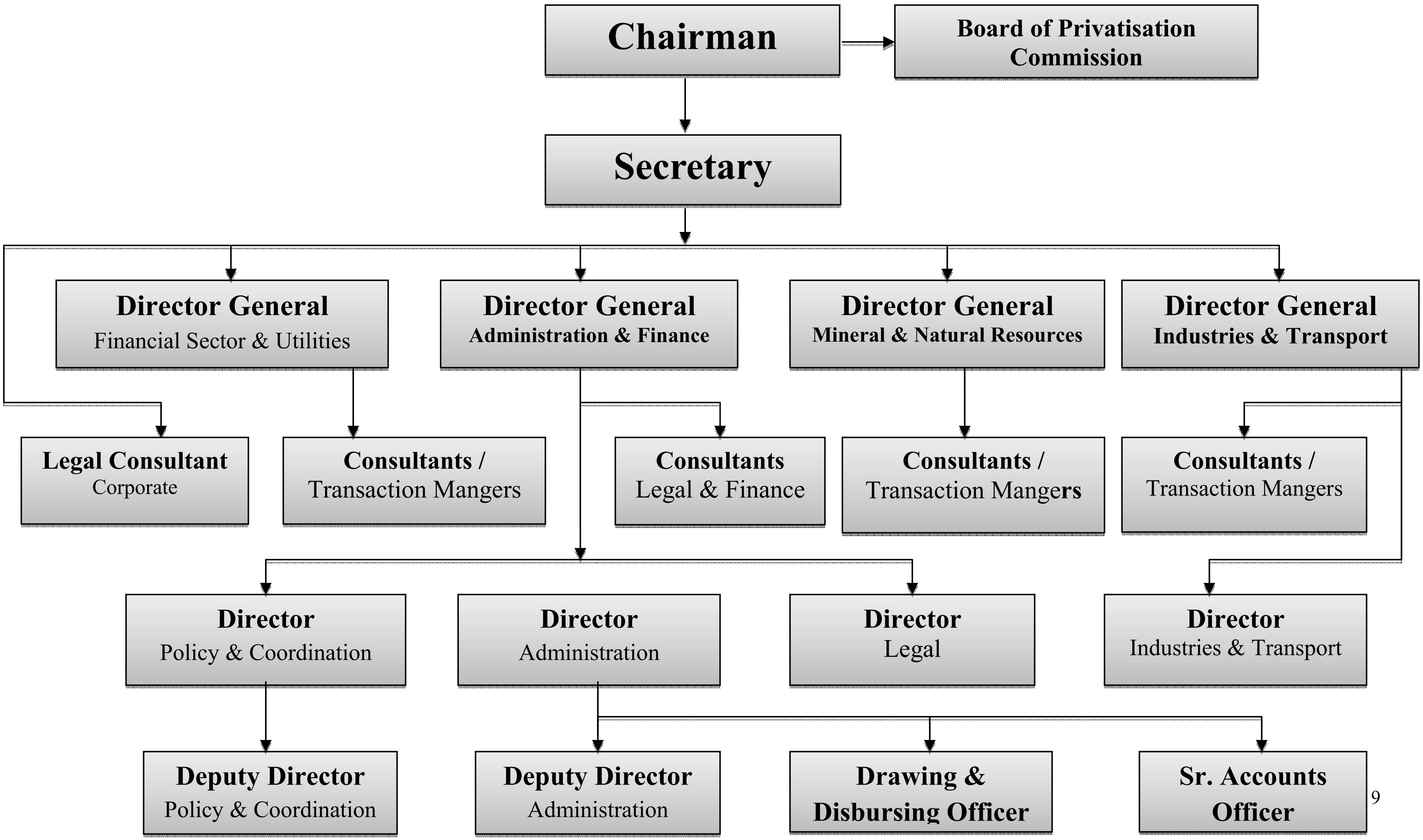
As a result of this Ordinance, the Privatisation Commission got converted into a sovereign corporate body. This strengthened it legal authority for implementing the Government's privatisation policy.

In November 2000, the Ministry of Privatisation was created. The basic vision behind the creation of this ministry was the enhancement of privatisation within the country and the facilitation of privatisation transactions. The Chairman of the PC was designated as Minister for Privatisation, while the Secretary of the PC became the Secretary of the Ministry of Privatisation.

Two years later, in November 2002 the scope of the Ministry was enhanced to include local as well as foreign investment into the scope of the Ministry. Board of Investment was thus attached to the Ministry and the Ministry was renamed as Ministry of Privatisation and Investment on 4th September 2004.

The Division was later divided on 30th October, 2007 into Privatisation Division and Investment Division. But since 8th December, 2008, the Investment Division comes under a separate Ministry.

ORGANIZATION CHART



MANAGEMENT INFORMATION

Privatisation Commission (PC) is the main executing body of Privatisation Division tasked to implement the Privatisation Policy of the Government. PC is headed by the Chairman who is also the Chairman of the Board of the Privatisation Commission. Currently Minister for Privatisation is holding the portfolio of the Chairman, while the Secretary, Privatisation Division is working as Secretary, Privatisation Commission.

The human resource of the Privatisation Commission comprises of civil service officers, consultants / transaction managers and support staff. In addition to eighteen consultants / transaction managers and sixteen technical assistants, the following regular civil service officers / officials are on the strength of the Privatisation Commission (Table 2):

Staff Strength of the Privatisation Commission

Sr. No.	Name of Posts	BPS	No. of Post
1	Secretary	22	1
2	Directors General	21 / 20	4
3	Director	19	4
4	Deputy Director	18	3
5	Public Relation Officer	18	1
6	Accounts Officer	17/18	2
7	Private Secretary	17	3
8	Accountant	16	1
9	Superintendent	16	1
10	Stenographer	15	14
11	Assistant	14	11
12	Senior Auditor	14	2
13	UDC	9	3
14	Telex / Fax Operator	7	1
15	Telephone Operator	7	2
16	Record Sorter	7	1
17	LDC / Typist	7	13
18	Staff Car Driver	4	7
19	Dispatch Rider	4	2
20	Photostat Machine Operator	4	2
21	Daftary	2	1
22	Qasid	2	2
23	Naib Qasid	1	21
24	Sweeper	1	3
	Total		**105**

CONSULTANTS / TRANSACTION MANGERS

Privatisation, especially of major entities, is a technical and complex activity requiring inputs from highly qualified and experienced professionals. PC has, therefore, hired professionals from the private sector designated as Consultants who are undertaking the privatisaton transactions. The basic criteria for appointment of Consultants is strong academic background, specialised skills and experience in the relevant field like business administration, economics, commerce, finance, accounting and law etc. depending upon the nature of the transactions. Consultants engaged have quality experience in the private sector institutions. The privatisation transactions are being processed by the Transaction Managers whereas technical and legal support is provided by other Consultants. The Consultants have further improved their knowledge and experience by working in the PC. Their services are being utilized efficiently and effectively by the PC. Their services can be useful to any organization in country/abroad dealing with privatisation.

Typical tasks for in house consultants / transactions managers include preparing the terms of reference and hiring external consultants/advisors, overseeing and assisting the external consultants to ensure timely submission of deliverables, liaising with the relevant ministry staff, regulators, and management of the entity being Privatised, and advising on sectoral policies and regulatory frameworks related to privatisation. In-house consultants/transaction managers are also involved in providing legal, accounting, and public technical support.

BOARD OF PRIVATISATION COMMISSION

The Board of Privatisation Commission was constituted under Section 6 of the PC Ordinance, 2000.

One of the main functions of this Board is to make strategic decisions for the Privatisation Commission. The Chairman of the Privatisation Commission heads the Board. Apart from that, it also comprises of eight other regular members.

The Chairman and the Secretary are the two representatives of the Government in the PC Board, while the rest of the members are prominent professionals from the Private Sector. The Board members represent all the four provinces of the country.

BOARD MEMBERS

As on June 2009, the PC Board consists of the following members

List of Board Members
Government Members **Chairman:** 1. Syed Naveed Qamar, Minister for Privatisation **Secretary:** 2. Mr. Ahmed Jawad, Secretary Privatisation Commission
Private Sector Members 3. Mr. Iftikhar-ul-Haq, Engineer 4. Mr. Mahmood Nawaz Shah, Professional 5. Mr. Laeeq Ahmed, CEO, Olymous International (Pvt) Limited 6. Mr. Abdul Latif Yousafzai, Lawer 7. Mr. Pervaiz A. Khan CEO, Uch Power Plant 8. Mr. Hameedullah Khan Paracha, Chairman Zainub Habibulla (Trust) Hospital 9. Mr. Farid Malik, CFA 10. Mr. Tanvir Ahmad Sheikh, Industrialist

PRIVATISATION COMMISSION BOARD MEMBERS

Syed Naveed Qamar
Chairman

Ahmed Jawad
Secretary

Mr. Iftikhar-ul-Haq
Member

Mr. Mahmood Nawaz Shah
Member

Mr. Laeeq Ahmed
Member

Mr. Pervaiz A. Khan
Member

Mr. Abdul Latif Yousafzai
Member

Mr. Hameedullah Khan Paracha
Member

Mr. Farid Malik
Member

Mr. Tanvir Ahmad Sheikh
Member

CABINET COMMITTEE ON PRIVATISATION (CCOP)

The Cabinet Committee on Privatisation was established along with the Privatisation Commission in 1991. Since then, it has been functioning continuously except for the period from September 1998 to February 2000, when a Privatisation Board of Pakistan headed by the Prime Minister was formulated.

The basic aim of CCOP is to formulate a set of rules for the Privatisation Commission to follow. Other than that, it serves as a forum for taking macro-level decisions on Privatisation and to facilitate and review the level of progress in privatisation. All the major decisions taken in the privatisation process are brought through this Committee for approval.

Initially, the CCOP was headed by the Minister for Finance. Then on 21st September 2004, the Prime Minister reconstituted the Cabinet Committee on Privatisation to be chaired by himself. But since 15th November 2008, it is headed by Advisor to PM on Finance, Revenue, Economic Affairs and Statistics. Currently it is headed by the Minister for Finance, Revenue, Economic Affairs and Statistics.

Terms of Reference of CCOP

- To formulate the Privatisation Policy for approval of the Government / Cabinet.
- To approve the State Owned Enterprises to be privatised on the recommendation of the PC or otherwise.
- To take policy decisions on inter-ministerial issues relating to the privatisation process.
- To review and monitor the progress of privatisation.
- To instruct the PC to submit reports/information/data relating to the privatisation process or any matter relating thereto.
- To take policy decisions on matters pertaining to privatisation, restructuring, deregulation, regulatory bodies and Privatisation Fund Account.
- To approve the Reference Price in respect of the State Owned Enterprises being Privatised.
- To approve the successful bidders.
- To consider and approve the recommendations of the PC on any matter.
- To assign any other task relating to privatisation to the PC.

Composition of the CCOP

The following table shows the current composition of the CCOP:

1.	Minister for Finance, Economic Affairs and Revenue	Chairman
2.	Minister for Commerce	Member
3.	Minister for Industries and Production	Member
4.	Minister for Information Technology and Telecommunications	Member
5.	Minister for Labour, Manpower and Overseas Pakistanis	Member
6.	Minister for Petroleum and Natural Resources	Member
7.	Minister for Ports and Shipping	Member
8.	Minister for Privatisation	Member
9.	Minister for Textile Industry	Member
10.	Minister for Water and Power	Member

Apart from the above mentioned Members, following can also be invited by Special Invitation.

1.	Deputy Chairman Planning Commission
2.	Governor, State Bank of Pakistan
3.	Chairman, Security Exchange Commission of Pakistan
4.	Adviser to the Prime Minister on Energy
5.	Chairman, Board of Investment
6.	Secretary, Communications Division
7.	Secretary, Finance Division
8.	Secretary, Industries and Production
9.	Secretary, Information Technology and Telecommunications
10.	Secretary, Investment Division
11.	Secretary, Labour and Manpower Division
12.	Secretary, Law, Justice and Human Rights Division
13.	Secretary, Petroleum and Natural Resources
14.	Secretary, Privatisation Division
15.	Secretary, Textile Industry Division
16.	Secretary, Water and Power Division

COUNCIL OF COMMON INTERESTS

Article 153 of the Constitution provides for a Council of Common Interests (CCI) comprising the Chief Ministers of the Provinces and an equal number of members from the Federal Government. The Council which is headed by the Prime Minister is exclusively responsible to the Parliament.

It formulates and regulates policies in relation to matters in Part-II of the Federal Legislative List as well as the subject of electricity in the Concurrent Legislative List, in so far as it is in relation to the affairs of the Federation as provided in Article 154.

