

## Effect of privatization on economy and its adverse effects on economy

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**Abstract:** Privatization is now become phenomenon of world, it is now practiced by most of organizations who generally wanted to achieve specific goals to flourish their economy by selling those organization creating burden on economy. Therefore in wake of many recession and certain monarchies begin to appear on world map, they have achieved different approaches on setting new targets for achieving better economic growth rate and good economic trend has become their only necessity to achieve such targets of more prosperous economy Prime assets of Pakistan were generally thrown for use of favorites and thus privatization of such economy diamond proved as a failure for economy and our economy began to move toward recession. Privatization of 63 industries including two banks named as ABL and MCB, 7 industries related with automobile category, 8 cement plants, 5 chemical plants, 1 fertilizer plant, 16 units of ghee, 14 ROTI plants and 1 textile unit. Gross Domestic growth rate was generally very much higher than 6% in 1980 after that during rapid privatization diminished to 4% in post privatization period. Most of units have been closed by its purchasers after privatization because inability and inefficiency of Pakistan privatization commission to check the purchaser's creditworthiness. Most of units were closed soon they were privatized because government has not paid a little attention toward financial status of firm or invest who was willing to buy a company thus a large company which was contributing a little before privatization period, became idle .SCHON group has purchased national fiber, QUAID A ABAD mill and PAK china plant, therefore being bad reputation in Pakistan's market these industries were sold to this group and consequences which had not been repaired. All three were closed after privatization. These all organization have shown a diversified effect on economy because SCHON group have not any interest in running them they generally expel their amount invested in form of privatization bidding and after gaining benefits though asset stripping they have sold the firm..L.T general(R) SAEED QADIR and SARTAAZ AZIZ generally gave a lot of explanations for unwarranted favoritism. 4.6. Privatization of profitable organization always has negative consequences on GDP Privatization is the process in which government has given the chance to other private entities to select the fate of its economy but privatizing financial institution another organization running on government expense , government has lost a million of dollars in privatization phase as it has lost its resources in form of corruption , selecting higher consultancy and privatizing those institution that are running on profits , thus whenever government has launched such practice there is always one thing in their mind is that whole amount should be disposed of at debt retirement policies and poverty alleviation techniques by education more citizens and removing inequality in income distribution. Because of such dreams government has privatized it's all those organization which were giving more double return in form of loans whenever they borrowed from state bank. These firms were also giving larger profits and double taxes to the government than pre-nationalization tenure. Thus privatizing such institution not only mean to get our employees ready for sitting at home idle but also reduction in revenues that government used to get for other fruitful activities , now all that amount would go in barrels of foreign direct investors , and we soon realized the current of swimming against current

**Keywords:** Effect of privatization on GDP rate, Effect of privatization on debt/GDP growth rate Effect of privatization in inflation, Effect of privatization on unemployment rate, Effect of privatization on import and export price ,Effect of privatization on consumer spending and consumer price index ,Effect of privatization on external debt, Effect of privatization on producers prices

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### I. Introduction:

#### 1.1 What is privatization in liberal democracy?

Western world often bring home the faith that liberal democracies place in judgment of people, from an intellectual point of view there is no match. It was just like a skilful fencer dueling against the clumsy cudgel of

a street fighter; in the presidential candidate one had all the facts, nuance, logic, poise and graceful assertiveness while other had a rehearsed and obstinate repetitiveness with a frustrated smirk (1). Personally it only reinforced one's utter amazement at naivety of puritan country like Pakistan in grasping concepts (2). Not only it was the stark contrast between two candidates, follow up comments by well informed analysts were equally divided. Pakistan now stands divided today between "someone's gut level conviction and another's pragmatic evaluation of self interest "the former quality is fraught with disastrous bravado and latter is susceptible to ineffective benignity. Now Pakistanis want to decide which risk they want to take today. (3)

At least they have a choice and both players have a level of playing field, the system is a great equalizer as it strips the incumbent president of his authoritative immunity and compels him to stand before a neutral moderator who tell him how long he can take to answer a question. Whenever the vote count comes in November, at least half of south Asian will be thinking that other half greater made a wrong mistake (1). It will not matter because the right of making a wrong choice will never be questioned either by winners or the losers, the people are the winners because they have got their right to question, be informed and make a choice, so that another democratic government will produce adverse side effects in term of policies **privatization**. (2)

If they buy someone's megalomaniac belief in manifest destiny of puritan country, so it be, if they wooed by Kerry's intellectual let it be, they will get what they deserve. (2)

Reforms should not be enforced through enforced legislations, because people's tenacity to change would subvert them in end (4). At any given point in time, people do know what is best in their best interest and that deserve respect which liberal democratic espouse (5). Nationalization and privatization are two economic movements quite opposite with each other; both are introduced under political reforms under political pressure as well as political lever. (3) (2) (6) classified in their report that privatization generally stands for conversion of public owned enterprises into private owned in which not only political leaders but also administrator see espionage actions of foreign direct investors that how they grasp share of this economy and utilize it for their own benefits in turn they only give environmental and recycling plants like things to accommodate with our share of wealth. (7) (4), (8) (9) IJI government; main focus of this privatization is to indulge major hand of economy in private hands and gave government an outward push from basic share of economy (10). Government was in view that they can pass the rapid phase of industrialization throughout country; this can be asserted the crux of agenda lay in privatization of national economy. (11), (6)

It was discerned that public sector has been over extended owing to its involvement in too many activities which fall into the authority of private sector (6). In 1971 PPP government emerged with thumping very ambitious promises with the people, it emerged with very socio economic measures and program based on social economic measures. it nationalized 10 basic sectors under economic reform order in 1972 under which vegetable ghee industry, banking, insurance and shipping were nationalized in 1973-1974, in this regard public sector went into domineering position to control the nation economy (12), therefore these national organization because of ill mannered policies, uncouth behavior and unprincipled management gave rise new height of nepotism, favoritism and were running into big losses (13) (10). But rather than defining problem and getting a good moral value based on well performed statistics government has lodged itself into another phase of privatization (14). During privatization government has left their employees jobless, hopeless and insufficient golden shake hands that will ruin their life outcomes in other negative manners, they have left country thus government has welcomed their own technocrats to leave this country and load shedding of this unwanted humanity is encouraged in later phases of privatization. (15) (16) (17)

## **1.2 Regulation and de-regulation phase:**

Regulation and de regulation is another sphere of privatization where de regulation is pre requisite of privatization , without de regulation it is impossible to practice privatization in true spirit , therefore de regulation implies absence of constraints and limitations that public sector can apply . It is necessary to decrease the undue ties and control of government over private enterprise. The mode of privatization can be formulated in following manners,

1.2.1. State owned enterprises can be put on auction through public bids

1.2.2. It can be done through sale of government through stock exchange

1.2.3. It can be continued by putting such organization on auction through open public bid

Privatization policy envisaged implementing the measures by establishing the privatization commission which was set up on January 12 1991, this was required to pinpoint and identify for different industrial unit for sale purposes and this commission has also other policies like

1.2.4. All nationalized banks to be privatized

1.2.5. Any other monopolistic organization should be privatized

1.2.6. This included power generation, air lines, telecommunications, road construction, WAPDA, WASA, Pakistan steel mills, railways and other port operations through identified means.

There is always serious risk associated with privatization policy because major stocks of companies which are to be privatized are generally bought by other multinational organizations so there is always a threat to sovereignty therefore foreigners should not allowed to buy these organization in any manner the examples of KOT ADDU power generation plant (KAPCO) and HABIB CREDIT AND EXCHANGE BANK are self exploratory (10) (18),we should take extreme care while dealing with public sector organization in order to get rid by privatizing because there is always a risk of economic sovereignty . (14)

## **II. Significance of research:**

Privatization is now become phenomenon of world it is now practiced by most of organizations who generally wanted to achieve specific goals to flourish their economy by selling those organization creating burden on economy. Therefore in wake of many recession and certain monarchies begin to appear on world map, they have achieved different approaches on setting new targets for achieving better economic growth rate and good economic trend has become their only necessity to achieve such targets of more prosperous economy. During new approaches they have adopted certain characteristics through elusive claims of having greater wisdom so they legitimized their claims of having greater wisdom by achieving certain attributes of economic In Pakistan the same policy has achieved with its drawbacks similarly achieving dogmatism and signing of document behind ambiguous doors was always encouraged so this privatization commission hardly gave any damages to economy. Privatization is generally achieved to reduce dependency of country on debt and in order to move towards more flourishing economy , therefore in my research through different econometric graph which I deduced from official website of state bank , world band and bureau of statistics , econometric graphs begin to move upward as there was no privatization policy , but privatization along with itself also brought more than nothing but unemployment , increase in producers prices and increase in import , export rates, inflation rate decrease in GDP/debt I have further collaborated another example of acquisition of PSFL by FFC subsidiary known as FFC Jordan but consequences which had never been repaired. How government of Pakistan sold one of leading profitable organization to another privately bankrupt company whose profit growth was in negative row? Another approach that I have discussed here is about certain characteristics that how private firms increase it's holding from privatization therefore state has got nothing but impure economy condition.

