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# Utility Stores to Shut Down by July 31 Amid Privatization Push

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Pakistan's Utility Stores Corporation (USC) will cease operations by July 31, 2025, as the government accelerates privatization to curb losses from state-owned enterprises. This article examines the closure's impact on low-income families, the fate of 11,000 employees, and the broader implications of Pakistan's economic reforms, questioning the strategy's effectiveness.

Established in 1971, the USC operates 6,000 stores nationwide, providing subsidized essentials like flour and sugar to low-income households. However, chronic mismanagement and financial losses—Rs5 billion in 2018-19 alone, per the Ministry of Finance—prompted the federal cabinet's decision to shutter operations. A high-level committee, chaired by Finance Minister Muhammad Aurangzeb, met on July 16, 2025, to ensure a transparent closure, as reported by Radio Pakistan. The committee is crafting a Voluntary Separation Scheme (VSS) for employees and consulting the Privatization Commission (PC) on asset sales or full privatization, with a sub-committee led by the Secretary of the Establishment Division analyzing legal and fiscal impacts.

The closure has sparked outrage among workers. Arif Shah, Secretary General of the All Pakistan Workers Alliance of Utility Stores, vowed protests and legal action to protect 11,000 direct employees and 6,000 vendor staff, stating, "We'll fight this abandonment," in an interview with Arab News. Posts on X echo public frustration, with users like @TheAngrrybird claiming the shutdown favors private sugar mill owners, including political elites, over the poor. The move aligns with International Monetary Fund (IMF) reforms, which critics argue prioritize fiscal austerity over social welfare, leaving millions without affordable goods.

The government's push to privatize 44 state-owned enterprises, including the USC, aims to reduce fiscal burdens, but the abrupt closure risks destabilizing vulnerable communities. With 1,700 loss-making stores already closed, per The Express Tribune, and monthly costs cut from Rs1.12 billion to Rs520 million, the strategy focuses on efficiency but ignores immediate hardships. Pakistan must balance economic reform with social protections, ensuring privatization doesn't deepen inequality or leave workers and consumers stranded.