Decisions of the Council are expressed in terms of opinion of the majority. The public entities, interests etc, contemplated to be Privatised are brought before CCI if it is so required under the relevant Constitutional Provision.

PRIVATISATION POLICY

With the passage of time, the privatisation process in Pakistan has slowly and gradually moved from simple to complicated sectors. During this whole period, the privatisation policy has continuously been reviewed and amended in order to ensure a transparent and competitive privatisation process. It is, without a doubt, the result of this immaculate Privatisation Policy of the country that Pakistan has witnessed the practice of an era of efficient and effective privatisation.

Main Aspects of the Privatisation Policy

Following are the main features of Pakistan's Privatisation Policy:

i. The scope of the Privatisation Policy includes all public assets that can be transferred to or can be managed by the private sector.

ii. It aims to provide motivation for potential investors to invest in Pakistan through their participation in the privatisation process. In this respect efforts are continuously being made to harness the resources of the expatriate Pakistani and domestic private sector investors.

iii. The Privatisation Policy also ensures the prevention of concentration of resources in a few hands by promoting privatisation through competitive bidding.

iv. The privatisation program has been helpful in liberating the Government from micro-management of the economy. This has freed substantial public funds which were being used as subsidies for loss making public enterprises.

v. Regulations are put in place to safeguard the interests of consumers, especially in respect of affordable price and product quality.

vi. The Privatisation Policy is flexible and keeps adjusting according to ground realities while keeping the overall direction intact. This flexibility has helped in the introduction of the 'New Privatisation Policy'. Its details will follow in the next section.

The New Privatisation Policy:

Lately, the Ministry of Privatisation has been channelling most of its time and energy in devising an improved Privatisation Policy. This new policy was approved by the Cabinet Committee on Privatisation and then rectified the same by the Cabinet.

MAIN CHARACTERISTICS OF THE NEW POLICY

The Cabinet Committee on Privatisation (CCOP) has already approved the privatisation of 23 entities under the amended policy. Some of the main characteristics of this new policy are given below:

- ✓ The new Privatisation Policy has been modelled on the concept of *Public-Private Partnership* (PPP) and divestment of 26 % shares of the state owned enterprises (SOEs), with full transfer of management rights. This implies that the owners of 26% equity would be expected to inject new technology and management practices in the acquired entity.
- ✓ The manner, methodology and mechanism of *PPP structure* will be framed after consultative process and due *approval* of the Board of the PC and the CCOP.
- ✓ In cases where due process and investor feedback determines that the 26% PPP structure is not a practicable option, the Privatisation Commission will revert back to the CCOP, to make an *exception* for these enterprises, with *alternate privatisation structures*.
- ✓ A *stringent pre-qualification structure* will be put in place that will include a contractually binding business plan and provisions with regard to management, default, termination, penalties and dispute resolution. The transactions would be structured to ensure that management control is transferred to the investor.
- ✓ It will be guaranteed through adequate *safeguards/ agreements* that this arrangement cannot be reversed. Agreements will also include exit options for Government, remedies to Government in case of right of first refusal, transfer restrictions and lock in period for the strategic investors.
- ✓ The Government would be appropriately represented on the Board of Directors of the privatised entities. Apart from that, post privatisation performance of the entities and market conditions will determine the *timing and extent of future divestment* of residual shareholding of the Government.
- ✓ At the level of the Federal Government the Privatisation *Commission will have exclusivity to undertake Brown-field PPP styled transactions* in terms of the Privatisation Commission Ordinance 2000. Any other Ministry / Department of the Federal Government will route its PPP transactions through the Privatisation Commission for implementation.

- ✓ Last but not the least, on the directions of President of Pakistan Twelve percent (12%) of the government shareholding in the SOEs will be reserved for workers of the entities being privatised. This will be in accordance with the *Benazir Employees Stock Options Scheme* (BESOS). 80 State-Owned Entities have already been identified to be incorporated in this scheme.

Aim of the New Policy

By virtue of this new Privatisation Policy, the Government has intended to minimize the detriment of its people through reserving a fixed percentage of shares for the workers of the State-Owned Entities being privatised. Apart from that, the Government has aimed to ensure that divestment does not result in alienation of national assets and reduction in quality of production and service.

PRIVATISATION PROCESS

The privatisation process, which is aimed at selling government property in an open and transparent way with a view to obtaining the best possible price, varies somewhat depending on the nature of the asset being privatised, on the proportion of shares being offered for privatisation, and on whether a transfer of management is involved. The Board of the Privatisation Commission decides as to what kind of process will be followed.

The Privatisation Process generally comprises of the following steps:

1. Identification of an entity to be Privatised.
2. Approval by the CCI.
3. CCOP / Cabinet approval.
4. Hiring of Financial Advisor (FA) or Valuator.
5. Due diligence by the FA / Valuator.
6. Privatisation strategy.
7. Enacting sect oral reforms (if required).
8. Valuation of Property.
9. Expressions of Interest (EOI).
10. Statement of Qualification (SOQ).
11. Pre-Bid Process.
12. Pre-qualification.
13. Due diligence by potential bidders.
14. Value approved by the PC Board and CCOP.
15. Pre-bid conference.
16. Bidding process approval by PC Board and CCOP.
17. Open bidding.
18. Price approval by PC Board and CCOP.
19. Letter of acceptance to successful bidder.
20. Management Transfer (after 100% receipt of payment).

DESCRIPTION

A brief description of the steps shared in all transactions is provided below:

➢ Identification

The first step is the identification of the entity or list of entities to be privatised. In a typical transaction, the Privatisation Commission, in consultation with the relevant ministry, submits a Summary of the proposed transaction to its Board.

The Summary

- justifies the need for privatising the property,
- outlines the likely mode of privatisation, and
- sometimes seeks guidance on issues relating to such matters as:
    - pricing,
    - restructuring,
    - legal considerations, and

- the regulatory framework.

Once endorsed by the Board, it is submitted to the Cabinet or its subcommittee, the Cabinet Committee on Privatisation, for approval.

Hiring of a Financial Advisor or Valuator

In major transactions, the process to hire a financial advisor is carried out by the transaction manager with the approval of the Board. Then,

- ✓ Te terms of reference for the FA are finalised,
- ✓ expressions of interest from prospective FAs are solicited,
- ✓ an evaluation team is constituted, and
- ✓ short listed firms are invited to submit technical and financial proposals in a common format.

The evaluation team scores the technical proposals and the highest ranked firm based on both technical and financial scores is invited for contract negotiations and signing. In November 2001, the Board approved regulations for hiring a financial advisor in order to make more transparent the procedures that were largely being followed over the last decade Hiring of Financial Advisor Regulations 2001.

In other transactions, a Valuator is hired according to the Hiring of Valuators Regulation 2001. This regulation was amended by the Privatisation Commission in 2007.

Due Diligence

The next step is to carry out the legal, technical, and financial due diligence. This is aimed at:

- Identifying any legal encumbrances,
- evaluating the condition of the assets, and
- Examining the accounts of the company in order to place a value on the company.

For most industrial units and some small transactions, this is done using in-house transaction managers and staff, or by sub-contracting out part of the work to a domestic legal, technical, or accounting firm.

However, for major privatisations in banking, infrastructure, or utilities, the FA carries out this function. Following due diligence, the FA finalises the privatisation plan. This may include recommendations on any needed restructuring, in addition to specifying the amount of shares or assets to be privatised. For major privatisations or when the proposed privatisation mode is different from the initial plan, the plan is then submitted to the Board, the CCOP, or the full Cabinet for approval.

Enacting any Needed Regulatory and Sectoral Reforms

For many major transactions, the ability to privatise and the amount of proceeds realisable depend critically on the level of regulated prices for the public enterprise's inputs or outputs and other sectoral or regulatory policies. For many monopolies or quasi-monopolies, the "rules of the game" specifying the competition framework post-privatisation, the manner and type of regulation, and the institutions regulating them are key to investor interest.

In addition to rules determining prices or tariffs, there may be rules determining standards, penalties for non-compliance, the extent, form and timing of any proposed deregulation, and the evolving structure of the market following liberalisation. Clarification of these rules and passage of needed laws and regulations will often be necessary before taking the transaction to market.

➢ Valuation of Property

In order to obtain an independent assessment of the value of the property being privatised, the Commission relies primarily on external firms. The Financial Advisor, where there is one, carries out the valuation to obtain a "reference price" for the property. In other cases, the Commission contracts with an external valuation firm or accounting firm as specified in the rules on the valuation of property, which can be obtained from the PC website. The methods used for the valuation vary with the type of business and often more than one method is used in determining the value. These include the discounted cash flow method, asset valuation at book or market value, and stock market valuation. Despite using scientific methods, valuation remains more an art than a science. The true value is dependent on many difficult to quantify variables such as country risk, corporate psychology and strategy, and perceptions of future macroeconomic performance. Only the market can determine the true value. Therefore it is important to focus on designing appropriate transaction structures, on advertising in relevant media, in choosing and implementing appropriate pre-qualification criteria for bidders, and in following an appropriate bidding process to obtain a fair price for the privatisation.

➢ Pre-bid and Bid Process

Expressions of Interest (EOI) are invited by advertising in the relevant media. The PC Ordinance 2000 spells out some of the advertising procedures. Depending on the kind of transaction, the EOI describes the broad qualifications that potential bidders must possess. Those submitting an EOI and meeting the broad qualifications are provided with the Request for Proposals (RFP) package containing the detailed pre-qualification criteria, instructions to bidders, draft sale agreement, and other relevant documents. Interested parties then submit a Statement of Qualifications (SOQ), which is evaluated to determine whether an interested party meets the requisite qualifications. Pre-qualified bidders are then given a specified period to conduct their own due diligence, following which they are invited to a pre-bid conference where their questions and concerns can be addressed. The meeting is useful in determining the bidding procedure to be followed (for example, open auction, sealed bids, or some combination) and could even determine the proportion of shares that the Government may want to offload. The bidding itself is done openly, with all bidders and media invited.

➢ Post-bid Matters

Following bidding and identification of the highest bidder, the Board of the PC makes a recommendation to the CCOP as to whether or not to accept the bid. The reference price is a major determinant in the recommendation, although the Board may recommend the sale even if the offer price is below the reference price. Once the bid price and bidder are approved, the PC issues a letter of acceptance or a letter of intent to the successful bidder, indicating the terms and conditions of the sale. Following negotiations with the bidder, the PC then finalises the sale purchase agreement, collects the sale proceeds, and transfers the property. Under PC's current policy, privatisation proceeds are required to be paid upfront rather than over time, as had been the case for many earlier transactions. Within 30 days of the sale, the PC is required to publish the summary details of the transaction in the official gazette. Three transactions, namely LPG business of SSGC, LPG business of SNGPL and divestment of shares of MCB, were published in the gazette in 2001.

Summary of the Process

In summary, the privatisation process is lengthy for major transactions, mainly to assure transparency in the process. After receiving CCOP approval for the privatisation, it typically takes about 18 months to close a major transaction, even when no major restructuring of the company is required see chart. This includes about six or seven months to appoint a Financial Advisor and another three or four months for the FA to complete its legal, technical and financial due diligence and to propose a privatisation strategy.

Following approval of the strategy, the marketing and bidding process may take five or six months (valuation efforts proceed in parallel), while it may take another two months after bidding to obtain approvals, finalize sale documents, and close the transaction. Additional delays in privatisation are often caused by waiting for the necessary regulatory framework and sectoral policies to be put in place and for any needed restructuring to occur.

ACHIEVEMENTS OF PRIVATISATION COMMISSION

One of the biggest achievements of Privatisation Commission has been the development of a productive and evolving Privatisation Policy and the successful implementation of this program. This is being said due to the fact that Pakistan's Privatisation Program has proved to be the most successful program in whole of South Asia, Central Asia and the Middle East.

In less than two decades of its operation, the Privatisation Commission has successfully managed to complete approximately 167 Privatisation Transactions, while generating revenue of over $9bn (Rs. 476,421.2 million).

100% of the State-Owned Enterprises in the chemical, textile, nitrogen fertilizer, phosphate fertilizer, cement, rice, roti and light engineering have been Privatised. Apart from that, 98% of the automobile industry and 96% of ghee mills have also been successfully Privatised.

Pakistan's banking industry has also been substantially Privatised, due to which 80% of the banking sector is now under private ownership. This has resulted in a more efficient banking system within the country and has shown significant transformation in the revenues of these newly Privatised banks.