I have proved in my research that privatization in Pakistan is always very much favorable for private sector but usually diminish public sector through tearing it every asset that must have diversified effects on economy

## **III. History and background:**

### **3.1 Philosophies included in privatization:**

In history, it reveals that major privatization efforts do positive trends and spillovers of improved technology better management skills, international production facilities and networks attract foreign direct investment in a very significant way therefore increases prosperity of that country, another scholar easterly gives an incentive theory for economic improvement phenomenon that can be worked as technological advancement formulation and improvement (19). Easterly in other words alludes to an idea that a combination of different factors including education , health , financial , moral and character values along with the fundamental structure change might be the path of long term economic growth (20). Easter has also brought one of the underlines themes in field of privatization in an idea that people usually responded to incentives, according to this analysis, most of analysis present in his books generally revealed true story of analysis of incentives created by these models (easterly 2001) (20)

In order to analyze true structure of difference policies as introduces in Pakistan in the name of privatization an denationalization we can clearly see that there is a shift involved from rightward toward the leftward, from h a historic movement of nationalization to privatization, after viewing the history first comment that came in our mind is that privatization is not a newly advised theory. (20) (21)

### **3.2 Privatization in world:**

Virus of privatization generally spreads like a wild fire and taken most of economies as it's pray and host's body from 1984 to 1994, as a result of socialization; air of privatization started to blow from different European countries toward sub continent therefore here it reach in 1980s. Privatization first started in Japan (22)and then its outbreak took place in western Europe , we can clearly see most of largest academic organization to fell in pitfall of privatization thus employees turnover rate decreases and their future expectation became bleak (23) . (24)

Starting from England we saw privatization of largest petroleum industry named as British petroleum after that a same scenario of story has started with some different moral values and results (25) , after that British have privatized their another organization which fall into aero plane industry known as British aerospace in 1979 and another chemical group recognized as radio chemical group generally this story has led us to the privatization of another fright industry known as national fright industry in 1981 and 1982 . Jaguar cars, British petroleum, British transport have also joined the list in 1980. (26) (27)

The concept of privatization in France spread like a wild fire and later on many other countries have joined the list in which privatization is gaining momentum because of uncouth and morally corrupt practices of government administrators and bureaucrats. Privatization has gain momentum because of collapse of Soviet Union and finally communist economic structure has tempered the situation (28). There has been a global shift of \$468 billion rupees in assets from public entities to private entities. A new idea started to flourish in which ownership rights were given to private entities rather than awarding them to public thus private rights aim to smoothen the various transactions in a market place, therefore whole economy was driven, regulated and translated by private entities and role of government begun to diminish. (29)

A lot of work was generally done in this regard was followed as a fundamental practices of legal rule which played its role in efficient privatization as embedded in coarse theorem , it was Ronald coarse who proposed that private sector is effectively involving the extreme problems of externalities through costless bargaining because of individual incentives. According to this theorem individual can directly and indirectly take part in cost benefit analysis, which would result in most benefit result and solution. (30)

### **3.3 Privatization in Pakistan**

Theoretical perspective of privatization in Pakistan with different etymologies: Privatization in Pakistan as a complete espionage paradigm of different policies embodied in different phases and coated with different tides:

It has a long history of 52 years. In past PIDC was established in order r to get a boost in industrial efforts of certain organization involved in textile, manufacturing and telecommunication businesses so that government has decided to get rid from extra burden and sell these industries to private sector. But the whole scenario is changed in 70s (13) (31) (32) (33), government has decided to transfer a major portion of wealth from private sector towards the national sector thus a new era of nationalization has begun which has not only effected many families but also added extra burden of management on shoulders and pillars of government (31), but nationalization policy has gained momentum and much famous among those people because its major work is for prosperity of people as it has not only given employment benefits to citizens but also contribute several thousand dollars to economy (18) (17) , government is very well aware with philosophy of communist economic reforms thus they tried to put their own philosophy of nationalization with communist newly introduced reform in order to begin a new era of national enterprises so that people will have their share in economy . (6) (13) (14) Government has introduces in 1978 TMEO (TRANSFER MANAGEMENT ESTABLISHMENT ORDER) to improve the operation efficiency of farmer nationalized industry units. This order was advanced with explicit right to ex-owner to regain their rights.

Later on by continuing the same policy government has started a wise moment by formulation a cabinet based on different members which have their position in federal ministries, ministers of production and under the chairmanship of finance division. This committee was recognized as CDC in 1985.the level of government involvement in this committee resulted to limited fruitless in which major de-investment of the era were TARBELLA cotton , spinning mills , domestic appliances , special steel mills and some other like quality steels, Karachi pipe mill , where but the overall development remained not worthy

Later on as government has changed its covers , newly elected government now generally wanted to decide another policy having the same formulation and implementation of privatization and standardized the whole scenario in effective ways , thus this new government of PPP now characterized the services if a British research firm named as N.M ROTCHILD for consultancy of privatization effort , this firm drafted a report named as “ privatization and public participation in Pakistan” this report has a wide issue to spread program as wide spread ownership .this company generally worked for this purpose and worked to remove the barrier between communication and inter as well as interpersonal skills therefore gathered data of almost 50 firms and then short listed only seven potential candidates for initial wide spread programs and these were HABIB BANK , MCB , PSO, PIA ,SNGPL,, SSGC,PAKISTAN NATIONAL SHIPPING CORPORATION (PNSC) (34) NAWAZ SHARIF took a very drastic step to introduce newly policy of privatization in a very uniform way and took aggressive policies in that regard, in 1991 purposed the disinvestment of 118 industries units which has included 45 nationalized units over the period 1972-1975. Now a day’s current government has a vast plan to introduce another phase of privatization to implement the strategy on PIA, RAILWAYS, WAPDA, WASA and SNGPL. (18) (6) (35) (13) (31) (32) (14) (2) (10)

Basically privatization minimized role of governmental owned organization and therefore increasing chances of more profitability for all privately owned organization working under promise of nation grid, privatization for centuries is a well known fact in which so called nationalist sell their unit to other private owners or other multinational organization for their betterment but it’s just like a skillful fencer dueling against clumsy cudgel of a street fighter, from intellectual point of view there is no match .Government usually privatize governmental industries in order to get rid of national industries which were not performing well in past , thus

indulging other private owner to purchase industries at usually ambiguous cost and then indulge that money into other operation like development works.

Most often government usually disinvest their companies and gave chance to other private owner so that they will run these institutions for betterment of economy inside country but unfortunately this had never happened. Therefore this is recognizable thought that privatization is phase in which government has reduced its power of administration by its own hand and usually a gift of democracy but consequences which had never been repaired.

Privatization is usually known to be a drastic need to sell rather than repairing or imposing business reengineering factors on nationalize asset and getting rid of these unwanted factories as matter of state police .privatization is usually considered a approach in which efficiency of government can be increased by increasing effectiveness of economy through selling these unwanted assets, so load shedding of more employment rate is encouraged (36)

Privatization is also used as a tool generally used by government to invest in other operational activities by disinvesting its major share in national owned organization structure therefore it has been used as a socio economic structural program through ages to indulge profit through privatization into any other programs like rail road network or welfare works that will help economy in future and to maintain proper economic hierarchy Privatization policy is not unique for Pakistan, it was imposed in Pakistan during few last decades as matter of state policy , therefore in 1952 industrial development corporation was developed to boost the industrial work , today the whole idea has changed moreover government now de-regulated their rule and introduced another approach to privatize whole industrial sector into private mafia (6) (37) (9) (32) . PIDC has developed a network of more than 50 industrial units in a very effective and efficient way but after that the whole procedure was reversed in 1977s by defaming the whole mechanized national structure into another private stratum with several spectrums of rules reshaping established notion of economy. Nationalization policy was again reversed in 1977s and thereby leaving out economy another disastrous but dangerous approach. The newly but ineffective approach became an important Pandora box for government of Pakistan in 1977 (6) (18) (9) (2)

May researchers is of the view that privatization in Pakistan usually developed a strong relationship between privatized and nationalized structure through their mergers thus passing trough enormous structures of regularization and de-legalization phases. Privatization has given the status of primary tool for emerging economy like in Pakistan and a separate deregulation committee has established with all their cognizable efforts so that they had given their approaches and ideas about a huge network of institution in Pakistan and their privatization planning. That process of privatization in Pakistan has covered a huge network of different companies belong to different categories in different lines like PTCL (33) , energy sectors and many power sectors were also involved in them. (31), (38)

In first phase of privatization program was totally failed as there were few bidders for a specific firms with ineffective benignity. As from then government has employed a huge workforce and other decision were generally taken by bereave personals, terms and policies were decided that how to run the full program on smooth ground, in order to run a smooth program on Hassel free road there is drastic need of food engine, fine monumental policies of that time have acted as rail engine, but every time uncouth and corrupt element standing behind door of policy makers inserted a spoke in their car's wheel. Thus commission of privatization board was created on 22 January 1991 (13). This commission has done a great work by putting more than 130 companies on hit list for privatization in order to satiate ambitions of purchasers factories were kept on privatization list until economy factors have gone down. (6) (13) (31) (9) (2) (9)

At the privatization summit held on september-1998; all bureaucrats generally considered privatization as measure of efficient economic policy for revitalizing and re-structuring the economy, it was asserted to pursue privatization of state owned enterprises so that it will be resulted in distribution of benefits to common man and also will bring about price efficiencies and improvements in quality of services (10). It also pointed out certain inherent damages associated with privatization which cautions to be avoided in larger national interest therefore they have declared that it was not feasible to sustain that organization which was not in favor of national interest but somewhere they forgot other arising disadvantages that could arise in near future (13) (13) (31). Privatization of financial, and other commodity producing institution should be tackled with great extraordinary care and caution, some experts suggest that these institution should be exempted from privatization; these institutions are the backbone of country's economy. (18) (9)On the other hand these institutions should have been retained to calculate the decision to determine priority sectors in order to achieve benefits and capital from these sectors , these are institutions which needed to be given extreme care not to be given in hand of foreign hands . There are needs to visualize the covert and lurking perils inherent in whole process of privatization of different core institutions, in order to preserve the interest of nationals, some regulatory authorities should be established in order to check the performance of these institutions so that they will never get that position that state even want an emergency to think about themselves, it may turn out as a

conflict with its vested interest of the private enterprises. It may like to practice its own mandate and authority. (39)

### **3.4 Privatization policies from 1977 - 1991**

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### **3.5 Privatization policies: 1991-2005**

Privatization commission has set different type of policies in order to privatize all national banks, major monopolistic organization by selling their respective share into open market through bidding and other larger organizations like energy sector, telecommunication etc.

