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Pakistan to Privatisise 24 State-Owned Entities in Three Phases

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The federal government of Pakistan has unveiled a comprehensive plan to privatise 24 state-owned enterprises (SOEs) in three phases over the next five years, aiming to reduce fiscal burdens and enhance operational efficiency. The programme was detailed by the Federal Minister for Privatisation, Abdul Aleem Khan, during a session of the National Assembly on August 7, 2025.

In the first phase, slated to conclude within one year, ten key entities will be privatised. These include Pakistan International Airlines (PIA), the Roosevelt Hotel in New York, First Women Bank Limited, House Building Finance Corporation, Zarai Taraqati Bank Limited, Sindh Engineering Limited, and three major power distribution companies: IESCO, FESCO, and GEPCO.

The second phase, covering a period of one to three years, will involve the privatisation of 13 additional organisations. This group comprises State Life Insurance Corporation, Pakistan Reinsurance Company, Utility Stores Corporation, Jamshoro Power Company Limited, multiple power generation firms, and several more electric distribution companies such as LESCO and those based in Multan, Hazara, Hyderabad, Peshawar, and Sukkur.

The final phase, expected to span three to five years, will focus solely on divesting the Postal Life Insurance Company.

This roadmap was formally approved by the Cabinet Committee on Privatisation in August 2024 and subsequently endorsed by the federal Cabinet in mid-August 2024.

The privatisation push aligns with broader structural reforms encouraged under Pakistan's \$7 billion International Monetary Fund programme. It seeks to streamline government operations and reduce the recurring fiscal drain posed by underperforming SOEs. As part of this effort, Pakistan has already moved forward with finding bidders for PIA and the Roosevelt Hotel, and expects significant upfront revenue from these sales.

However, critics have signalled caution. Without strong transparency and regulatory oversight, there is concern that privatisation could simply transition inefficiencies into private monopolies. The power distribution sector, in particular, has incurred large consulting expenses without any completed sales, pointing to unresolved technical, regulatory, and political hurdles.

Moving forward, federal authorities have pledged cooperation across ministries to ensure a smooth execution of the privatisation schedule, while urging parliamentary bodies to remain fully engaged to guarantee accountability.