Privatisation Transactions since 1991

Since its inauguration in 1991, the Privatisation Commission has completed 167 transactions with revenue of over Rs. 476,212.2 million. Details are as follows:

Sector	No of transactions	Proceeds (Rs M)
Banking	7	41,023
Capital market	22	133,124
Energy	14	51,756
Telecom	4	187,360
Automobile	7	1,102
Cement	17	16,178
Chemical and Fertilizer	23	41,922
Engineering	7	183
Ghee Mills	24	843
Rice and Roti Plants	23	324
Textile	4	371
Newspapers	5	271
Tourism	4	1,805
Others	6	159
Total	**167**	**476,421**

COMPLETED TRANSACTIONS IN 2008-09

The only transaction completed during the period under review is Hazara Phospate Fertilizer Limited fetching an amount of Rs. 1,340,024,490/-.

Hazara Phosphate Fertilizers Limited

Hazara Phosphate Fertilizers (Pvt.) Ltd (HPFL) was incorporated as a private limited company in 1985 under National Fertilizer Corporation of Pakistan (Private) Limited (NFC). The authorized capital of the Company is 20 million shares. The issued, subscribed & paid up capital is 19,143,207 shares of Rs. 10/- each. The plant is located at Haripur (NWFP) – 75 KM from Islamabad. The company has 57 acres of developed land and includes factory, housing and other amenities. HPFL has installed capacity to produce 90,000 metric tons per annum of Granular Single Super Phosphate (GSSP) and 30,000 metric tons per annum of Sulphuric Acid required for the production of GSSP.

The latest Expression of Interest (EOI) of HPFL was issued on November 13, 2007. Thirteen (13) parties submitted EOIs by the due date of December 2008. All the thirteen (13) parties were provided Request for Statement of Qualification documents (RSOQs) dated November 13, 2007. In response to RSOQ, nine (9) parties filed Statement of Qualification documents (SOQs) by the due date of January 15, 2008. After scrutiny Seven (7) parties were pre-qualified.

The Cabinet Committee on Privatisation (CCOP) approved the Reference Price as recommended by the PC Board in its meeting of September 24, 2008. Four (4) parties submitted the Earnest Money of Rs.40,000,000 by the due date of September 22, 2008 namely:

a. Consortium of Akbar Brothers, Multan & Green Force (Private) Limited;
b. Consortium of Kissan Chemicals & Fertilizers (Private) Limited, Lahore & Chaudhry Steel Re-rolling Mills (Private) Limited;
c. Pak American Fertilizer Limited, Lahore;
d. Warble (Private) Limited, Lahore.

All parties who had submitted Earnest Money participated in the bidding held on September 25, 2008. Pak American Fertilizers Limited exceeded the highest bid by Re.1 per share by increasing their bid to Rs.70 per share and total price for 100% shares came to Rs.1,340,024,490 (Rupees one billion three hundred forty million twenty four thousand four hundred ninety only).

The Board of the Privatisation Commission in its meeting held on September 29, 2008 recommended for the approval of Cabinet Committee on Privatisation (CCOP) the Highest Bid offered by Pak American Fertilizers Limited and to declare them as the Successful Bidder for issuance of Letter of Acceptance (LoA). The Cabinet Committee on Privatisation (CCoP) in its meeting held on September 29, 2008 approved highest bid of Rs.70/- per share and Pak American Fertilizers Limited was declared as the Successful Bidder for issuance of Letter of Acceptance. Letter of Acceptance was issued to Pak American Fertilizers Limited on September 30, 2008.

TRANSACTIONS IN PROGRESS

Following is the list of State-Owned Entities that are on the high priority list in the current Privatisation Program.

S. No	Transaction
1.	SME Bank Limited
2.	Peshawar Electric Supply Company (PESCO)
3.	Quetta Electric supply Company (QESCO)
4.	Hyderabad Electric supply Company (HESCO)
5.	National Power Construction Company (NPCC)
6.	Faisalabad Electric supply Company (FESCO)
7.	Jamshoro Power Company Limited (JPCL) [Lease]
8.	Heavy Electrical Complex (HEC)
9.	Pakistan Machine Tool Factory
10.	Pakistan Mineral Development Corporation (PMDC)
11.	Pakistan Railways
12.	PTDC Motels and Restaurants
13.	Utility Store Corporation and stores
14.	Pakistan Post [Financial Services]
15.	National Insurance Company
16.	Pakistan Reinsurance Company
17.	State Life Insurance Company
18.	MORAFCO Industries (Asset Sale)
19.	Kot Addu Power Company (KAPCO) [GDRs]
20.	Printing Corporation of Pakistan Limited [Real Estate]
21.	Services International Hotel [Real Estate]
22.	Sindh Engineering Limited [Real Estate]
23.	Republic Motors Limited [Real Estate]

PROFILES OF TRANSACTIONS IN PROGRESS

Profiles of some of the transactions which are likely to be completed in nearby future are as under:

SMALL AND MEDIUM ENTERPRISE BANK (SME Bank)

Status And Nature Of Business

SME Bank Limited was established pursuant to the Regional Development Finance Corporation (RDFC) and Small Business Finance Corporation (SBFC) Amalgamation and Conversion Ordinance 2001. The Bank obtained its business commencement certificate on April 16, 2005 which became effective from the date of its issue. The Bank is now a Scheduled Commercial Bank engaged in the business of banking with the primary objective to support and develop SME sector in Pakistan by providing necessary financial assistance and business support services on a sustainable basis. The Bank is operating through a network of 13 Commercial banking branches.

In terms of the provisions of the State Bank of Pakistan' regulations the Banks are required to increase its paid-up capital (net of losses) to Rs 6 billion by 31.12.2009. The paid up capital of the Bank as of 30.09.2009 (net of losses) stands at Rs. 2.126 billion. State Bank has however exempted the Bank from minimum paid up capital requirement till its privatisation.

SME Bank's Head Offices presently situated at Islamabad. Government has decided to shift the Head Office of SME Bank to near a major business/commercial city. All major divisions are based at Islamabad except Treasury office which is situated at Karachi.

Amalgamation of Defunct RDFC And SBFC

The Federal Government promulgated the Regional Development Finance Corporation (RDFC) and Small Business Finance Corporation (SBFC) (Amalgamation and Conversion) Ordinance, 2001 (the Ordinance 2001) setting forth the mechanism of amalgamation of defunct RDFC and SBFC. Both these entities were Development Financial Institutions (DFIs). Pursuant to this scheme entire assets and liabilities of defunct RDFC and SBFC as at December 31, 2001 were transferred to the Bank at fair value. These two institutions stand dissolved and ceased to exist effective January 01, 2002.

Financial Restructuring

The Government of Pakistan (GoP) assisted by Asian Development Bank (ADB) is working on SME Sector Development Program (SME SDP). SME Bank is also part of said program and is under restructuring phase since 2004.
The major areas of restructuring of SME Bank include closure of recovery branches of defunct SBFC and RDFC, Human Resource audit, Training of employees, rationalization of staff, collection of loan portfolio of defunct RDFC and SBFC and building of Bank's own/new portfolio.

SME Leasing

The leasing division of SME Bank was separated in 2003 and SME Leasing Ltd a wholly owned subsidiary of Bank was launched in 2003 with a capital of Rs. 200.0 million. SME Leasing with its head office in Karachi is operating from 7 cities with 9 branches. During August 2006 SME Leasing increased its share capital by another Rs.100.0 million through public offering. SME Leasing assets stand at Rs. 1,979.9 million with equity of Rs. 410.6 million as at December 31, 2008. All the directors on its Board are nominees from SME Bank Out of total 7 directors 4 are form industry and 3 directors are the executives of the Bank.

Portfolio Analysis

SME Bank inherited a portfolio of Rs.14,485 million (principle & markup) from defunct RDFC & SFBC in 2002. Apart from recovering the old portfolio the Bank developed its own loan portfolio with specific focus in SME sector. As at September 30, 2009 the old portfolio stand at Rs. 9,001 million (principle & mark-up) and SME portfolio stands at Rs. 2,483 million including mark up.

Disbursements made from January to September 2009 are Rs. 1,513 million and recoveries of Rs. 630 million were made. Recoveries include Rs. 494 from SME portfolio and Rs. 136 million from old portfolio. NPLs of SME portfolio stand at 20.64% as at September 30, 2009. Old portfolio is fully provided for. Government has decided to outsource the recovery of old portfolio of SBFC & RDFC to National Bank of Pakistan. This will be effective from 01.01.2010.

Investments

Bank's total investments are Rs. 2,749 million. It includes Rs. 2,442 million in Government securities like PIBs and T-Bills. The other investments include money market placements, Cols and clean placements.

NATIONAL INSURANCE COMPANY LIMITED

Introduction

The National Insurance Corporation has been converted into National Insurance Company Limited with effect from January 2001 to operate under the Insurance Ordinance 2000. National Insurance Company Limited was incorporated on 31st March and took over National Insurance Corporation with effect from January 01, 2002. The Government's decision to convert it from a Corporation into a limited company was based on the fact that the National Insurance Corporation had, over the years, developed a very strong financial base. A Company could make a more efficient use of this strength. NICL has a paid up capital of Rs 2 billion as compared to NIC which had a paid up capital of Rs 5 million. The change in stature from a statutory corporation to a corporate body is aimed at running this organization on purely commercial lines. NICL has the potential to function like a multinational company and emerge as a role model for the insurance industry of Pakistan.

The Government has appointed a Board of Directors to look after the affairs of the Company. The Company is headed by the Chairman who is also appointed by the Government. The

Company functions under the direct guidelines set by the Securities and Exchange Commission of Pakistan according to the Insurance Ordinance 2000 as well as the Ministry of Commerce.

The Chairman is assisted by Executive Directors who are responsible for the smooth functioning of the organization.

National Insurance Company Limited has three zonal offices headed by Chief Managers. Each zone has branch offices to cater to the needs of our clients. Our country wide presence facilitates our company client relationship.

Objectives

Major Objectives of National Insurance Company Limited

- To provide insurance cover to the Government/Semi Government organizations at economical cost.
- To reduce outflow of foreign exchange by reducing dependence on reinsurance abroad
- To make significant contributions to public exchequer by payment of taxes & dividends.
- To make prudent investments in public as well as private sector in order to obtain maximum returns.

Functions

- The major function of the Company is to insure public properties
- To build sufficient reserves to increase risk retention capacity
- To insure properties other than public properties as and when directed by the Federal Government
- To advise the Government Departments on issue of risk management to adequately protect their assets at minimum cost
- To transfer surplus funds after meeting all management expenses, to the government exchequer

Financials

National Insurance Company's market leadership rests on its financial strength and its ability to analyze, price and take complex risks. With a paid up capital of Rs 2 billion it is stronger than any other Pakistani company.

Growth at a glance	**Comparative results**							
Year 2001 - 2008 (Rupees In Million)								
Year	2001	2002	2003	2004	2005	2006	2007	2008
Paid up Capital	2000	2000	2000	2000	2000	2000	2000	2000
Gross Premium	2277	2553	3633	4012	4249	4453	4352	5492
Profit before tax	2054	2222	2053	1852	2475	23800	3303	1514

Surplus for Govt	400	500	500	500	500	500	500	500
Total Reserve & Paid up Capital	9405	10453	11966	13637	15279	16468	19002	20050
Investment	8441	9521	10294	10648	12285	13669	15311	14352

STATE LIFE INSURANCE CORPORATION OF PAKISTAN

History

The Life Insurance Business in Pakistan was nationalized during March 1972. Initially Life Insurance business of 32 Insurance Companies was merged and placed under three Beema Units named "A", "B" and "C" Beema Units. However, later these Beema Units were merged and effective November 1, 1972 the Management of the Life Insurance Business was consolidated and entrusted to the State Life Insurance Corporation of Pakistan.

State Life Insurance Corporation of Pakistan is headed by a Chairman and assisted by the Executive Directors appointed by Federal Government. Up to July 2000 the Corporation was run by Board of Directors constituted under Life Insurance (Nationalization) Order 1972. In July 2000, under Insurance Ordinance 2000, the Federal Government reconstituted the Board of Directors of State Life which runs the affair of this Corporation.

Organizational Structure

It is headed by chairman who is a chief executive of the corporation and appointed by the government the other administrative level and authorities is given below

A. Board of directors
It comprises of 5 members who are responsible for making plans and policies to achieve the set goals of the organization.

B. Executive Directors
It comprises of 4 members responsible for implementation of policies and directives of the board of directors.

C. Regions
There are 4 regions in Pakistan headed by regional chiefs responsible for looking after all the zones under his administration.

D. Zones
There are 26 zones in Pakistan headed by the zonal head responsible for procurement of business to achieve the set business target of the organization.