Getting back into history, privatization commission has completed more than 151 transaction of national organization and completed the work of all documents in very eminent way. Moreover it has gained a mass momentum of revenue for Pakistan that was 177 billion. By exploring the remarkable history hidden behind bars of fantasy world we came (32) to know in financial year 2005-2006 commission has completed transaction of 8 organizations of different categories such PTCL, CTI, KESC, UBL(IPO) UNITED INDUSTRIES, and another textile mill such as BOLAN textile mill, MUSTECHKAM cement, and PAK American fertilizer for only 196 billion rupees. Therefore commission has contributed a lot to make our country debt free therefore has given more than 87 billion rupees for this purpose (32) (13) (40). Therefore after contributing for debt retirement and poverty alleviation commission has set its foot on further drastic soil by giving more 25 billion rupees to government by selling more shares but huge amount has been wasted because of ill and uncouth parameter of approaches adopted by government. (41) (6) (2) (11)

#### **3.5.1 Banking sector:**

Privatization has shown another impotent issue of region economic strife that has led to most of our economic status behind depletive condition moreover before privatization banking system was working with great zeal and efficient criteria but government has shown no interest in order to launch new parameter for

newly emphasized business reengineering but has shown enough criteria to disinvest its amount (42). Generally government was in view that private banks usually worked more truly because they have faith over their management capability and has generated more amounts of revenues but governments on other hand completely neglect the effect of producer's prices, emerging economic crunch and depression. (43) (35)  
National bank of Pakistan: disinvestment of more than 13.2% shares of national bank of Pakistan articulated for

#### **1.4 billion rupees.**

Bank ALFALAH: commission has disinvested preliminary shares of bank for rupees 622 million rupees.

HABIB bank limited: disinvestment of more than 51% of shares in HBL for rupees 24 billion

United bank limited: government has sold more than 4.22 % shares of UBL through stock market for 1.5 billion rupees.

Industry: government has sold its shares through privatization that accounted for 14.98 billion rupees.

Pak Arab fertilizer: disinvestment of more than 16.5 billion rupees

National refinery limited: this refinery was sold in open market in rise of privatization for only 16.45 billion rupees

ROHRI cement: government got 225million rupees by selling this cement plant

THATTA cement: this cement plant was sold for almost 794 million rupees.

MUSTEHKAM: disinvestment of more than 3205 million rupees.

KOHAT cement: this organization was generally privatized for only 40.8 million rupees in response of 10 % additional shares.

Bolan textile mills: government had received 128 million rupees for its disinvestment

International advertising (pvt) limited: for only rupees 5.117 million, commission has decided to set it free

Kohinoor oil mills: all shares of Kohinoor were sold for 80 million.

### **3.5.2 Oil, Gas and energy sector:**

Oil and gas sector is therefore very important for national development, in order to improve its proficiencies and skills , government has indulged a lot more amount to make a smooth shift thus increasing pressure on government revenues as it demanded a million of rupees therefore government decided to privatize its shares as a matter of state policy . Government has privatized 10 % shares of Sui northern gas pipeline but there was a unusual fact behind that these organization were not only giving substantial benefits but also giving maximized tax revenues.

Sui northern gas pipelines: 10 % shares were accounted for 1.74 billion rupees

OGDCL: government has sold 5% shares that articulated a total amount of rupees 6.8 billion rupees only.

Pakistan petroleum industry: Pakistan has gathered only 5.5 billion of rupees through money market by selling 15% shares

### **3.5.3 Power generation:**

Two goals to privatize power generation companies usually stated below they are,

1. In order to increase the effectiveness and to enhance manageability of electricity for future need.
2. Government generally wanted to save its increasing pressure over maintenance of these monopolistic structure thereby wanted to get rid by selling some of shares and invest them for other operations.

KESC: Sale of GOP shares for only 20 million rupees

KOT ADDU POWER PLANT: sale of more than 20% shares through stock exchange for only 4.6 million rupees.

Privatization policies from 2005-2012:

Telecommunication:

Government has privatized this industry in order to get better approach for its citizen so that new employment vacancies will be opened by empowering job structure plans, government was showing its trust on management of private group, in government point of view new management would increase the speed and can lay more vast network of lines to bypass the shortage of signal and telephonic interchanges. For this approach government has privatized such a remarkable organization that could prove as bid masterpiece of revenue collection if certain business reengineering plans would be devised at that time. Government has privatized this large organization on a commitment that PTCL would no longer be exist as monopolistic firm , therefore almost 1/4 organization came to an end by slicing into four equal half and awarding one to ETISALAT UAE for only \$3 billion rupees.

Therefore government has sold vast structure of this firm for only 245 billion rupees that articulated for 2.89 US dollars.

#### **IV. Effect of privatization on economy: how privatization has affected the economy?**

1. Churning variables that has affected the economy and later on whole process is proved with help of graphs
2. Factors affecting the economy because of uncouth, morally indefinite and unprincipled process of privatization in different phases:
3. Why privatization in Pakistan cannot be able to generate good results?

4.1. It is so much natural that profit to be extracted from a privatized firm should be enrolled in other beneficial tasks but government has given in term of bribed for winning a contract. Thus it became difficult for the government to inject capital for domestic economy for its more efficient working.

Privatization in Pakistan has gained momentum not because of its efficient policies but also heavy currency in shape of bribes for selling profitable organization at cheaper rates thus privatization ha involved a massive corruption of 3000 billion rupees during 1995-2008 (34). According to a statement given by KH. ASIF ex-chairman of privatization commission during NAWAZ SHARIF phase of privatization clearly said that it is based on the principle of reducing its direct participation in commercial activities and ensuring “equity and economic justice” many politicians as chairman of privatization commission has given statement about total removal of poverty from Pakistan by indulging and injecting dollars received from privatization but all those statement were remained in dust as are today standing at edge of new era find us more poor and uneducated (12) (15) (37) (44). It is so much natural that profit to be extracted from a privatized firm should be enrolled in other beneficial tasks thus but government has given in term of bribed for winning a contract. (18)

4.2. Capital from privatization cannot be utilized for economic maximization as the entire amount either was wasted in forming next tenure policies or corrupt illegal formulations and their implementations

All those effected families have raised a slogan and their cries could be easily heard at that time against this abnormal division thus government has given them a espionage slogan for dividing of wealth equally among the society for benefit of mankind. Privatization in Pakistan was smacked of cronyism and corruption and therefore was not transparent at all. it has created legal cartels after 1985 to 2008 in Pakistan thus involved several organization such as oil cartel based on 10 oil companies, brokerage cartel based on 4 groups, automobile cartel based on 3 companies, sugar cartel based on 24 companies , cement cartel based on 10 companies , food and beverage care based on 12 companies. (45) (46)

If we generally manage with determinate phase of privatization of our economy which is already in recession thus we will have to suffer and lose our economic sovereignty

4.3. However it was period of 1991 when there was a annual growth rate of 6.7 percent of GDP while it went down at 4.4 during privatization period (1991-2009).

Procedure for privatization as purposed in our country was not effective as it has done certain characteristics that have harmful aspects related with economy , there was a general prediction that privatization has increased gross domestic income but newly revitalized economy has shown a very negative trend leading us to more unprincipled and disequilibrium economic trends, the premier corporation which was developed in 1952 known as PIDC established over 50 industrial undertaking in length breadth of country after that another tide of nationalization moved its head from surface of dust in half of 1970s but due to change in government the procedure was totally reversed in term of privatization which has begun in 1977s, (34) (10) (14) (7) (2) (47) however it was period of 1991 when there was a annual growth rate of 6.7 percent of GDP while it went down at 4.4 during privatization period (1991-2009). Privatization in Pakistan was started in order to achieve two basic principles of debt reducing poverty alleviation but this was never done and total debt of country raised from us\$ 22 billion in 1991 to \$40 billion in 2007. Along with that there is also a rapid deprecation of different reserves and theory depletion has taken place so external debt of government has further exaggerated an aggravated because of ineffective policies and debt rose to 46\$dollars.country’s foreign debt has also increased to 10 billion dollars in past 6 years to current 50 billion dollars. (48) (49)

4.4. Report of corruption in privatization were also published in July 2002 ,public accounts committee has detected a massive sum of 80 billion missing collected from privatization although it was later disclosed that this amount was not used for debt retirement purposes. (50)

Another disappointing situation has revealed when same committee has disclosed that heavy transaction have been paid to different consultants in order to hatch a deal o privatization between interested parties, same privatization commission has also involved costly financial consultants for an amount of 5 billion rupees as this amount was deducted from same amount that government got by privatizing its organizations (51). In 1992 parliament of Pakistan has lodged into another law and passed it for protection of economic reforms therefore this law was implemented in 1992 providing confidence courage to original investor (50). This law served as

favoritism and unequivocal terms that unit once privatized cannot be taken back by government for any reason and although government has said this law did not repeal for the future privatization. (47)

In third world government control over public sector organization despite earlier widespread recognition of sated need for privatization in third world countries. Government accepted major condition as imposed by IMF in 1988 that entire privatization will be used for debt retirement thus in 1989 PPP government on the alleged dictated that IMF and world bank. This was a portion of whole program generally assigned for neo-liberal economic program and free market economy imposed by government. Thus in 1990s government has seen its economic moving downstream then it has joined hand with structural adjustment program under IMF in order to reform economic conditions and in order to stop economic suffering from macro economic instability. (18)

4.5. Later on IMF came up with another filthy approach to privatize TARBELA and MANGALA dams which would not only prove as utter ruin the economy of Pakistan. Government of Pakistan had also confirmed more than 184 transactions at gross sale price of 495 billion rupees in last eighteen years and the sale of 26% shares of PTCL also accounted for more than 2.5 billion dollars. (51) (50)

Under structural adjustment program government has involved and gathers a policy of market liberalization and privatization. IMF has given a proposal that all benefit and resources that we get from privatization in Pakistan should be disposed at facility of debt retirement and growth proposes and poverty reduction schemes, according to privatization ordinance government has placed 90% of funds for debt retirement where as 10 % for poverty reduction (52), but government has also informed that there were also corrupt elements persist in those privatization. Later on IMF came up with another filthy approach to privatize TARBELA and MANGALA dams which would not only prove as utter ruin the economy of Pakistan (48) (51). Government of Pakistan had also confirmed more than 184 transactions at gross sale price of 495 billion rupees in last eighteen years and the sale of 26% shares of PTCL also accounted for more than 2.5 billion dollars. (44) (47) (52) (50)

