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## Pakistan Shuts Down All Utility Stores Nationwide

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— Categories: Economics



On July 31, 2025, the Ministry of Industries and Production (MoIP) ordered the immediate closure of all Utility Stores Corporation (USC) outlets across Pakistan, halting all sales and purchases effective Thursday. The decision, approved by Prime Minister Shehbaz Sharif, aims to address the state-owned enterprise's mounting financial losses, with operations limited to transferring stock to warehouses or returning it to vendors, as confirmed by a notification reported by The Frontier Post.

The closure marks the end of the USC, established in 1971 to provide subsidized essentials to low-income communities through over 4,000 stores. The MoIP cited a Rs15.9 billion accumulated loss, including a Rs6.1 billion deficit in the first half of fiscal year 2025, as the primary reason for the shutdown, according to [photonews.com.pk](https://photonews.com.pk). A

committee, led by Minister for Industries and Production Rana Tanveer Hussain, was formed to finalize the closure strategy within seven days, with plans to offer a Voluntary Separation Scheme (VSS) costing Rs29 billion for 11,421 employees, per Business Recorder. The government also plans to transfer 3,800 permanent staff to a surplus pool or other federal departments, as noted by Dawn.com.

Public and political backlash has been significant. USC employees protested in Islamabad last week, warning that the closure would exacerbate inflation and leave thousands jobless, with one protester stating, “This hands over 260 million citizens to inflation mafias,” as quoted by Business Recorder. Pakistan People’s Party (PPP) senior minister Sharjeel Inam Memon criticized the decision, urging modernization of the stores instead, per the same source. Posts on X, including by @The\_Nation, reflected public discontent, highlighting the impact on affordable access to goods.

The government’s move aligns with a broader rightsizing policy influenced by International Monetary Fund (IMF) recommendations, which included terminating 2,237 daily-wage workers by June 30, 2025, as reported by ARY News. While the closure aims to curb fiscal burdens, it raises concerns about rising costs for essentials and job losses, challenging Pakistan’s economic stability.