The basic structure of the Corporation consists of Four Regional Offices, Twenty-Six Zonal Offices, a few Sub-Zonal Offices, 111 Sector Offices, and a network of 461 Area Offices across the country for Individual Life Insurance; Four Zonal Offices and 6 Sector Offices with 20 Sector Heads for Group & Pension are involved in the Marketing of Life Insurance Plans policies and products offered by State Life and a Principal Office. The Zonal Offices deal exclusively with Sales and Marketing. Underwriting of Life Insurance Policies and the Policyholder's Services. Regional Offices, each headed by a Regional Chief, supervise business activities of the Zones functioning under them. The Principal Office, based at Karachi, is responsible for corporate activities such as investment, real estate, actuarial, overseas operations, etc.

Major Achievements

The major function of the State Life Insurance Corporation of Pakistan is to carry out Life Insurance Business; however, it is also involved in the other related business activities such as investment of policyholders' fund in Government securities, Stock market, Real Estate etc. The major achievements of State Life are as under:

1. On the commencement of the operations, the Corporation took a very important step by effecting reduction up to 33% in the premiums on the past and potential Life Policies for the benefit of the Policyholders.

2. State Life is profitable organization and it paid Rs.2.242 billion as dividend to the Government of Pakistan since its inception in 1972.

3. State Life has played very vital role in the economy by providing employment to the people of the country as permanent employees and as part of its marketing force and by investing the huge funds in different sectors of the economy. The Investment Portfolio of State Life as at 31.12.2007 stands at Rs.161.966 billions.

4. Investment portfolio also includes investment in Real Estate which stands at a book value of Rs.2.331 billion as at 31.12.2007 whereas it fair value is around Rs.22.923 billion in the same period.

5. The Paid up Capital increased from Rs.10 million in 1972 to Rs.900 million in 2007.

6. The Premium income increased from Rs.0.317 billion in 1972 to 18.717 billion in 2007. Similarly Investment income including rental income increased from Rs.0.81 billion in 1972 to 17.505 billion in 2007.

7. Total statutory fund of State Life stands at Rs.156.7373 billion in 2007 as against Rs.1.494 billion in 1972.

8. State Life is smoothly striving towards its objective of making life insurance available to large section of the society by extending it to common man. As at December, 2007 the total number of policies inforce under individual life were 2.349 million and number of lives covered under group life insurance were 4.062 million.

Objectives

- To run life insurance business on sound line.
- To provide more efficient service to the policyholders.
- To maximum the return to the policyholders by economizing on expenses and increasing the yield on investment.

- To make life insurance a more effective means of mobilizing national savings.
- To widen the area of operation of life insurance and making it available to as large a section of the population as possible, extending it from the comparatively more affluent sections of society to the common man in towns and villages.
- To use the policyholders' fund in the wider interest of the community.

PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED (PESCO)

Company Information

Peshawar Electric Supply Company Limited (PESCO) is one of the nine electricity distribution companies (DISCOs) established as a result of the unbundling of the vertically integrated power wing of Pakistan Water and Power Development Authority (WAPDA). The company was established and incorporated in April 1998 as a public limited company under Pakistan Companies Ordinance 1984. It was originally organized to take over the properties, assets, obligations and liabilities of former Peshawar Area Electricity Board (AEB) of WAPDA serving North West Frontier Province (NWFP) of Pakistan including the tribal areas. Subsequently, a new company Tribal Electric Supply Company Limited (TESCO) was spun out of PESCO in June 2002 for supply to tribal areas of PESCO. Presently service area of PESCO includes NWFP excluding tribal areas.

PESCO distributes and supplies electricity to about 2.0 million customers of various categories within its service area. National Electric Power Regulatory Authority (NEPRA) has granted Distribution License to PESCO for distribution and supply of electricity pursuant to the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (NEPRA Act). The various consumer categories of PESCO include domestic, commercial, industrial and agricultural served by an extensive distribution system network of 132 kv, 66 kv, 33 kv, 11 kv and low voltage.

Transaction Structure

As part of its programme of privatisation and liberalization of the power sector in Pakistan, the Government of Pakistan (GoP) intends to offer interest in PESCO under Public Private Partnership (PPP) mode of privatisation including the management control to an investor or a consortium of strategic and financial investors.

Organizational Structure

PESCO field formations consist of following eight distribution Operation Circles, one Construction Directorate and one GSO Circle, as detailed below:

Operation Circles

1. Peshawar Circle 6 Divisions/28 Sub Divisions
2. Khyber Circle 5 Divisions/24 Sub Divisions
3. Mardan Circle 4 Divisions/23 Sub Divisions
4. Hazara Circle 6 Divisions/23 Sub Divisions
5. Swat Circle 4 Divisions/16 Sub Divisions
6. Bannu Circle 5 Divisions/23 Sub Divisions

Project Construction
Circle 4 Divisions/11 Sub Divisions
G.S.O. Circle 5 Divisions/28 Sub Divisions

Privatisation of PESCO

The Privatisation Commission (PC) on behalf of Government of Pakistan (GOP) intends to privatise PESCO through Public Private Partnership (PPP) mode to financially sound local and foreign investors having management capabilities and technical expertise to run the power distribution utility. Expression of Interests (EoIs) from local and foreign parties interested in the transaction is expected to be invited soon through advertisement in the national and international newspapers.

QUETTA ELECTRIC SUPPLY COMPANY LIMITED (QESCO)

Company Information

Quetta Electric Supply Company Limited (HESCO) is one of the nine electricity distribution companies (DISCOs) established as a result of the unbundling of the vertically integrated power wing of Pakistan Water and Power Development Authority (WAPDA). The company was established and incorporated in April 1998 as a public limited company under Pakistan Companies Ordinance 1984. It was originally organized to take over the properties, assets, obligations and liabilities of former Quetta Area Electricity Board (AEB) of WAPDA.

QESCO distributes and supplies electricity to about 0.44 million customers within defined geographical areas of entire province of Balochistan excluding Lasbela district under a Distribution License granted by National Electric Power Regulatory Authority (NEPRA) pursuant to the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (NEPRA Act).

The various consumer categories of QESCO include domestic, commercial, industrial and agricultural served by an extensive distribution system network. of 132 kv, 66 kv, 33kv and 11kv.

Transaction Structure

As part of its programme of privatisation and liberalization of the power sector in Pakistan, the Government of Pakistan (GoP) intends to offer interest in QESCO under Public Private

Partnership (PPP) mode of privatisation including the management control to a investor or a consortium of strategic and financial investors.

Operating Areas

To ensure uninterrupted supply of electricity and most intimate customer services to about 0.44 million consumers, QESCO has divided 3 circles, 11 operational divisions and 42 sub divisions to facilitate its consumers.

Central (3 Operational Divisions, 8 Sub Divisions)
Northern (5 Operational Divisions, 22 Sub Divisions)
Southern (3 Operational Divisions, 12 Sub Divisions)

Privatisation of QESCO

The Privatisation Commission (PC) on behalf of Government of Pakistan (GOP) intends to privatise QESCO through Public Private Partnership (PPP) mode to financially sound local and foreign investors having management capabilities and technical expertise to run the power distribution utility. Expression of Interests (EoIs) from local and foreign parties interested in the transaction is expected to be invited soon through advertisement in the national and international newspapers.

HYDERABAD ELECTRIC SUPPLY COMPANY LIMITED (HESCO)

Company Information

Hyderabad Electric Supply Company Limited (HESCO) is one of the nine electricity distribution companies (DISCOs) established as a result of the unbundling of the vertically integrated power wing of Pakistan Water and Power Development Authority (WAPDA). The company was established and incorporated in April 1998 as a public limited company under Pakistan Companies Ordinance 1984. It was originally organized to take over the properties, assets, obligations and liabilities of former Hyderabad Area Electricity Board (AEB) of WAPDA.

HESCO distributes and supplies electricity to about 1.45 million customers within defined geographical areas of entire province of Sindh excluding Karachi under a Distribution License granted by National Electric Power Regulatory Authority (NEPRA) pursuant to the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (NEPRA Act). HESCO has administratively divided 22 districts of Sindh Province into 6 operation Circles, 25 operation Divisions and 111 operation Sub-divisions along with 6 construction divisions, and 5 M&T divisions.

The various categories of HESCO include domestic, commercial, industrial and agricultural served by an extensive distribution system network. HESCO has 82 grid stations of 132 KV capacity and 35 grid stations of 66 KV capacity. The HT line is measured at 44,000 kilometers including transmission lines of 66 and 132 KV. HESCO LT system has 55,000 distribution transformers.

Transaction Structure

As part of its programme of privatisation and liberalization of the power sector in Pakistan, the Government of Pakistan (GoP) intends to offer interest in HESCO under Public Private Partnership (PPP) mode of privatisation including the management control to a investor or a consortium of strategic and financial investors.

Operating Areas

To ensure uninterrupted supply of electricity and most intimate customer services to about 1.45 million consumers, HESCO has administratively divided 22 districts of Sindh Province into 6 operation Circles, 25 operation Divisions and 111 operation Sub-divisions along with 6 construction divisions, and 5 M&T divisions.

Hyderabad Circle – I	(5 Divisions, 22 Sub Divisions)
Hyderabad Circle – II	(4 Divisions, 16 Sub Divisions)
Nawabshah Circle	(3 Divisions, 19 Sub Divisions)
Sukkur Circle	(5 Divisions, 22 Sub Divisions)
Larkana Circle	(4 Divisions, 20 Sub Divisions)
Dadu	(4 Divisions, 12 Sub Divisions)

Privatisation of HESCO

The Privatisation Commission (PC) on behalf of Government of Pakistan (GOP) intends to privatise HESCO through Public Private Partnership (PPP) mode to financially sound local and foreign investors having management capabilities and technical expertise to run the power distribution utility. Expression of Interests (EoIs) from local and foreign parties interested in the transaction is expected to be invited soon through advertisement in the national and international newspapers.

NATIONAL POWER CONSTRUCTION CORPORATION

Company Profile

National Power Construction Corporation (NPCC) was established by the Government of Pakistan with a special objective of executing Power Engineering Projects speedily and economically not only at home but also in other friendly countries.

- Date of Incorporation 18 July 1974
- Registered office 09 - Shadman II, Lahore, Pakistan
- Share holding 100% owned by Federal Government

Corporate Structure

National Power Construction Corporation (NPCC) is a State Enterprise under the Federal Ministry of Water & Power. The corporate affairs are managed by a Board of Directors who are nominated by the Government of Pakistan including the Chairman and the Managing Director, the latter being the Chief Executive.

The Secretary, Water & Power, heads the Board. To effectively oversee the affairs of NPCC and to provide meaningful guidance and assistance, the Directors are drawn from the Federal Ministries of Water & Power and Finance.

NPCC has its Branch Office in Saudi Arabia in the name and style of NPCC (Pakistan) Ltd; under Foreign Capital Investment Regulations.

Charter of Services

NPCC is fully equipped to undertake speedy execution of Power Projects on turn-key basis i.e. Extra high voltage transmission lines, cable networks, LV distribution network, substations, power generation plants, industrial electrification, external lighting of housing complexes etc and has demonstrated proven capability during more than three decades in its specialty. The services include survey, design, procurement of material, installation / erection, testing and commissioning of the works which are managed by a highly motivated and experienced team of Managers, Engineers and skilled Technicians. Backed by a large warehouse of construction equipment and strong financial resources, NPCC is now fully geared to undertake assignments in its specialty with highest degree of professionalism.

NPCC is one of the six contracting companies which are pre-qualified for executing Extra High Voltage transmission line contracts in Saudi Arabia.

NPCC is pre-qualified for executing contracts in Pakistan, Saudi Arabia, Kuwait, U.A.E, Qatar, Yemen, Malaysia, Jordan, Syria & Indonesia.

- First contract executed in Pakistan 1974
- First contract executed in Saudi Arabia 1977

Performance Record

Within five years from take-off, NPCC was fully established as a leading contracting outfit and had to its credit completion of some large projects in Pakistan i.e. Electrification of SCARP Tube wells, 132kV Substations and Transmission Lines, Gas Turbine Power Plants, Industrial and Rural Electrification.

Having raised a strong professional management and solid home base, NPCC started knocking at the foreign market. The break-through came in 1977 with the award of the first major Project in Saudi Arabia and during the next over two decades NPCC was able to secure many more. Among these, on turnkey contract basis, were one of the largest Central Electrification Scheme and a Rural Distribution Project ever undertaken in Saudi Arabia. The rise of NPCC as a Contracting force was so phenomenal that in 1982 "The Engineering News

Record (ENR)" rated it among the top 50 International Design-Construct Outfits. In 1989 NPCC was again in the bank of top 100 International Contractors.