#### **4.6. Privatization of profitable organization always has negative consequences on GDP**

Privatization is the process in which government has given the chance to other private entities to select the fate of its economy but privatizing financial institution another organization running on government expense , government has lost a million of dollars in privatization phase as it has lost its resources in form of corruption , selecting higher consultancy and privatizing those institution that are running on profits , thus whenever government has launched such practice there is always one thing in their mind; is that whole amount should be disposed of at debt retirement policies and poverty alleviation techniques by education more citizens and removing inequality in income distribution (51) . Because of such dreams government has privatized it's all those organization which were giving more double return in form of loans whenever they borrowed from state bank. These firms were also giving larger profits and double taxes to the government than pre-nationalization tenure. Thus privatizing such institution not only mean to get our employees ready for sitting at home idle but also reduction in revenues that government used to get for other fruitful activities , now all that amount would go in barrels of foreign direct investors , and we soon realized the current of swimming against current (47)

#### **4.7. Privatization is also a weapon in hand of political miscreants who has led our future in doldrums and in hands of IMF and WORLD BANK.**

It is not only a political war but also an economic attack on economic sovereignty of the country, it has increased social distances among various issues related with economy so it is only formulated in order to bypass social need and to satisfy private greed. in Pakistan during privatization phase , thus has included total number of 8 tides from 1977-2008 and then 9<sup>th</sup> tide has taken place when PPP joined hands again with privatization policies therefore decided to privatize other institution present in their facility. First tide of privatization began when NAWAZ SHARIF has begun a new phase of privatization by privatizing certain nationalized institution of Punjab wing (51). It was secret on which price these all institution were sold but late on dawn news has published a scholarly article revealed all those hidden secret and prices . (37) (3) (53) (21) (37) (51)

#### **4.8. Privatization and nationalization as matter of same party's approach**

Now another phase of nationalization has started by chief minister Punjab KHADIM E ALLA by nationalizing and establishing public transport organization in Punjab. Privatization policies of NAWAZ SHAREEF got their specious approach and a leading way from British prime minster in 1979-90 Margaret Thatcher (29) (25) in which she privatized many national organization in return of more than 100 billion of dollars and reshape the economy of Britain in a very archeological way . She has made a promise "roll back the frontier to state" got the fancy of many SHAREEF like leaders thus NAWAZ Sharif during Bhutto rule peddling privatization as linchpin of economic principle and agenda. After taking a lot of suggestion from different authors, researchers and analyst, privatization commission gained momentum during first phase under military administrator Zia UL HAQ, (51) he as dictator used to give orders and wanted to obey them, he as a military

dictator could not do anything else, he just wanted to purpose his own despotic tendencies as he has learned from military operation and then tried to get them implemented in real world case scenarios. (47)

**4.9. Government gave thousands of dollars and hundred thousand of rupees to different researchers in order to find out different scenarios, proposal and research work for privatization policy.**

This newly purposed concept of privatization gained momentum during regime of PPP. Benazir Bhutto announced another privatization strategy in which her government gave thousands of dollars and hundred thousand of rupees to different researchers in order to find out different scenarios, proposal and research work for privatization policy. Benazir Bhutto has appointed an British consultant for this purpose and thus placed more than 39000\$ at his disposal and also appointed national base consolation firm named as SIDAT HAIDERI (34) (33) (9) (10) ; who was paid more than 400000/ rupees. Benazir tried to privatize sui northern gas pipelines but later on she refused this proposal and consultation firm has proposed to sell specific shares of PAK-ARAB refinery, 10% share of PIA and 60% shares of MCB. However before taking any other decision Benazir regime was dismissed and newly elected government of NAWAZ SHAREEF has now begun to decide the fate of such organization and a new air of anti-nationalization begun in shape of privatization and NAWAZ government has decided to mainframe a specific liberalized economy generally named as “wide spread ownership “different consultation firms firm generally stated to translate as creating the Pakistan’s capital market. Such consultants has proposed several industries and then selected their name for this “wide spread ownership” these all included HABIB BANK, MCB, PIA, PNSC, SSGC, SNGPL, PSO, PIAC. (54) (47)

**4.10. Privatization commissions was at that time encircled between a lot of opaque scandal and ambiguous corruption elements and stories of its chairperson L.T.GENERAL(R) SAEED QADIR**

There began the third tide from 1992 to 1994 in this period government of Pakistan has earned and divested rupees 120 billion through privatization and in 1992 MANSHA walked away with MCB and with 5 other cement plants . “SCHON group” got “PAK china fertilizer” and NATIONAL FIBRE, another group TAWAKAL got Baluchistan wheels and NAYA DAUR wheels while BIBOGEE group of HABIB ULLAH KHATAK got back their national motors originally GANDHARA MOTORS. Another unknown but reposeful individual known as SIKANDAR JITOE was successful in winning a bid for metropolitan steel , ZEAL PAK cement and SHIKARPUR rice , moreover the most unimaginable consequences of privatization was closure of NAYA DAUR motors , DANDOT cement , ZEAL PAK cement , national cement , PAK PVC REFRACTORIES, NOSHERA CHEMICALS ,PAK-CHINA FERTILIZER ,PAK steel , PAK switch gauge, Indus steel pipe , FAZAL VEG , HARIPUR VEG OIL , Khyber VEG , SURAJ VEG .in 1991 privatization commission was formed in order to privatize major part of national economy sharing organization but privatization commission was at that time encircled between a lot of opaque scandal and ambiguous corruption elements and stories of its chairperson L.T.GENERAL(R) SAEED QADIR. There is another allegation was waiting for him at that time that he has sold MCB at a very cheaper rate below current market price of that time and alleged partners of prime ministers.

**4.11. GDP growth rate which was above 6% in 1980 declined to around 4% in post privatization period. Most of units have been closed by its purchasers after privatization because inability and inefficiency of Pakistan privatization commission to check the purchaser’s creditworthiness**

Prime assets of Pakistan were generally thrown for use of favorites and thus privatization of such economy diamond proved as a failure for economy and our economy began to move toward recession. Privatization of 63 industries including two banks named as ABL and MCB, 7 industries related with automobile category, 8 cement plants, 5 chemical plants, 1 fertilizer plant, 16 units of ghee, 14 ROTI plants and 1 textile unit. GDP growth rate which was above 6% in 1980 declined to around 4% in post privatization period. Most of units have been closed by its purchasers after privatization because inability and inefficiency of Pakistan privatization commission to check the purchaser’s creditworthiness. Most of units were closed soon they were privatized because government has not paid a little attention toward financial status of firm or invest who was willing to buy a company thus a large company which was contributing a little before privatization period , became idle . Horrible reputation of SCHON group is household knowledge in Pakistan was given three units, national fiber, Pak china and QAIDA ABAD WOOLEN mills. All three were closed after privatization. These three organization were not privatized transparently therefore SCHON group was able to access other offers before submitting their bids, moreover they didn’t pay the first installment and commission did not take enough strong line to forfeit the bogus purchasers .L.T general(R) SAEED QADIR and SARTAAZ AZIZ generally gave a lot of explanations for unwarranted favoritism shown to SCHON group and TAWAKKIL group. (31)

**4.12. Investors are only interested in asset stripping thus they have purchased these organization , gave one instatement then they sold off their major assts , price was recorded by selling fixed assets and has engaged themselves in asst stripping .this is a frequent picture of privatization in Pakistan**

Another major unit which was closed after privatization was zeal PAK cement. their buyers was not interested to run the business under fruitful shadow of Pakistan market therefore they have dropped a droplet of extra burden by snatching major asset from country thus sold major part of assets of organization and has engaged themselves in asset stripping . such investors are only interested in asset stripping thus they have purchased these organization , gave one instatement then they sold off their major assts , price was recorded by selling fixed assets and has engaged themselves in asst stripping .this is a frequent picture of privatization in Pakistan. Privatization has soon emerged into weak industry of engineering in Pakistan, this industry was surfing its time as a survival during that time but soon a cartel was formed between D.G cement and maple leaf cement. 115 units had been earmarked in privatization by NAWAZ Sharif but soon after this, his government was dismissed on April 18 1993, privatization commission had reported that he has privatized more than 68 industrial units , 10%shares of SNGPL, for a consideration of 12000 million. (11) (45) (38)

**4.13. Such sales in history of Pakistan were reported as scandal of corruption, first government of Pakistan has poured 30 billion rupees into this institution to cover its non-performing loans and in order to make it SALEABLE and then sold the whole bank for only 12.5 billion rupees**

Another financial institution was generally closed as result of privatization as it had strong negative impact on market .as according to certain reports issued in different magazine at that time there reported a looting of more than 10 billion dollars 51% of HABIB bank shares were generally sold to AGHA khan fund for economic fund in December 2004 accounted for only 22 billion rupees whereas its total assets were 570 billion, HBL had 1475 branches and other 40 in different 26 countries in all over the world (50) . Another incident of massive corruption had attacked the nation when they have sold another financial institution at price of a liberty plaza for only 13 billion , such sales in history of Pakistan were reported as scandal of corruption , first government of Pakistan has poured 30 billion rupees into this institution(UBL) to cover its non-performing loans and in order to make it saleable and then sold the whole bank for only 12.5 billion rupees , government of Pakistan has made a huge fun of public which have gathered this amount from their taxes thus government has been pouring their blood, eating their flesh and then again selling them in market at only price of a tea bag. in its privatization , its bidding was not opaque , MIAN MANSHA was first seen as highest bidder among all other investors later on best way group was on top in second round in ABU SHABI , here government has lost more than 17 billion rupees in this privatization exercise . (44) (47) (50)

4.14. In September 1998 NAWAZ SHAREEF had suspended cabinet committee on privatization thus appointed himself as chairman of privatization commission but his reaction has shown an egotistical attitude.