NPCC has completed Power Projects within Pakistan valuing over Rs. 150 Million. These include turnkey construction of 132kV transmission and 11kV distribution lines, 132kV substations, Gas Turbine Power Station and electrification of industrial complexes.

Since extension of its operation to Gulf Region i.e. Saudi Arabia in the year 1977 and Kuwait in the year 1991, NPCC completed Power Projects of international recognition and supervised by reputed Consultants. The value of Projects completed and in hand are in the order of Saudi Riyals 2.48 billion (US$ 700 million).

These include construction of 380kV, 132kV and 110kV transmission lines, 132kV/110kV Underground Cable Networks, 33kV and 13.8kV Distribution Networks, 132kV / 33kV Substations and Gas Turbine Power Stations, all on Design-Construct basis with related civil works and services etc.

In 1989, NPCC joined the elite club of International Constructors who are credited with turnkey execution of Extra High Voltage Transmission Lines. This was with the award of the prestigious 280km long, 380kV transmission line, connecting Madinah-Al-Munawarah with Rabigh on Red Sea coast of Saudi Arabia. The Contract was worth US$ 140 million and won by NPCC in the face of fierce competitive international bidding. The Project was successfully completed and commissioned in 1992.

NPCC had the distinction of being amongst the selected Contracting Outfits who participated in the rehabilitation of Power Network in and around Kuwait city after its liberation from Iraq in early 1991. The work involved emergency repairs and putting into service of 300kV and 132kV Transmission Lines and was carried out in very hazardous post-war field conditions. Through professional pursuit, sheer hard work and determination, NPCC has now established itself as a very strong Contracting Outfit in its field of specialty. NPCC boasts of highly experienced professional managers backed by a large workforce armed with an extensive range of construction equipment. Having this capability and proven past experience at its back, NPCC is all set to extend its operations in the Far East and Africa.

ISO Certification

NPCC has acquired ISO 9001:2000 certification, a prerequisite there days to participate in many Power Utilities – qualification enjoyed by select construction companies.

List of Clients and References

In Saudi Arabia

1. Saudi Electric Company – Western Operating Area (SEC – WOA)
2. Saudi Electric Company - Eastern Operating Area (SEC – EOA)
3. Saudi Electric Company - Northern Operating Area (SEC – NOA)
4. Saudi Electric Company - Southern Operating Area (SEC – SOA)

5. Saudi Electric Company - Central Operating Area (SEC – COA)

Outside Saudi Arabia

1. KUWAIT: Ministry of Electricity & Water (MEW), Kuwait City
2. U.A.E: Abu Dhabi Water & Electricity Authority (ADWEA), Abu Dhabi
3. SYRIA: Public Establishment of Electricity for Generation & Transmission (PEEGT), Damascus
4. MALAYSIA: Tenaga Nasional Berhad (TNB), Kuala Lumpur
5. INDONESIA: PT.PLN (Persero), Jakarta
6. PHILIPPINE: National Power Corporation (NPC), Manila
7. QATAR: Qatar General Electricity & Water Corporation
8. YEMEN: Public Electricity Corporation (PEC), Yemen

Privatisation of NPCC

The Privatisation Commission (PC) on behalf of Government of Pakistan (GOP) intends to privatise NPCC through sale of shares to financially sound local and foreign investors having management capabilities. Expression of Interests (EoIs) from local and foreign parties interested in the transaction is expected to be invited soon through advertisement in the national and international newspapers.

PAKISTAN RAILWAYS

Summary Profile

Pakistan Railways is a department of the Government of Pakistan (GOP). The network has 7,791 route km, 559 stations and it has an annual revenue of around Rs.20 Billion (2007-2008). Pakistan Railways came into existence under a different name on 13 May 1861, when Kotri and Karachi two stations 169 km. a part were linked by rail. In 1947, it was named as Northwestern Railways, had 11,088 routes Km of which 3043 were transferred to India. Leaving 8,045 Km to Pakistan. In 1961, it was named as Pakistan Western Railway and in 1974 as Pakistan Railways.

Operational Structure

Ministry of Railway is responsible for overall control of Pakistan Railways as well as to guide the overall policy. There are four (4) Directorates in this PR namely Administrative Directorate, Technical Directorate, Planning Directorate, and Finance Directorate.

The following officers also report directly to the Secretary Railways:-

a) General Manager (Operations)
b) General Manager/Manufacture and Services
c) Federal Government Inspector of Railways

Railway Board is the highest body for technical matters of the Railways, Secretary, Ministry of Railways is also ex-officio Chairman of the Railway Board.

Pakistan Railways at this time is a vertically integrated organization and has four business units. Pakistan Railways is headed by a General Manager, who is the Chief Executive Officer assisted by four Addl. General Managers, namely, Infrastructure Business Unit, Passenger Business Unit, Freight Business Unit and Manufacturing and Services Unit that looks after: Concrete Sleeper Factories, (CSF), and Carriage Factory. Islamabad, (CFI), Locomotive Factory, Risalpur, Rehabilitation Project, Medical and Health Service. Railway Construction Company (RAILCOP), Pakistan Railway Advisory & Consultancy Services (PRACS) and Educational Facilities).

Human Resources

Pakistan Railways has about 90,000 employees consisting of staff and officers as of 2008). 71% of the total employees are working in Civil, Mechanical and Transportation departments. All the hierarchy positions are held by graduate Engineers.

Organization

In the late 1990s, the Government of Pakistan considered selling the airline to the private sector due to the persistent losses suffered by the airline.The general supervision and management of affairs of Pakistan Railways is vested in the Railway Board, which has been reconstituted. The new Railway Board consists of Chairman and five Members out of which three are from the private sector. Secretary to the Government of Pakistan, Ministry of Railways is the ex-officio Chairman of Railway Board and the General Manager, Railways is the Chief Executive Officer. Organization Structure of Pakistan Railways is of functional type, headed by GM and assisted by four Addl. General Managers.

The New Organization Structure

This Organizational structure designed to create a commercial environment is now in the process of implementation.

Transportation Sector including Railways

The domestic transportation system in Pakistan primarily comprises of the Road, Rail and Air. The growing economy is imposing strains on the transport sector.

Road Sector

The total roads of all types are estimated at 258,350 kms. Of which high type roads are 176,587 km. and low type roads are 81,761 kms. The highest density remains on the Grand Trunk Road running from Peshawar to Karachi. The first segment of an alternate motorway form Islamabad to Lahore and Islamabad to Peshawar has been completed. With other sections to be constructed shortly. The national highway carries 96 percent of the freight and 91 percent of passenger traffic.

Railway Sector

Railway sector in Pakistan has not maintained its position in the transport sector. The market share of Pakistan Railways kept on declining with the passage of time. For example, annual passenger volume carried by Pakistan Railways in late 1970's was approx. 145 million, which has come down to 59 million in 1992/93. The freight business was of PR was 15 million tons in late 1960's but has come down to 7 million tons. Roads have steadily become the more preferred form of transportation. An example of PR's declining market share is that it is moving only 11% of total petroleum products and 2% of the total containers. A more professionally managed and independent railways have immense growth potential.

Pakistan International Airlines (PIA)

Pakistan International Airlines (PIA), the national carrier, is carrying the bulk of the air travel services within the country. With deregulation of the air sector in the 90's, three other private airlines have entered the domestic market and international market.

Regulatory Environment

The Railway Regulatory Framework is now under preparation.

The broad objectives of the proposed Regulatory Policy are:

- To regulate the establishment, working, and provision of railway services in Pakistan
- To promote and protect the interests of users of railway services
- To promote competition in the provision of railway services
- To encourage investment in railway infrastructure and rolling stock by the private sector and
- To promote efficiency and economy in the provision of railway services
- To resolve disputes arising in the industry.

The Regulator is expected to have three major functions:

- Overseeing the rules and conditions establishing access to infrastructure and approving access contracts
- Licensing private train operations and resolving disputes of regulatory nature
- Managing Public Service Obligations for the Military and other Passenger traffic.

Current Status

- The unbundling of Pakistan Railways into core business units (Infrastructure, Freight and Passenger) is under process
- Managing Directors (MD) for the three core business units Infrastructure, Freight and Passenger have been appointed.
- A notification for the operation of the core business units and delegation of powers to the MDs has been issued. Operation of the three units has commenced from September 1998.
- Accounting separation and segregation of assets is being formalised.

- Non-core assets will be evaluated and prepared to be sold through open auction.
- Regulatory environment is being established.

The Likely Offer

Sale/Concession of three core business units of Pakistan Railways (PR) i.e. Infrastructure, Freight and Passenger units

Non-core units: Locomotive factory, Sleeper factories, Carriage Factory etc.
Railway land and other properties.

Transfer of Ancillary facilities.
Development of PR properties (e.g. Railway Stations in major cities)
Equipment/sections for preservation of Railway heritage.

PAKISTAN MINERAL DEVELOPMENT CORPORATION (PMDC)

Introduction

Pakistan Mineral Development Corporation (PMDC) was established in July 1974 as a private limited company with authorized capital of Rs. 100 million and paid up capital of Rs. 10 million subscribed by the Federal Government. The corporation is operating mineral projects for which mineral lease has been granted by respective provincial government under Mineral Concession Rules of respective provinces, broadly based on Pakistan Mining Concession Rules 1960, after incorporating amendments where deemed necessary by the provinces.

PMDC, as a lessee has signed Lease Deeds with provinces for various minerals for the area specified in the Lease Deed, Inter-alia, provides for and permits assignment of leasehold rights subject to prior consent of the lesser (Provincial Government).

Under the policy of Government of Pakistan, the role of Government is policy making within strong regulatory framework and to pull out of business ventures, keeping the commercial activity as exclusive domain of the private sector. The Council of Common Interests (CCI) approved PMDC's privatisation in May 1997.

Following are the PMDC Coal and Salt Mines Projects:

1. Degari collieries Project

Degari collieries are located at a distance of 40 km from Quetta on the road from spezand to Sor Range – Degari Coal field. Spezand is a town located on main Quetta – Sibi High way about 20 km from Quetta. The collieries are also approachable through coal field road via Sor Range – Sinjidi. Degari area was mined initially by the local tribes. Latter on, the area was acquired by Khan of Kalat till 1942.

In the year 1960, the prospects were handed over to PIDC who started standard development work. Later on the project remained under Japanese engineers till March 1971. PMDC took over the mines in July 1974. The Degari project of PMDC Baluchistan started to run into problems from 1985-86 onward, with the declining trend in production. The accumulated loss as on 30.06.1999 was Rs. 31.416 million.

2. Lakhra Coal Mining Project

Lakhra Coal Field is located at distance of about 75 km to NW of Hyderabad and 217 km to NE of Karachi. The nearest village from Lakhra is Khanote which is about 23 km from PMDC Coal Mines. Khanote is situated on main Indus Highway and Rail Link between Hyderabad and Dadu. A metalled road joins PMDC leased area with the Indus Highway.

Lakhra coal mining project comprises two mining leases; Lease 88 of 1278.31 acres and Lease 192 of 3818.18 acres. Both leases are being operated for an annual production of about 200,000 tons.

The excavation of coal is carried out there through room and pillar method.

3. Sharigh Collieries Project:

Sharigh is located at 160 km north-east of Quetta in district Sibi on Sibi/Khost Rail Link Section. Sharigh Khost coalfield was first discovered in North / West of Indian Sub continent. After extension of Railway in this part in 1880, When North / Western Railway was extracting coal for locomotives, which was abandoned after-wards.

Sharigh collieries consisting of four leases taken over by the Pakistan Industrial Development Corporation (PIDC) in 1957 from Tikam Das and subsequently came under the control of PMDC on 1974.

4. Sor-Range Collieries Project:

Sor-Range Collieries are located at a distance of 28 km from Quetta on the road connecting coal fields of Sor Range, Sinjidi and Degari. The road after passing through these coal fields joins Quetta – Sibi Highway at Spezard. The Sor Range project came into production in 1964. Based on recent production data, the production capacity of this coal mine project is around 220 MT per day.

Before partition the mines were operated by Hindus and subsequently the area was allotted to PMDC/WPIDC. On establishment of Pakistan Mineral Development Corporation in July 1974, these mines were taken over by PMDC like other such projects of PIDC.

During PIDC/WPIDC period, mines were developed on scientific lines through German experts by introducing drilling blasting, use of compressed air and use of locomotives for coal/rock transportation. A central tunnel was developed to tap coal seam. Mining of coal seam above and below tunnel level was done by operating electric haulages hauling track mounted skips. The Coal seam contains explosive gas and brisk ventilation is employed.

5. Khewra Salt Mines Project:

Khewra Salt Mines Project is located about 5 kilometers North of Pind Dadan Khan District Jehlum on the right bank of Jhelum River. These mines are accessible both from Lahore - Islamabad Motorway via Lilla and Kalar Kahar Interchange. The approach road from Islamabad to Khewra Salt Mines is 152 kilometer on the south side and 13 kilometer from Choa Saidan Shah in the north side.

Khewra Salt Mines Project is based on three independent salt mining units Khewra, Khura and Makrach. There are 19 levels in Khewra mines; seven are above the main level (ground level) and eleven are below the ground level. So far 73 chambers of varying sizes have been worked at khura mines. Working in main mine is through registered miners having hereditary working rights. Working in other areas of mine namely Sohal, Makrach, Khura, Tramway and in tunnels is through contractors which are 11 in total.

Khewra Salt Mines are the oldest in the salt mining history of the sub-continent. Salt occurs in the form of an irregular dome like structure. There are seven thick salt beds with cumulative thickness of about 150 meters. At places rock salt is 99% pure. Salt is transparent, white, pink, reddish to beef-colour red. In certain horizons it is crystalline. Inside the mine there are beautiful alternate bands of red and white colour salt. There are 18 working levels. Cumulative length of all drivages is more than 40 km.

Khewra Salt Mines Tourist Resort About 250,000 to 300,000 visitors comprising of college students, general public, and foreigners visit Salt Mines Khewra every year. In February 2002 PMDC management launched “Khewra Salt Mines Resort Development Project” with an estimated cost of Rs. 4.2 million for up gradation of tourist attractions. Khewra Salt Mines Tourist Resort has been developed by PMDC with its own resources.

Khewra Salt Mine Asthma Resort An allergological asthma resort has been built for treatment of asthma patients at the famous Khewra salt mines. The asthma resort was set up at a cost of Rs10 million as a pilot project. At present the resort has a capacity to accommodate 20 patients but in future it would be expanded to accommodate 100 patients.

PMDC Khewra Welfare Projects

Pakistan Mineral Development Corporation (Pvt) Ltd. has following three Welfare projects in addition to salt mines Khewra.

• Survey Institute, Khewra
• Model High School, Khewra
• Women College, Khewra

Survey Institute Khewra (A Welfare Project of PMDC (Pvt) Ltd.) was established in the year 1971. The principle activities of the institute are to provide technical education of mining and other survey.

Model High School Khewra (A Welfare Project of PMDC (Pvt) Ltd.) was established in the year 1960. The principle activities of the college are to provide secondary school education.

Women College Khewra (A Welfare Project of PMDC (Pvt) Ltd.) was established in the year 2002. The principle activities of the college are to provide higher secondary education.

6. Warcha Salt Mines Project:

Warcha is located north East of Quaidabad and falls in Khushab District. It is connected with the country through Railway Line and Road via Quaidabad. The Distance of Warcha from Quaidabad through metalled road is 17.7 km and 13.6 km on railway line. Rails and road distance between Warcha and Lahore are 391 km and 288 km respectively. Warcha (Rukhla) lays at Latitude 32 Deg 26’ 27” and longitude 71 Deg 57’ 07”. Warcha appears at main southern bulge of central Salt Range.

Warcha was introduced during the British period to certain number of persons/families which is an impediment in modern times against management plans to concentrate salt production from few working points and cut costs. Earlier efforts to dislodge this system did not fully succeed due to the political support that these miners can muster.

The mining activities at Warcha are in operation since 1872. These mines were initially under the administrative control of Central Excise and Custom Department. Later on these mines were managed by WPIDC (West Pakistan Industrial Development Corporation) from 01 07.1962 to 30.06.1974. On bifurcation of WPIDC the Warcha Salt Mines Project was handed over to PMDC on 01.07.1974.

PMDC has given a number of salt excavation contracts to contractors for a period of 1-5 years. In some cases the machinery already installed by PMDC has also been handed over to the contractor for use on rent. The contracts generally contain provisions for termination by the contractor but none form PMDC side. However, it is invariably stated in the contracts that in case of privatisation the contractor will have no objection on privatisation and will continue to work with the new buyer either on same terms or mutually agreed new terms. It is also said that the decision of the Privatisation Commission with respect to any compensation payable to the contractor will be final and acceptable to the contractor.

7. Kalabagh Salt Mines Project:

Kalabagh is located at a road distance of 296km South West of Islamabad. The drive time from Islamabad is about 4 to 5 hours via motorway exit at Balkasar-Talagang-Mianwali. Kalabagh salt mines are located on the right and left banks of River Indus, north of Kalabagh Town.

Rock Salt form Kalabagh project is extracted from 3 major sections as under:

1. Main mine located behind the Kalabagh near village Wanda Kukranwala and bank of River Indus.
2. Drift Nos. 12, 13 and 14 located in Kalabagh Town at Zero Point.
3. Mari Mines located near old Mari village Tehsil and District Mianwali.

From mining and qualitative point of view, Mari area is less significant because of its disturbance and impure salt seams and comparatively higher sulphate contents. At present mining activities, are mostly confined to Main mine and drifts 12, 13 and 14.

The transportation of salt is through mules form deep chambers in the main mine up to the lowest level and then through haulage. In other sections, it is exclusively through mules.

Operation detail is as under:

- Main Mine, There are 28 chambers in working conditions.
- Drift No, 12/13 and 14. There are 28 chambers in working conditions.
  Ventilation tunnel form drift no 14 to drift no 13 is operative
- Mines/ Tunnel There are several quarries on surface and one tunnel
  in working condition

8. Jatta/Bahadurkhel/Karak Salt Quarries Project:

There are three sites in Jatta Bahadurkhel project. These sites are located at a distance of 35 to 40 km from each other. Basic details about the project are as under:

A - Bahadurkhel Salt Mines

Bahadurkhel Salt Quarries are situated about 80 K.M. from Kohat, 48 Km from Bannu, 32 Km from Karak district and 156 K.M south of capital of NWFP .It lies on topographic sheet

No.38-0/4.

The British took the Kohat .quarries in the year 1849. Before the British rulers, these quarries were held by, local Chieftains who were paying a nominal payment to the Sikh rulers. The British government selected 13 Maliks from Charpara, Bahadurkhel and Oarish Khel villages for excavation of salt. Bahadurkhel Salt Quarries are the biggest quarries of NWFP. Maliks of these villages arranged Miners for excavation of rock. Salt from these quarries and British Government, paid an. extra amount after excavation of 100 Mounds salt (Selman if The British Govt. fixed salmani for the Maliks in 1942.

It is further stated that when anyone among the Maliks or Salmani Holder dies their legal hairs occupy the salmani charges. Moreover the Maliks and Salmani holder directly receive the excavation charges and salmani rights from the Rock Salt Agent.

The cost of PMDC rock salt of Bahadurkhel per ton is as under: -

PMDC Share per Ton Rs.	106
Maliks Share per Ton Rs.	70
Total Rs.	176

There are 11 quarries and 5 Mines at Bahadurkhel section.

B - Jatta Salt Mines

Jatta salt quarries are situated 100 KM south on the Indus Highway from Peshawar, 32 Km from Kohat city and 32 Km from Karak city. The area lies on Topographic sheet No. 38-K14.

These quarries were started in the year 1650. In the past 52 Dharangwals were working as excavator. Presently no Dharangwal is working at Jatta and Ismail Quarries have been closed due to lack of funds and no development work. The Dharangwals have left the work of excavation due to reduction of salt prices and there is no charm for them to develop the Mines/quarries from their own: expenses. Price of Salt is Rs.176/- per ton from which PMDC receives Rs. 56/- & Dharangwal Rs 120/-

The local "Dharangwals" who have the mining rights since British regime, are involved in mining at .Jatta and Bahadurkhel only. The project management provides necessary mining supervision in accordance with mine safety provision, logistic support including explosives to the Drangwals and marketing of the salt. The Dharangwals are associated under an agreement for specified period and they are paid a ratio of sale price of salt.

C - Karak Salt Mines

Karak Salt Quarries are located 138 K.M south on the Indus Highway from Peshawar and 5 Km away from the Karak city. There are three underground mines, one main mine is presently running departmentally and other two through excavation contractors. The sale price of Karak salt is Rs, 115 per ton and Rs.30/- per ton is paid to the salt cutter & PMDC receives its share at Rs. 85/- ton.

PAKISTAN POST PROFILE

Introduction

Even in this digital age, the Post remains, for millions of people, the most accessible means of communication. The International postal services are run under aegis of the Universal Postal Union (UPU) the world over. One hundred ninety countries of the world are members of the UPU, which is the largest physical distribution network in the world. The Universal Postal Union (UPU) is a specialized Agency of the United Nations (UN). The UPU is the primary forum for cooperation between postal services and helps to ensure a truly universal network of up-to-date products and services. It sets the rules for international mail exchanges and makes recommendations to stimulate growth in mail volumes and to improve the quality of service for customers. Pakistan Post Office is a member of Universal Postal Union (UPU) and follows the decisions taken by the UPU. Pakistan Post Office Department was set up under the authority of Post Office Act, 1898 to provide domestic as well as international postal and allied services.

Keeping pace with the changing communications market, Posts are increasingly using new communication and information technologies to move beyond what is traditionally regarded as their core postal business. They are meeting higher customer expectations with an expanded range of products and value-added services.

2. The Role of the Post in Pakistan

The Post Office in Pakistan has a broad and varied role. It provides an important Communication link to individual and businesses for:

▪ Exchange of official, commercial and private letters and communications.

• Means for the dissemination of knowledge, culture and information on national and current affairs through a low priced (compared to letters) transmission of printed material and newspapers.

▪ Facilities to trade and industry for exchange of sample of merchandise at minimum possible cost Facilities for the remittances of money from person to person, institution to rafts and money orders institution, place to place through postal orders, postal services.

▪ Provide financial services including savings bank facilities.

▪ Provide life insurance services through Postal Life Insurance.

3. Postal Network

Pakistan Post is providing postal services in every nook and corner of the country through a network of more than 13,000 post offices. Pakistan Post is providing delivery services to about 20 Million households and businesses as community service without any cost considerations. In addition to its traditional role, the Pakistan post also performs agency functions on behalf of Federal and Provincial governments, which inter alias include Saving Bank, Postal Life Insurance, Collection of Taxes, Collection of Electricity, Water, Sui gas and telephone bills.

4. Organization

An autonomous High Powered Postal Services Management Board with the Director General Pakistan Post as its Chairman has been established through Pakistan Postal Services Management Board Ordinance, 2002. The Board consists of the Director General as Chairman and members of the rank of Joint Secretary from Ministry of Finance, Ministry of Postal Services, Senior officers from Pakistan Post Office Department and experts from private sector. Executive management of postal and allied services below the Directorate General is done at three levels – the Circle Level, the Regional Level and Divisional / District Level. A Postmaster General heads a Circle and its territorial jurisdiction generally extends to a province. In carrying out their responsibilities, the Postmasters General are assisted by the Regional Deputy Postmasters General and Unit Officers at operational level.

5. Services being provided by Pakistan Post

- Postal Services
  - Remittance Services
  - Services
  - Other Services International Post
  - Agency Function

(i) Postal Services

Postal mail is generally divided into two categories i.e. Un-Registered and Registered mail. Each category includes various kinds of articles of both Inland and International mail. The Services are: Letters, Parcels, Express Mail Services etc.

(ii) Remittance Services

Pakistan Post Office traditionally provides the facility of remittance of money through money order and postal orders. However, through Postal Draft Service larger amounts of money can be remitted.

(iii) Agency Functions

Pakistan Post Office Department also serves as the principal agency for the government in implementing key welfare policies. The department is providing a variety of Agency Services on behalf of the Federal, Provincial Governments and autonomous / corporate entities as per Annexure A on agreed rates of commission / service charges.