Another fourth tide of privatization in Pakistan has begun when during 1993 – 1996 BENAZIR privatized more than 25 industries, one financial unit, 16 industrial units, 2 energy companies, 1 telecommunication company, KOT ADDU power plant and 10% shares of PTCL. Privatization commission has received a total amount of rupees 30.5 billion rupees on account of partially privatizing the PTCL. Another 5<sup>th</sup> tide of privatization in Pakistan began from 1997 to 1999 in second tenure of NAWAZ Sharif proved to be a complete failure in term of privatization process .but among all other hot stories honest chairman of privatization commission like KHWAJA ASIF could not restore confidence of business investors in country therefore privatization process during his phase ran at speed of tortoise. Government could only privatize 12 industries with a total gross income of 5.5 billion rupees and if we totally exclude second phase privatization of KOT ADDU then total money raise was only 2.36 billion rupees. In September 1998 NAWAZ SHREEF had suspended cabinet committee on privatization thus appointed himself as chairman of privatization commission but his reaction has shown an egotistical attitude. (55)

4.15. Further more employees of NFC have shown their reservation over the privatization plan, NFML is marketing wing of NFC, more than 200 hundred employees were having the fear being load off after NFC disposed off most of its fertilizer assets, golden shake hand has only benefited to executive class but all those employees who have join the corporation have the fear of empty pockets and idle life

According to certain employee of this organization said that NFC has gotten rid of most of its assets in past couple of couple of years including the Pak Saudi in MIR PUR MATHELO, which was sold to FFC for 7.33 billion another its subsidiary PAK ARAB in Multan one of the biggest unit in region was sold to Fatima group for rupees 13 billion and PAK American was sold to AS Guard group for 16 billion. (56)

## **V. Methodology and research concept:**

In my research I have assumed following important alternatives present in economy; from which researchers have deduced their result with different perspective, there mostly are

- 4.1 Effect of privatization on GDP rate
- 4.2 Effect of privatization on debt/GDP growth rate
- 4.3 Effect of privatization in inflation
- 4.4 Effect of privatization on unemployment rate
- 4.5 Effect of privatization on import and export prices
- 4.6 Effect of privatization on consumer spending and consumer price index
- 4.7 Effect of privatization on external debt:
- 4.8 Effect of privatization on producers prices:

I generally used to take official figures from Pakistan official website of bureau of statistics and world bank so there remain no chance of any kind of plagiarism in my methodology then I used to give certain case studies associated with real world case studies of companies that were first nationalized then privatized in order to give boost to my espionage report with next sequel and prequel data entries make my report more affluent and authenticated.

Privatization is generally achieved to reduce dependency of country on debt and in order to move towards more flourishing economy , therefore in my research through different econometric graph which I deduced from official website of state bank , world band and bureau of statistics , econometric graphs begin to move upward as there was no privatization policy , but privatization along with itself also brought more than nothing but unemployment , increase in producers prices and increase in import , export rates, inflation rate decrease in GDP/debt

I have further elaborated another example of acquisition of PSFL by FFC subsidiary known as FFC Jordan but consequences which had never been repaired. How government of Pakistan sold one of leading profitable organization to another privately bankrupt company whose profit growth was in negative row?

Another approach that I have discussed here is about certain characteristics that how private firms increase it's holding from privatization therefore state has got nothing but pure economy condition. I have proved in my research that privatization in Pakistan is always very much favorable for private sector but usually diminish public sector through tearing it every asset that must have diversified effects on economy.

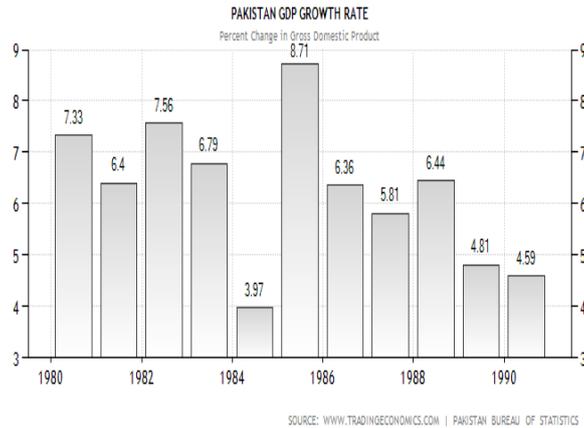
### 5.1 Effect of privatization on economy derivatives as a whole:

Effect of privatization on GDP growth rate:

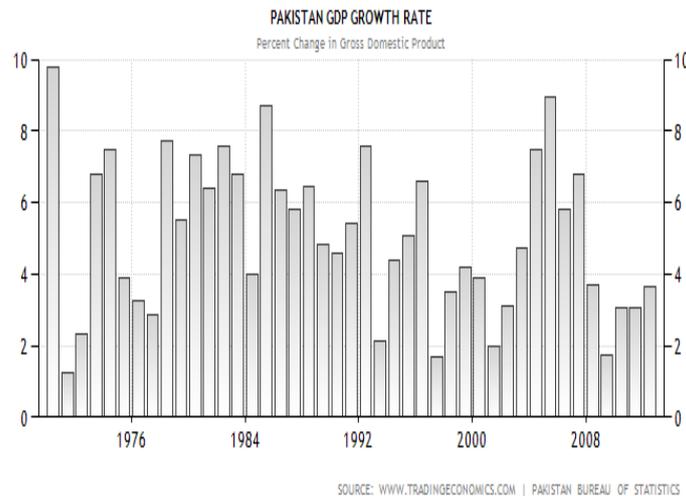
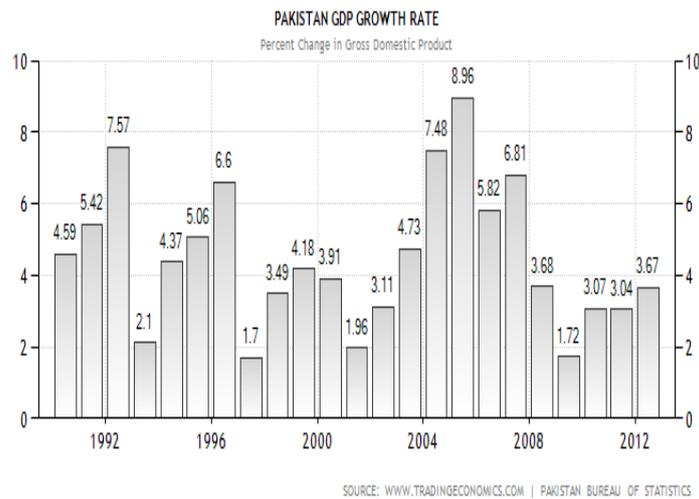
GDP growth rate from 1970 - 1980



GDP growth rate from 1980-1990



GDP growth rate from 1990-2012



**Analysis:**

Pakistan’s government have made a target of 4.2 % economic growth rate after selling all their noticeable profit gaining organization therefore could not gather such lunatic figure despite using all other policies of different approaches but they have achieved economic growth rate of 3.7% which was somehow greater than previous ratio of 3% thus in such regard there may be different factors involved in it, we cannot ignore privatization factor despite having profitable organization government has ignored their profit maximization strategies thus sold them on cheaper rates today many analyst and researchers as well as employees belong to different departments said that continuous decline in investment is generally just because

of privatizing public institutes and giving everything to hands of foreigners thus allowing them to vest as many resources as are within their reach and satiate their own ambitions.

Many researchers, analyst and theorists reported that Pakistan's economy has shown some recovery in terms of economic growth, certain alternatives as macro indicators still remain weak and in-compassionate. Continuous and persistent effect of inflation and pressure on fiscal and current accounts, because of privatization has changed the whole shape of economy thus remained as key challenges for economy. In addition to all such factors low investment and energy shortages have direct growth implications, a very much visibly high fiscal deficit remains a major risk to macro-economy. Many theorists from their different articles suggested a budget deficit of 4.3 percent of GDP for Jul-Mar FY 2012, and it appears that budgetary gap for full year will exceed revised target of 4.7 percent. Therefore as a whole revenues are lower than what they are expected

Although according to view growth in current expenditure is lower compared to previous years, government has enhanced its investment in development works. "However such types of development spending should improve long-term growth prospective, these key alternatives also creates financing pressures on economy. Matter of fact government of past have tried to launch a failed practice of privatization in shape of economic reform which now appears as a espionage action of explicit scenes of corruption this destroyed our whole economy in years. After launching such a despotic tendency of unethical campaign with efforts to reform public sector enterprises (PSEs), operational efficiency of key PSEs has not improved. Thus such practice continues to add to the country's fiscal burden.

Many Reporters said in terms of financing this deviation, government of Pakistan must have relied more on domestic resources as outside financing dried up and must stop borrowing billion of rupees that government has done before in Jul-Mar FY12 from domestic sources, therefore as compared to Rupees 700.1 billion in given period of 2011. Lately, that has been positively skewed towards borrowing from SBP.

According to certain type of reports given by financial analysts that such debt placed an heavy weight on side of liabilities therefore in Pakistan's law store and amendment history and its present two different type of acts in Pakistan's legislation documents such as fiscal responsibility and debt limitation act of 2005 and secondly is amended SBP act which provides certain guidelines on different dimension of borrowings. Pakistan's such large amount of assimilation of dollar amount through debt financing generates severe damages to its liquidity management and controllability of greater debt interest rates.

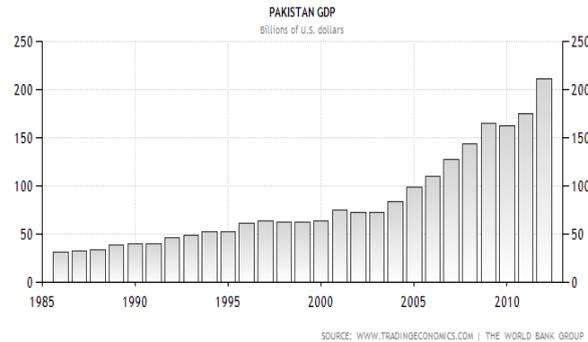
Pakistan's Government domestic debt has recorded the increase of Rupees 1.2 trillion during Jul-Mar 2012 to reach Rupees 7.2 trillion. There is result of much greater reliance on short term borrowing, which is here establishing liquidity management problems for federal bank, and rollover interest rate risks for the government. Thus government of Pakistan's attitude of more growing appetite for funding basic development works, banks now have little incentive to finance private sector.