6. Automation and Allied Services at Pakistan Post

Pakistan Post has taken various measures to streamline the Post Office System on modern lines. One major area of improvement is introduction of information technology. A number of Information Technology projects have already been completed / implemented and a few more are in pipeline. A brief overview of some of the projects is as follow:

a. Benazir Income Support Program (BISP)

A complete web-enabled tracking and monitoring system for disbursement of funds for Benazir Income Support Program has been developed. The same is implemented at all GPOs throughout Pakistan.

b. Punjab Food Support Scheme

Web enabled tracking and monitoring system has been developed and implemented for the Scheme.

c. Counter Automation

Counter Automation System provides point of sale terminals equipped with computers, electronic weighing scales, barcode scanners and printers. The system ensures integrated/composite service provision at each counter. All 81 GPOs throughout Pakistan have also been provided with the same facility.

d. Computerized Military Pension Payment System

Pakistan Post disburses military pension payments to over 1.2 million military pensioners. The work for computerization of military pension was initiated in the year 2003 as pilot project. Subsequently, it was felt necessary to extend the scope of the project to all 81 GPOs. At present all 81 GPOs stand computerized for military pension payments.

e. Express Mail Track & Trace System (EMTTS)

The Express Mail Track and Trace System enables Pakistan Post to track the Express and registered insured Mail items from end-to-end within the country, providing both customers and management with valuable information relating to the location of items. The customers can track the status of their article using Internet through the website of Pakistan Post at www.ep.gov.pk.

f. Electronic Money Transfer

A fully computerized system that transfers money from over 200 countries and territories to Pakistan within minutes has been implemented. Done with the collaboration of Western Union (WU), this system has received tremendous response from the public. Valuable Foreign exchange is being received through this legal channel of money remittance to Pakistan.

g. Revamping of Web Portal

The web portal of Pakistan Post (www.pakpost.gov.pk) has been fully revamped and updated in accordance with the new vision and color scheme.

h. Computerization of Postal Life Insurance

A comprehensive computerization plan for postal life insurance is being implemented. The system will have features including web integration for the convenience of the customers to view basic information about status of their policies.

7. Financial Health

Pakistan Post had revenue of Rs 6.2 billion against expenditure of Rs 6.042 billion during 2007-08. For the last decade, Pakistan Post is running in profit. Postal Services and Financial Services contribute 38% and 62% respectively to the revenue. Daily transactions amount to Rs 4.7 billion.

PAKISTAN TOURISM DEVELOPMENT CORPORATION

Summary Profile

The PTDC is governed by the Board of Directors headed by the Minister for Tourism. Secretary (Tourism) is the Vice Chairman of the Board. A Maximum of 22 Directors can be on the Board. At present, there are 20 Directors on the Board and more than half of the total Directors are nominated by the Government.

The Chief Executive of the Organization is the Managing Director, under whom various field organizations, subsidiaries and the departments of PTDC operate. The Managing Director is the Principal Reporting Officer to the Board.

Objectives

- Development and improvement of PTDC Tourist Information Centres, Hotel, Motels throughout Pakistan to attract domestic and international tourists.
- To produce publicity and promotional material for distribution at home and abroad.
- To conduct promotional programmes, activities and events for attracting tourists.
- To create awareness of tourism through private sector, Pakistan Missions abroad, PIA offices, tour operators, travel agents and hoteliers.
- To undertake familiarization and package tours, touristic transportation and provide ground handling to group tours.
- To hold conferences, seminars, and workshops for creating awareness and promotion of tourism for image building of Pakistan.

Functions

- Planning & Development - identification and implementation of projets dealing with tourism infrastructure such as Motels, Recreational units, Resorts etc.
- Publicity & Promotion of tourist products, products, production of tourist literature, domestic / foreign publicity.
- Operation of AHP Ltd. a Public Limited Company, Managing and operating following hotel.
- Flashman's Hotel Rawalpindi.
- Management of all hospitality units operated by PTDC Motels (Pvt.) Ltd. in various tourist destinations of the country where private sector is shy to invest.
- Mangement of Pakistan Tours (Pvt.) Ltd, which provides groud handling and transport facitiliest for international and domestic groups.

Motels that have to be privatised

Sr. #	District	Province / Area	Number of Motels

1.	Abbotabad	NWFP	1
2.	Batagram	NWFP	1
3.	Changla Par	NWFP	1
4.	Chilas	NWFP	1
5.	Chitral	NWFP	5
6.	Dir	NWFP	1
7.	Kohistan	NWFP	1
8.	Swat	NWFP	2
9.	Malakand	NWFP	1
10.	Dalbaddin	Balochistan	1
11.	Khuzdar	Balochistan	1
12.	Chakwal	Punjab	1
13.	Karachi	Sindh	1
14.	Ghizar	Northern Areas	2
15.	Gilgit	Northern Areas	3
16.	Skardu	Northern Areas	2
17.	Ganche	Northern Areas	1
Total			**26**

PTDC

The PTDC is currently running 38 motels at important tourist places of Pakistan. In addition to this, PTDC has also leased out its Motel & Restaurant facilities to private parties/provincial tourism organizations, located at; Islamabad (Daman-e-Koh), Malakand, Keenjhar Lake, Khuzdar and Sharkol (KKH). Jaltarang restaurant along Rawal Lake, Islamabad is also being run by the management of PTDC Motels. A number of projects of accommodation and road-side facilities are at advanced stage of completion. PTDC is currently operating 01 Associated Hotels of Pakistan (AHP) viz, Flashman's Rawalpindi whereas Dean's Hotel Peshawar, Cecil Hotel Murree and Faletti's Hotel Lahore have already been Privatised.

COMPETED TRANSACTIONS SINCE 1991

Rs (in millions)

Sr. No	Unit Name	Sale Price	Date of Transfer	Buyer Name
	Banking and Finance			
	Bank			
1	Allied Bank Limited (51%)	971.6	Feb-91	EMG
2	Muslim Commercial Bank (75%)	2,420.0	Apr-91	National Group
3	Bankers Equity Ltd. (51%)	618.7	Jun-96	LTV Group
4	Habib Credit & Exchange 70 % (52,500,000)	1,633.9	Jul-97	Sh. Nahyan bin Mubarik Al-Nahyan
5	United Bank Ltd. 51% (1,549,465,680 shares)	12,350.0	Oct-02	Consortium of Bestway & Abu Dhabi Group
6	Bank Alfalah 30% (22,500,000 shares)	620.0	Dec-02	Abu Dhabi Group
7	Habib Bank (51%)	22,409.0	Dec-03	Agha Khan Fund for Economic Development
	Total	**41,023.2**		
	Capital Market Transaction			
8	Muslim Commercial Bank (6.8%)	563.2	Jan-01	MCB Employees-PF & Pension-F
9	Muslim Commercial Bank (4.4%)	364.0	Nov-01	MCB Employees-PF & Pension-F
10	NBP 10% shares IPO (37,300,000)	373.0	Feb-02	General Public Thru Stock Exchange
11	Muslim Commercial Bank-CDC (24,024,560 shares)	664.0	Oct-02	Sale thru CDC
12	Pakistan Oil Fields Limited-CDC (28,546,810 shares)	5,138.0	Oct-02	Sale thru CDC
13	Attock Refinery Limited-CDC (10,206,000 shares)	1,039.0	Jan-03	Sale thru CDC
14	ICP Lot – A	175.0	Sep-02	ABAMCO
15	ICP Lot – B	303.0	Oct-02	PICIC
16	ICP – SEMF	787.0	Apr-03	PICIC
17	NBP 10% SPO (37,303,932 shares)	782.0	Nov-02	Sale thru CDC
18	DG Khan Cement -CDC (3,601,126 shares)	63.0	Dec-02	General Public Thru Stock Exchange
19	NBP 3.52% 3rd offer (13,131,000 shares)	604.0	Nov-03	General Public Thru Stock Exchange
20	OGDCL 5% IPO (215,046,420 shares)	6,851.0	Nov-03	General Public Thru Stock Exchange
21	SSGC10% -SPO (67,117,000 shares)	1,734.0	Feb-04	General Public Thru Stock Exchange
22	PIA 5.8% shares SPO	1,215.1	Jul-04	General Public Thru Stock Exchange
23	PPL15% IPO (102,875,000 shares)	5,632.6	Jul-04	General Public Thru Stock

				Exchange
24	KAPCO 20% IPO (160,798,500 shares)	4,814.8	Apr-05	General Public Thru Stock Exchange
25	UBL 4.2% IPO (21,867,400 shares)	1,087.2	Aug-05	General Public Thru Stock Exchange
26	OGDCL 9.5% GDR (408,588,000 shares)	46,963.0	Dec-06	GDR offering to international & domestic institutions
27	OGDCL 0.5% SPO (21,505,000 shares)	2,359.6	Apr-07	General Public Thru Stock Exchange
28	UBL 21.74% GDR (175,951,092 shares)	34,291.7	Jun-07	GDR offering to international & domestic institutions
	Total	**115,804.2**		
	Total Banking & Finance	**156,827.4**		
	Energy Sector			
29	Mari Gas (20%)	102.4	Apr-94	Mari Gas Company Ltd.
30	Kot Addu Power Company (26%)	7,105.0	Jun-96	National Power
31	Kot Addu Power Company (10%)	3,046.0	Nov-96	National Power
32	Kot Addu (Escrow A/c)	900.7	Apr-02	National Power
33	SSGC LPG business	369.0	Aug-00	Caltex Oil Pak.(Pvt) Ltd.
34	SNGPL LPG business	142.0	Oct-01	Shell Gas LPG Pakistan
35	Badin II (Revised)	503.2	Jun-02	BP Pakistan & Occidental Pakistan
36	Adhi	618.9	May-02	Pakistan Oil Field
37	Dhurnal	161.0	May-02	Western Acquisition
38	Ratana	24.6	May-02	Western Acquisition
39	Badin I	6,433.0	Jun-02	BP Pakistan & Occidental Pakistan
40	Turkwal	75.6	Jun-02	Attock Oil Company
41	NRL (51% shares)	16,415.0	May-05	Consortium of Attock Refinery Ltd.
42	KESC (73% GOP shares)	15,859.7	Nov-05	Hassan Associates
	Total	**51,756.1**		
	Telecommunications			
43	PTCL (2%)	3,032.5	Aug-94	General Public Thru Stock Exchange
44	PTCL (10%)	27,499.0	Sep-94	Through DR form
45	26% (1.326 billion) B class shares of PTCL	156,328.4	Jul-05	Etiselat UAE
46	Carrier Telephone Industries	500.0	Oct-05	Siemens Pakistan Engineering Co. Ltd.
	Total	**187,359.9**		
	Industrial Units			
	Automobile			
47	Al-Ghazi Tractors Ltd.	105.6	Nov-91	Al-Futain Industries (Pvt) Ltd. UAE
48	National Motors Ltd.	150.4	Jan-92	Biboo Jee Services
49	Millat Tractors Ltd.	306.0	Jan-92	EMG
50	Baluchistan Wheels Ltd.	276.4	May-92	A. Qadir & Saleem I.

				Kapoorwala
51	Pak Suzuki Co. Ltd.	172.0	Sep-92	Suzuki Motors Co. Japan
52	Naya Daur Motors Ltd.	22.3	Jan-93	Farid Tawakkal & Saleem I. Kapoorwala
53	Bolan Castings	69.2	Jun-93	EMG
	Total	**1,101.9**		
	Cement			
54	Maple Leaf Cement	485.7	Jan-92	Nishat Mills Ltd.
55	Pak Cement	188.9	Jan-92	Mian Jehingir Ellahi & Ass
56	White Cement	137.5	Jan-92	Mian Jehingir Ellahi & Associates
57	D.G Khan Cement	1,960.8	May-92	Tariq Sehgal & Associates
58	Dandot Cement	636.7	May-92	EMG
59	Garibwal Cement	836.3	Sep-92	Haji Saifullah & Group
60	Zeal Pak Cement	239.9	Oct-92	Sardar M. Ashraf D. Baluch
61	Kohat Cement	527.9	Oct-92	Palace Enterprises
62	Dandot Works - National Cement	110.0	Jan-95	EMG
63	General Refractories Limited	18.9	Feb-96	Shah Rukh Engineering
64	Wah Cement	2,415.8	Feb-96	EMG
65	Associated Cement Rohri	255.0	Nov-03	National Transport Khi
66	Thatta Cement	793.7	Jan-04	Al Abbass Group
67	10% additional shares – Dandot Cement	8.3	Oct-04	EMG
68	10% additional shares – Kohat Cement	40.7	Oct-04	EMG
69	Mustehkam Cement Limited	3,204.9	Nov-05	Bestway Cement Limited
70	Javedan Cement Company Limited	4,315.9	Aug-06	Haji Ghani Usman & Group
	Total	**16,176.9**		
	Chemical			
71	National Fibres Ltd	756.6	Feb-92	Schon Group
72	Kurram Chemicals	33.8	Feb-92	Upjohn Company USA
73	Pak PVC Ltd	63.6	Jun-92	Riaz Shaffi Reysheem
74	Sind Alkalis Ltd	152.3	Oct-92	EMG
75	Antibiotics (Pvt) Ltd	24.0	Oct-92	Tesco Pvt) Ltd.
76	Swat Elutriation	16.7	Dec-94	Sahib Sultan Enterprises
77	Nowshera PVC Co. Limited	20.9	Feb-95	Al_syed Enterprises
78	Swat Ceramics (Pvt) Limited	38.6	May-95	Empeiral Group
79	Ittehad Chemicals	399.5	Jul-95	Chemi Group
80	Pak Hye Oils	53.6	Jul-95	Tariq Siddique Associates
81	Ravi Engineering Limited	5.4	Jan-96	Petrosin Products Pte
82	Nowshera Chemicals	21.2	Apr-96	Mehboob Ali Manjee
83	National Petrocarbon	21.9	Jul-96	Happy Trading
84	National Petrocarbon (add'l 10% shares)	2.3	Mar-02	Happy Trading
85	Khuram Chemicals (additional 10%)	6.0	Oct-03	Pfizer Pakistan
86	10% additional shares – Ittehad Chemicals	26.1	Oct-04	EMG
	Total	**1,642.5**		
	Engineering			
87	Karachi Pipe Mills	18.9	Jan-92	Jamal Pipe Industries