As we are living in decade of technology advancement and want now to lead our country toward neutral maximize economy neither divergent toward greater depression nor having loops in normal days thus in order to give an original shape to this dream this is important that Pakistan's management and finance division in collaboration with their economic advisors must diverged the rate of deficit in accounts from 3.2million dollars from July-march 2012

While In order to analyze true structure of difference policies as introduces in Pakistan in the name of privatization and denationalization ;we as a analyst clearly see that there is a shift involved from rightward toward the leftward, from a historic movement of nationalization to privatization these challenges will continue to shape the outlook for economy, it is alarming situation that GDP is generally moving down with an enormous rate as such challenges will reshape the whole economy and tear down its most of factors and derivatives against manifest destiny of Pakistan thus it's important to give a proper shape to such policies of privatization.

Another known institute Pakistan Bureau of Statistics (PBS) is already in process of integrating changes in national income accounts. Pakistan bureau have assumed greater figures which clearly showed that GDP of country is going there are also other reason involved in this factor but factor disinvestment can never be ignored. After comparing with these two figures we have analyzed that privatization have a direct positive correlation relationship with this approach of privatization

## **5.2 Effect of privatization on GDP:**



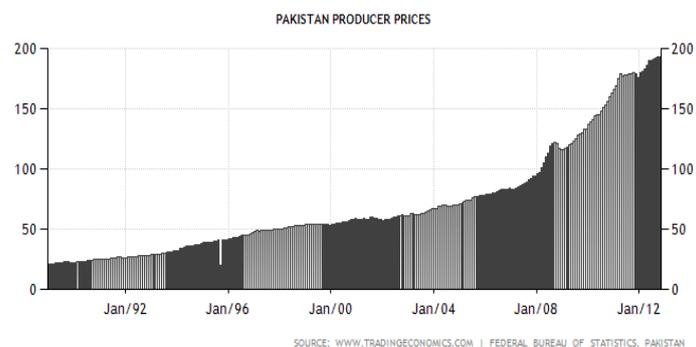
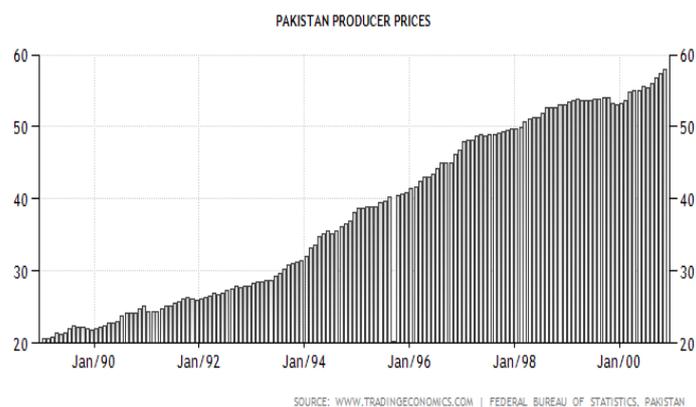
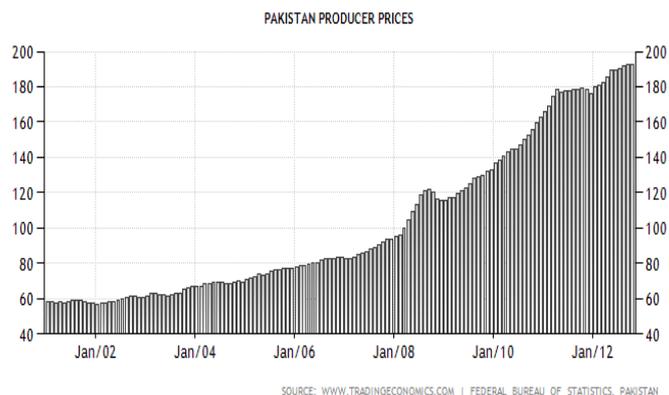
### 5.3 How privatization affected debt / GDP rate:



### Analysis:

Prime assets of Pakistan were generally thrown for use of favorites and thus privatization of such economy diamond proved as a failure for economy and our economy began to move toward recession. Privatization of 63 industries including two banks named as ABL and MCB, 7 industries related with automobile category, 8 cement plants, 5 chemical plants, 1 fertilizer plant, 16 units of ghee, 14 roti plants and 1 textile unit. Gross Domestic growth rate was generally very much higher than 6% in 1980 after that during rapid privatization diminished to 4% in post privatization period. Most of units have been closed by its purchasers after privatization because inability and inefficiency of Pakistan privatization commission to check the purchaser's creditworthiness. Most of units were closed soon they were privatized because government has not paid a little attention toward financial status of firm or invest who was willing to buy a company thus a large company which was contributing a little before privatization period, became idle. SCHON group has purchased national fiber, QUAID A ABAD mill and PAK china plant, therefore being bad reputation in Pakistan's market these industries were sold to this group and consequences which had not been repaired. All three were closed after privatization. These all organization have shown a diversified effect on economy because SCHON group have not any interest in running them they generally expel their amount invested in form of privatization bidding and after gaining benefits though asset stripping they have sold the firm. L.T general(R) SAEED QADIR and SARTAAZ AZIZ generally gave a lot of explanations for unwarranted favoritism. (57)

### 5.4 Privatization and its effect on producer's prices



As I have compared price list of different services charged by two bank one among is privatized where other is nationalized, here we can see that bank which is nationalized has more costumer oriented price as compared to other privatized bank

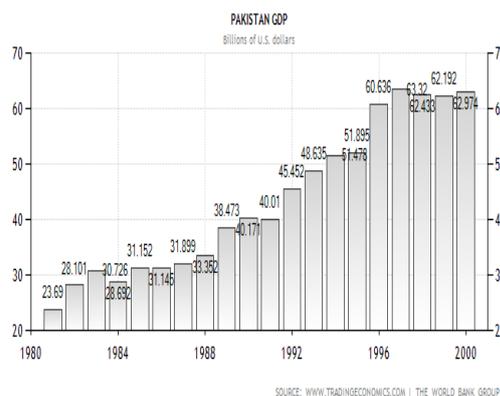
**Privatization and its effect on institutional prices**

	NBP	ABL	
1. Services rendered by costumers	Cost	Cost	Difference
2. DD Issue from account	80	150	1.87 times 87.5%
3. Charges			
4. DD Issue from account usual	0.1%	0.1%	
5. Rate			
6. DD Issue by cash minimum	100	1000	10 times 900%
7. Charges			
8. Issue of DD by cash rate	.1	02%	Double or 100%
9. Cancellation of DD A/c holder	100	500	5 times 400%
10. Cancellation of DD Cash	150	500	3.33 times 233%
11. Issue DD Duplicate from A/c	225	250	Double or 100% Issue DD
Duplicate by cash	300	1000	3.33 times 233% Pay Order
Issue from A/c	80	100	1.25 times 25%
12. Pay Order Issue by Cash	150	1000	6 times 500% Duplicate
PO to A/c holder	150	200	1.33 times
13. Duplicate PO by cash	200	1000	5 times 400%
14. PO cancellation A/c holder	100	500	5 times 400%
15. PO cancellation by cash	200	1000	5 times 400%
16. Call Deposit issue A/c Holder	100	100	Equal
17. Call Deposit issue on cash	200	1000	5 times 400%
18. Duplicate statement of A/c	35	35	Equal

**Analysis:**

There is a radical need that we have to elaborate effect of privatization on producers prices, as with this effect on privatization producers prices begin to rise from the period of 1986 to 1990 because producers now want to evaluate their asset invested to acquire the organization into more profitable wealth thus acquire every possible tool to increase their holding by charging more. As I have compared price list of different services charged by two bank one among is privatized where other is nationalized, here we can see that bank which is nationalized has more costumer oriented price as compared to other privatized bank, in 2001-2002 privatization on part of government of Pakistan's largest fertilizer producing plant and its ambiguous acquisition with subsidiary of FFC known as FFC bin QASIM , lead our fertilizer bag prices on highest stake point of pyramid , this acquisition not only converted per bag price of urea , nitro phosphate, can and dap into sky rocketing price, therefore price of per bag in 2001 of DAP was available at a rate of rupees 285, now touching a price tag of more than 1000 rupees. Therefore such prices have their effect on every single yield that our farmer extract after manipulating seeds , digging water passes for irrigation , harvesting the crops and soaking their soul and blood into farms . such price of per bag fertilizer have its effect on per kg fruit , vegetable and other eatable items such as dry fruit available in market . Greater the producer prices in any economy lesser will be its demand in any sector either presents inside or outside the economy, therefore, consumer find it much difficult to cater this situation of higher increase in price just because of unintentional privatization scheme of government. (58)

**5.5 Privatization and exaggerated and aggravated unemployment rate:**



**Analysis:**

There are various researchers who fear that privatization and the associated effectiveness tools will require large labor force minimizations after privatization most of privatized firms continue to business reengineering. Many researchers also narrated that small scale as well as large-scale job losses have been merged with privatization in most underdeveloped countries, Further more employees of NFC have shown their reservation over the privatization plan, NFML is marketing wing of NFC, more than 200 hundred employees were having the fear being load off after NFC disposed off most of its fertilizer assets, golden shake hand has only benefited to executive class but all those employees who have join the corporation have the fear of empty pockets and idle life. According to certain employee of this organization said that NFC has gotten rid of most of its assets in past couple of couple of years including the Pak Saudi in MIR PUR MATHELO, which was sold to FFC for 7.33 billion another its subsidiary PAK ARAB in Multan one of the biggest unit in region was sold to Fatima group for rupees 13 billion and PAK American was sold to AS Guard group for 16 billion.