88	Pioneer Steel	4.4	Feb-92	M. Usman
89	Metropolitan Steel Mills Limited	66.7	May-92	Sardar M. Ashraf D. Baluch
90	Pakistan Switchgear	8.9	Jun-92	EMG
91	Quality Steel	13.2	Apr-93	Marketing Enterprises
92	Textile Machinery Co	27.9	Oct-95	Mehran Industries
93	Indus Steel Pipe	42.5	Jul-97	Hussien Industries
	Total	**182.5**		
	Fertilizer			
94	Pak China Fertilizers Company Limited	435.4	May-92	Schon Group
95	Pak Saudi Fertilizers Ltd. (90%)	7,335.9	May & Sep-02	Fauji Fertilizers
96	Pak Saudi Fertilizers Ltd. (10%)	815.0	Sep-02	Fauji Fertilizers Ltd.
97	Pak Arab Fertilizers (Pvt) Ltd. (94.8%)	14,125.6	May-05	Export Reliance- Consortium
98	Pak Amercian Fertilizers (100%)	15,949.0	Jul-06	Azgard 9
99	Lyallpur Chemical & Fertilizers	280.2	Dec-06	Al Hamd Chemical (Pvt) Limited
	Total	**38,941.1**		
	Ghee			
100	Fazal Vegetable Ghee	21.2	Sep-91	Mian Mohammad Shah
101	Associated Industries	152.0	Feb-92	Mehmoob Abu-er-Rub
102	Sh Fazal Rehman	64.3	Apr-92	Rose Ghee Mills
103	Sh Fazal Rehman (additional 10% shares)	2.3	May-05	Rose Ghee Mills
104	Kakakhel Industries	55.3	May-92	Mehmoob Abu-er-Rub
105	United Industries	15.5	May-92	A. Akbar Muggo
106	Haripur Vegetable Oil	30.1	Jul-92	Malik Naseer & Assoc.
107	Bara Ghee Mills	27.8	Jul-92	Dawood Khan
108	Hydari Industries	-	Aug-92	EMG
109	Chiltan Ghee Mills	42.5	Sep-92	Baluchistan Trading Co.
110	Wazir Ali Industries	31.9	Dec-92	Treat Corporation
111	Asaf Industries (Pvt) Limited	11.4	Jan-93	Muzafar Ali Isani
112	Khyber Vegetable	8.0	Jan-93	Haji A. Majid & Co.
113	Suraj Vegetable Ghee Industries	10.8	Jan-93	Trade Lines
114	Crescent Factories Vegetable Ghee Mills	46.0	Jan-93	S. J. Industries
115	Bengal Vegetable	19.1	Mar-93	EMG
116	A & B Oil Industries Limited	28.5	Mar-93	Al-Hashmi Brothers
117	Dargai Vegetable Ghee Industries	26.2	Nov-97	Gul Cooking Oil Industries
118	Punjab Veg. Ghee	18.7	May-99	Canal Associates
119	Burma Oil	20.1	Jan-00	Home Products Intl
120	E&M Oil Mills	94.0	Jul-02	Star Cotton Corp. Ltd.
121	Maqbool Oil Company Ltd.	27.6	Jul-02	Madina Enterprises
122	Kohinoor Oil Mills	80.7	May-04	Iqbal Khan
123	United Industries Limited	7.7	Sep-05	A. Akbar Muggo
	Total	**841.7**		
	Mineral			
124	Makerwal Collieries	**6.1**	Jul-95	Ghani Group of Industries
	Rice			
125	Sheikhupura	28.0	May-92	Contrast Pvt Ld.

126	Faizabad	21.2	May-92	Packages Ltd.
127	Siranwali	16.2	Jul-92	Enkay Enterprises
128	Hafizabad	20.0	Sep-92	Pak Pearl Rice Mills
129	Eminabad	24.1	Nov-92	Pak Arab Food Industries
130	Dhaunkel	79.2	Jun-93	Dhonda Pakistan Pvt Ltd.
131	Mabarikpur	14.4	Nov-93	Maktex Pvt) Ltd.
132	Shikarpur	32.5	Mar-96	Afzaal Ahmad
	Total	**235.6**		
	Roti Plants			
133	Gulberg, Lahore	8.7	Jan-92	Packages Ltd.
134	Peshawar	2.6	Jan-92	Saleem Group of Ind
135	Head Office, Lahore	10.2	Jan-92	Hajra Textile Mills
136	Hyderabad	2.6	Jan-92	Utility Stores Corp.
137	Faisalabad	11.5	Jan-92	Azad Ahmad
138	Bahawalpur	1.6	Feb-92	Utility Stores Corp.
139	Multan	2.5	Feb-92	Utility Stores Corp.
140	Quetta	4.8	Feb-92	Utility Stores Corp.
141	Islamabad	3.6	Mar-92	Utility Stores Corp.
142	Taimuria, Karachi	9.2	Jun-92	Spot Light Printers
143	SITE, Karachi	5.1	Sep-92	Specialty Printers
144	Multan Road, Lahore	3.5	Dec-92	Utility Stores Corp.
145	Korangi, Karachi	4.6	Apr-93	Utility Stores Corp.
146	Mughalpura, Lahore	-	Jun-96	Pakistan Railways
147	Gulshan-e-Iqbal, Karachi	20.2	Mar-98	Ambreen Industries
	Total	**90.7**		
	Textile			
148	Quaidabad Woollen Mills	85.5	Jan-93	Jehangir Awan Associates
149	Cotton Ginning Factory	1.2	Jun-95	Hamid Mirza
150	Bolan Textile Mills	128.0	Oct-05	Sadaf Enterprises
151	Lasbella Textile Mills	156.0	Nov-06	Raees Ahmed
	Total	**370.7**		
	Total (all Industrial Units)	**59,589.7**		
	Miscellaneous			
152	National Tubewell Const Corpn	18.6	Sep-99	Through Auction
153	Duty Free Shops	12.5	Sep-99	Weitnaur Holding Ltd.
154	Republic Motors (Plot)	6.3	Nov-99	Muhammad Mushtaq
155	Al Haroon Building Karachi	110.0	Sep-02	LG Group
156	International Advertising (Pvt) Ltd.	5.0	Apr-05	EMG
	Total	**152.4**		
	Newspapers			
157	N.P.T Building	185.0	Oct-93	Army Welfare Trust
158	Mashriq – Peshawar	26.6	Jun-95	Syed Tajmir Shah
159	Mashriq – Quetta	6.2	Jan-96	EMG
160	Progressive Papers Ltd.	46.1	May-96	Mian Saifu-ur-Rahman
161	Mashriq – Karachi	6.7	Aug-96	EMG
	Total	**270.6**		

	Tourism			
162	Cecil's Hotel	190.9	Jun-98	Imperial Builders
163	Federal Lodges - 1- 4	39.2	Jan-99	Hussain Global Assoc.
164	Dean's Hotel	364.0	Dec-99	Shahid Gul & Partners
165	Falleti's Hotel Lahore	1,211.0	Jul-04	4B Marketing
	Total	**1,805.1**		
	Total (Misc.)	**2,228.1**		
	Capital Market Transaction			
	UBL 3.26% thru GDR (26,392,660 shares)	5,159.0	Jul-07	GDR offering to international & domestic institutions
166	HBL 7.5% thru IPO (51,750,000 shares)	12,161.0	Oct-07	General Public Thru Stock Exchange
	Fertilizers			
167	Hazara Phosphate & Fertilizers Limited	1,340.224	Nov – 08	Pak American Fertilizers Limited
	Total	**18,660.224**		
167	**Grand Total (1991 to Dec 2008)**	**476,421.424**		

FUTURE VISION

During the fiscal year under review, the Privatisation Commission mainly aimed at initiating and launching alterations in the original privatisation policy. This was intended in order to revolutionize the preceding guidelines and to come up with a new and improved version of the Privatisation Policy. These policy changes were finally implemented in February 2009 and the new Privatisation Policy was, thus, officially launched.

This new Policy has been modelled on the concept of public-private partnership (PPP) and divestment of 26 % shares of the state owned enterprises (SOEs), with full transfer of management rights. This implies that the owners of 26% equity would be expected to inject new technology and management practices in the acquired entity.

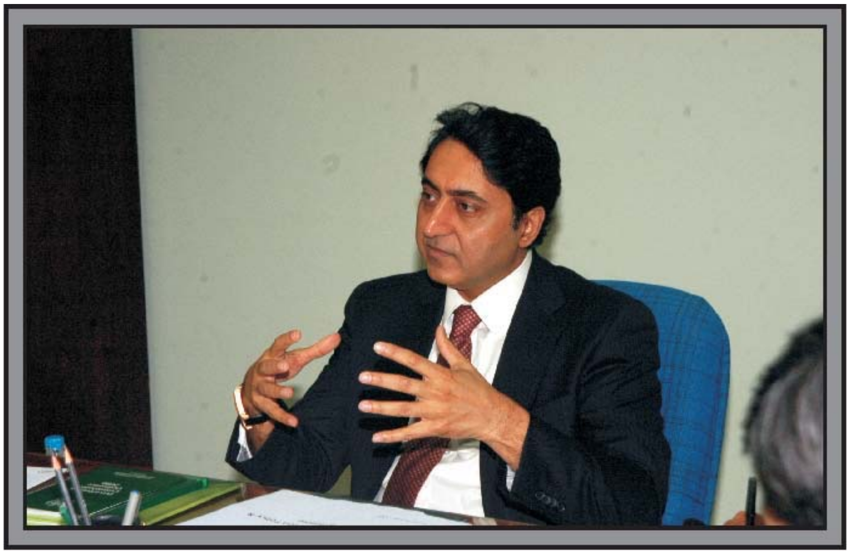
The future vision of Privatisation Commission through this policy ensures that the Government's divestment does not result in alienation of national assets and reduction in quality of production and service.

Apart from that, the Government intends to minimize the detriment of its people through Benazir Employees Stock Option Scheme (BESOS), by reserving 12% of the shares for the workers of State Owned Enterprises being privatised.

In future, the Privatisation Commission has a heavy task before it not only to dispose-off the remaining sick industrial units but also to privatise the large industrial units, public utilities, financial institutions, infrastructure and transportation facilities. Steps are being taken to expedite the privatisation process as well as to rationalise the macro-economic environment for speedy economic development of the country.

Senator Waqar Ahmed Khan
Minister for Privatisation

Mr. Shahab Anwar Khawaja
Secretary



Senator Waqar Ahmed Khan meets the officials of Ministry of Privatisation and Privatisation Commission on 19-12-2009. Islamabad: August 14, 2009 – Prime Minister Syed Yusuf Raza Gillani addressing at the inauguration ceremony of Benazir Employees Stock Option Scheme (BESOS) at Prime Minister's Secretariat.

Islamabad: August 14, 2009 – Prime Minister Syed Yusuf Raza Gillani standing in the respect ofNational Anthem at the inauguration ceremony of Benazir Employees Stock Option Scheme (BESOS) at Prime Minister's Secretariat.

A delegation of UAE led by Mr. Hasan Omran, Chairman Etisalat including Mr. Abdur Rhim Alnooryani President Etisalat Pakistan and Mr. Walid Irshad, President PTCL meeting Senator Waqar Ahmad Khan Federal Minister for Privatisation in Islamabad on December 18, 2009

FEDERAL MINISTER FOR PRIVATIZATION SENATOR WAQAR AHMED KHAN CHAIRING A MEETING OF PMDC AT SNGPL HEAD OFFICE LAHORE ON JANUARY 19, 2010