There are the following examples of some countries that give a flavor of the employment challenge merged usually with privatization. Newly privatized firms don't have sufficient capability to govern such a large employment rate within their companies as matter of fact.

**Bulgaria:**

the rate of Industrial work force that has been employed in Bulgaria that has diminished by 31.3 per cent; employment in privatized firms diminished from 4 million to 1 million unemployed people, between December 1989 - December 1991.

**Czech Republic:**

A government of Czech has conducted a survey of 572 companies -- 101 in food, 159 in engineering, 184 in manufacturing and 128 in construction -- defined a "significant decline in employment rate", with such a proportional picture that industries with business services and operational management like engineering (12 %) showing the thickest drop, manufacturing and construction each cutting jobs by 10 %, and the food sector by 4 %.

**Hungary:**

whereas the Employment rate in engineering diminished by 12 %, in manufacturing by 10 per cent, in construction field privatization has cut down employment rate by 10 % and in food processing by 4 % during 1992 and 1993. In nationalization scheme much prior and Before privatization the lighting company TUNGRAM generally given jobs to more than 35,000 people which were left and rate diminished by 9,500 after privatization by 1993.

**East Germany:**

in East Germany the numbers in employed individual generally fell from 9 million before privatization to 6.3 million by the fall of 1992; therefore the absolute numbers employed in enterprises according to different articles written by scholastically authors under the privatization agency, the Treuhandanstah, fell from 4.1 million to 1.2 million during this season.

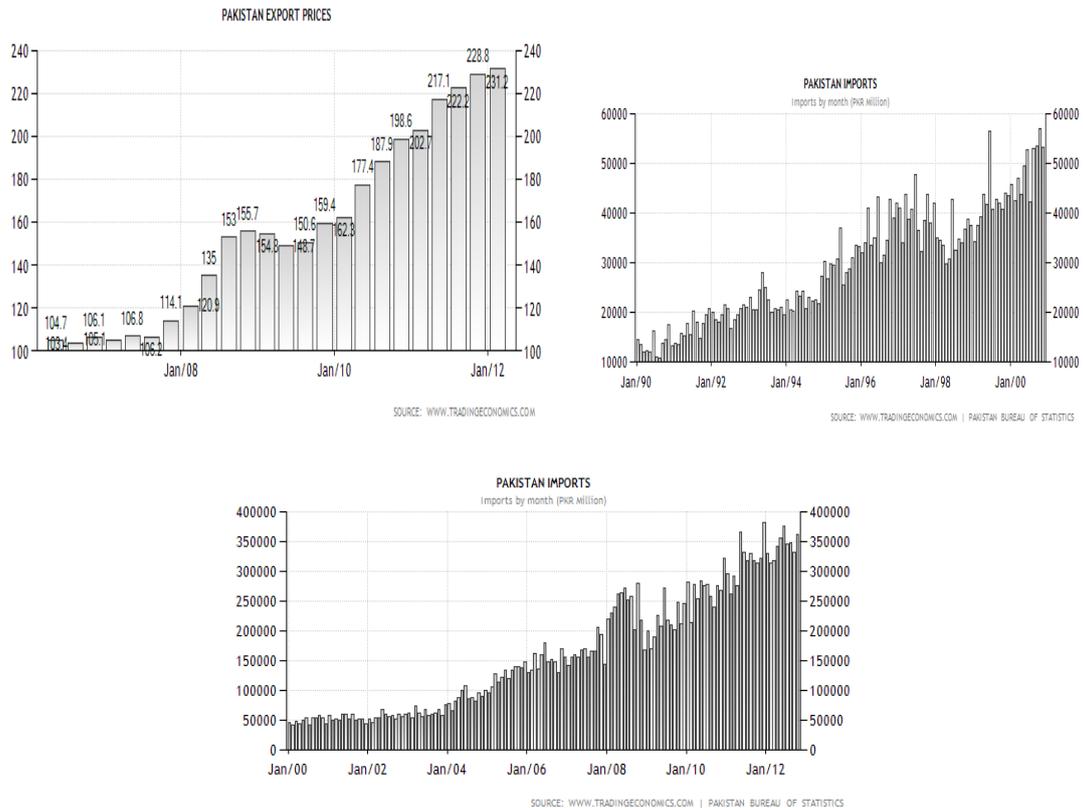
**Poland:**

in Poland federal Government took an initiative to conduct a research of 130 companies (24 % in manufacturing, 45 per cent in construction business and whereas 31 per cent in trade and services), giving jobs to almost 285 each on average, showed that unemployment by 15 per cent in the beginning year and by 25 per cent over the first two beginning years after privatization, therefore government has diagnosed that there will be a diminishing and leveling-off in the third year with a drop of a further approximately 2 per cent. Therefore a conclusive study conducted by their researchers that a significant research of ten privatized industries and trade companies indicated diminishing return in employment totaling around 12.5 per cent.

**Pakistan:**

Thus this privatization generally enabled citizen of Pakistan to sit idle and do nothing but to stare their own life digging hole of idleness for their future usually this was done mainly through early retirement and voluntary redundancy with golden shake hands, therefore alongside a freeze on recruitment policies. Future of jobs in Pakistan is in doldrums, most of people are leaving abroad just because of firing of bullets by miscreants and their thin narrow line like future because whole nation is joining hands towards peer attitude, serve attitude, "GADDI NASHIN" and politics elegancy therefore most of the jobs were redundant as a result of ill and malfunctioned administrative functions and being centralized with the new owner's offices outside Pakistan. In Pakistan unemployment rate was very much below during 1990 when there ran a exaggerated scheme of nationalization but again radical steps were taken to reduce luxury present among population by different ministries in power thus this unwanted luxury was reduced in back century of 2000 where index has reached to boiling point of above 60. (17)

## **5.5 Effect of privatization on export and import prices:**



**Analysis:**

As we are living in decade of technology advancement and want now to lead our country toward neutral maximize economy neither divergent toward greater depression nor having loops in normal days thus in order to give an original shape to this dream, this is important that account deficit during Jul-Mar FY12 was US\$3.1 billion must be limited and reduced comparatively more less than to deficit of \$10.0 million in corresponding period last year. As federal government of Pakistan has sold one of its most profitable organization named as PAK ARAB fertilizer plants for more than 7 billion rupees, as this unit was one of the biggest production facility of fertilizer which was now purchased by FFC bin QASIM, as such organization was sold to private entities they such manipulate the whole market for their own interest this increasing prices in order to maximize profit origin and begin to act as a partial monopolistic player in the market. With huge price of fertilizer and ineffective production of proper fertilizer goods and pesticides enable the government to purchase material from abroad thus influencing prices over this area. In 1952 the fertilizer in Pakistan currently comprises of 10 organization 4 out of which are in the public sector listing such as HAZARA Phosphate Fertilizer (Pvt) Limited secondly Lyallpur Chemical & Fertilizer Limited and their included other fertilizer king such as Pak Arab Fertilizer Limited and Pak American Fertilizers Limited, along of these largest organizations while 6 are in the private sector mostly name as Engro Chemicals Pakistan Limited another latterly joined this window as DAWOOD Hercules Chemicals Limited finally there reached another fertilizer plant named as FAUJI Fertilizer Company Limited and one of the biggest plant of FFC-Jordan Fertilizer Company Limited latter in FFC has acquired Pak China Fertilizer and Pak Saudi Fertilizer Company Limited which is now owned by FFC. As because of above mentioned scenarios export product begin to rise from 1990s with increase in prices of export products, demand of our product begin to decrease. With this fact our government begin to import more fertilizer material in order to overwhelm production of agricultural products thus influence the use of more dollars in this field because of ineffective handling of privatizing necessary units of Pakistan (59)

**5.6 Effect of privatization on inflation rate:**

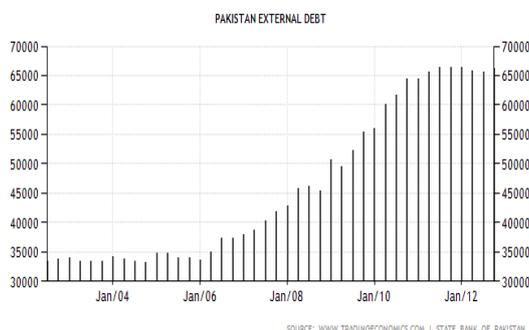


**Analysis:**

In Pakistan inequality in income distribution prevails over all other justified figures of equality in handling all human equally in a diversified economy, as because of privatization of larger banks such as MCB and allied bank here we can analyse that ABL charges more amount on services now than any other government bank in order to retain their share on such peak tip of a hierarchical structure present in this stagflation, inflation but no deflation economy. Here we can directly see that government of Pakistan has privatised more than 133 organizations thus received enough resources from these sources but along the other side of rail government has also ran its train of development projects, welfare projects and other econometric proportion of subsidies in oil and gas sector that minimizes the effect of this income, but such privatised firms issues their product on their own peak prices hinders normal distribution of income from one strata of population to another strata of this socialistic structure of Pakistan, here we can see that government of Pakistan has given golden shake hands to those individuals that were retired from these firms instead of that government has reserved their amount in national saving centers on a very productive incentive of greater interest rate than other individuals, by doing this government has not only stopped operating cycle of their that amount given to these individuals in shape of golden shake hand but also hinder proper investment amount, excessive amount is given by private firms to private employed individual in order to reserve their good status in shape of good will associated with human interferences of their so called intellectuals. On one side we have seen a limited income people with their half foot dipped in soil of interest whereas on the other rail there are employed individual with more than 6,7 figure salary. In spite of this in order to retain continuous position of artificial inflation in Pakistan government has not been disabled their highly paid infrastructures. Thus excessive amount began to roll down in market because of illegible activities of federal government. **Why inflation rate was at its peak following the very next tenure; when the PTCL was privatised?** (17) (17) (18)

**4.6 Privatization and external debt:**

Privatization is considered as a remedy for deduction in external debts but scenario is showing a complete diverged picture of this stance:



**Analysis:**

It was period of 1991 when there was an annual growth rate of 6.7 percent of GDP while it went down at 4.4 during privatization period (1991-2009). Privatization in Pakistan was started in order to achieve two basic principles of debt reducing poverty alleviation but this was never done and total debt of country rose from US\$ 22 billion in 1991 to \$40 billion in 2007. Another major unit which was closed after privatization was Zee PAK cement. Their buyers were not interested to run the business under fruitful shadow of Pakistan market therefore they have dropped a droplet of extra burden by snatching major asset from country thus sold major part of assets of organization and has engaged themselves in asset stripping. Such investors are only interested in asset stripping thus they have purchased these organizations, gave one installment then they sold off their major assets

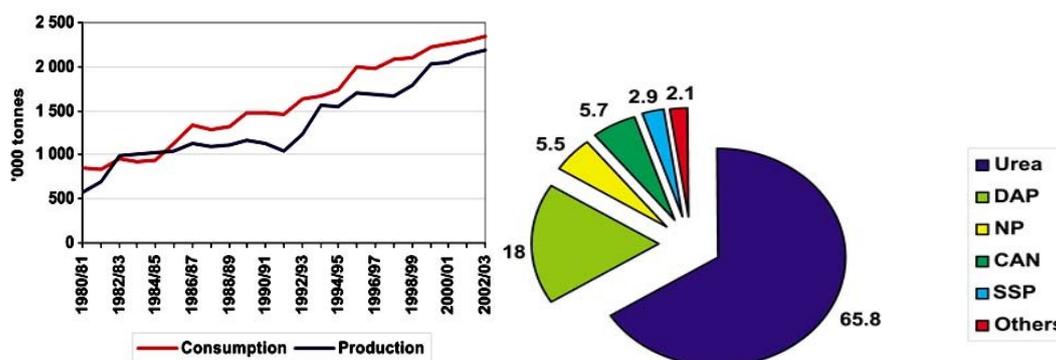
, price was recorded by selling fixed assets and has engaged themselves in asset stripping .this is a frequent picture of privatization in Pakistan. Almost 10 billion dollars 51% of HABIB bank shares were generally sold to AGHA KHAN fund for economic fund in December 2004 accounted for only 22 billion rupees whereas its total assets were 570 billion, HBL had 1475 branches and other 40 in different 26 countries in all over the world . another incident of massive corruption had attacked the nation when they have sold another financial institution at price of a liberty plaza for only 13 billion , such sales in history of Pakistan were reported as scandal of corruption , first government of Pakistan has poured 30 billion rupees into this institution to cover its non-performing loans and in order to make it saleable and then sold the whole bank for only 12.5 billion rupees , government of Pakistan has made a huge fun of public which have gathered this amount from their taxes thus government has been pouring their blood, eating their flesh and then again selling them in market at only price of a tea bag. in its privatization , its bidding was not opaque , MIAN MANSHA was first seen as highest bidder among all other investors later on best way group was on top in second round in ABU SHABI, here government has lost more than 17 billion rupees in this privatization exercise . (60)

**5.7 Effect of privatization of Pakistan consumer spending:**



**Analysis:**

I have here discussed that with the help of following graphs which I have deduced from a national development and resource research website based on true figures available during time when government of Pakistan privatized majority profitable organization for minimal amount therefore because later on carried monopolistic attitude by these private firms one bag of fertilizer reached to a sky rocketing price of more than 1100 PAK rupees that was actually at less than 500 rupees therefore not only influence purchasing price of customer but later on also hinder and exaggerate other yield products deduced from crops .



## VI. Conclusion:

Pakistan's government have made a target of 4.2 % economic growth rate after selling all their noticeable profit gaining organization therefore could not gather such lunatic figure despite using all other policies of different approaches but they have achieved economic growth rate of 3.7% which was somehow greater than previous ratio of 3% thus in such regard there may be different factors involved in it, we cannot ignore privatization factor despite having profitable organization government has ignored their profit maximization strategies thus sold them on cheaper rates. Today many analyst and researchers as well as employees belong to different departments said that continuous decline in investment is generally just because of privatizing public institutes and giving everything to hands of foreigners thus allowing them to vest as many resources as are within their reach and satiate their own ambitions.

Many researchers, analyst and theorists reported that Pakistan's economy has shown some recovery in terms of economic growth, certain alternatives as macro indicators still remain weak and in-compassionate. Continuous and persistent effect of inflation and pressure on fiscal and current accounts, because of privatization has changed the whole shape of economy thus remained as key challenges for economy. in addition to all such factors low investment and energy shortages have direct growth implications, a very much visibly high fiscal deficit remains a major risk to macro-economy. Many theorists from their different articles suggested a budget deficit of 4.3 percent of GDP for Jul-Mar FY 2012, and it appears that budgetary gap for full year will exceed revised target of 4.7 percent. Therefore as a whole revenues are lower than what they are expected

Although according to view growth in current expenditure is lower compared to previous years, government has enhanced its investment in development works. "However such types of development spending should improve long-term growth prospective, these key alternatives also creates financing pressures on economy. matter of fact government of past have tried to lunch a failed practice of privatization in shape of economic reform which now appears as a espionage action of explicit scenes of corruption this destroyed our whole economy in years. After launching such a despotic tendency of unethical campaign with efforts to reform public sector enterprises (PSEs), operational efficiency of key PSEs has not improved. Thus such practice continues to add to the country's fiscal burden.

Many Reporters said in terms of financing this deviation , government of Pakistan must have relied more on domestic resources as outside financing dried up and must stop borrowing billion of rupees that government has done before in Jul-Mar FY12 from domestic sources, therefore as compared to Rupees 700.1 billion in given period of 2011. Lately, that has been positively skewed towards borrowing from SBP. According to certain type of reports given by financial analysts that such debt placed an heavy weight on side of liabilities therefore in Pakistan's law store, amendment history and its present two different type of acts in Pakistan's legislation documents such as fiscal responsibility and debt limitation act of 2005, secondly is amended SBP act which provides certain guidelines on different dimension of borrowings. Pakistan's such large amount of assimilation of dollar amount through debt financing generates severe damages to its liquidity management and controllability of greater debt interest rates.

Pakistan's Government domestic debt has recorded the increase of Rupees 1.2 trillion during Jul-Mar 2012 to reach Rupees 7.2 trillion. There is result of much greater reliance on short term borrowing, which is here establishing liquidity management problems for federal bank, and rollover interest rate risks for the government. thus government of Pakistan's attitude of more growing appetite for funding basic development works , banks now have little incentive to finance private sector.

As we are living in decade of technology advancement and want now to lead our country toward neutral maximize economy neither divergent toward greater depression nor having loops in normal days thus in order to give an original shape to this dream this is important that Pakistan's management and finance division

in collaboration with their economic advisors must diverged the rate of deficit in accounts from 3.2million dollars from July-march 2012

While In order to analyze true structure of difference policies as introduces in Pakistan in the name of privatization and denationalization ;we as a analyst clearly see that there is a shift involved from rightward toward the leftward, from a historic movement of nationalization to privatization; these challenges will continue to shape the outlook for economy, it is alarming situation that GDP is generally moving down with an enormous rate as such challenges will reshape the whole economy and tear down its most of factors and derivatives against manifest destiny of Pakistan thus it's important to give a proper shape to such policies of privatization.. Another known institute Pakistan Bureau of Statistics (PBS) is already in process of integrating changes in national income accounts. Pakistan bureau have assumed greater figures which clearly showed that GDP of country is going down there are also other reason involved in this factor but factor disinvestment can never be ignored. After comparing with these two figures we have analyzed that privatization have a direct positive correlated relationship with this approach of privatization

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## Annexes:

*Effect of privatization on economy and its adverse effects on economy*

Sr. No	Unit Name	Sale Proceeds	Date of Transfer	Buyer Name
<b>Banking and Finance</b>				
<b>Bank</b>				
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 (26%)	618.7	Jun-96	LTV Group
4	Habib Credit & Exchange (70%)	1,633.9	Jul-97	Sh. Nahyan bin Mubarik Al-Nahyan
		<b>5,644.2</b>		
<b>Capital Market Transaction</b>				
5	Muslim Commercial Bank (6.8%)	563.2	Jan-01	MCB Employees-PF & Pension Fund
6	Muslim Commercial Bank (4.4%)	364.0	Nov-01	MCB Employees-PF & Pension Fund
7	NBP (37.3 million shares)	373.0	Feb-02	Listing/Public Offer
	<b>Total</b>	<b>1,300.2</b>		
	<b>Total Banking &amp; Finance:</b>	<b>6,944.4</b>		
<b>Energy Sector</b>				
8	Mari Gas (20%)	102.4	Apr-94	Mari Gas Company Ltd.
9	Kot Addu Power Company (26%)	6,707.6	Jun-96	National Power
10	Kot Addu Power Company (10%)	2,370.7	Nov-96	National Power
11	Kot Addu (Escrow A/c)	1,033.0	Apr-02	National Power
12	SSGC LPG business	369.0	Aug-00	Caltex Oil Pak.(Pvt) Ltd.
13	SNGPL LPG business	142.0	Oct-01	Shell Gas LPG Pakistan
14	Badin II (Revised)	511.1	25-06-02	BP Pakistan & Occidental Pakistan
15	Adhi	681.4	04-05-02	Pakistan Oil Field
16	Dhurnal	230.7	04-05-02	Western Acquisition
17	Ratana	32.0	04-05-02	Western Acquisition
18	Badin I	8,599.1	25-06-02	BP Pakistan & Occidental Pakistan
19	Turkwal	120.3	25-06-02	Attock Oil Company
	<b>Total</b>	<b>20,899.3</b>		
<b>Telecommunications</b>				
20	PTCL (2%)	3,032.5	Aug-94	Through Local Stock Exchange
21	PTCL (10%)	27,525.9	Sep-94	Through DR form
	<b>Total</b>	<b>30,558.4</b>		
<b>Industrial Units</b>				
<b>Automobile</b>				
22	Al-Ghazi Tractors Ltd.	105.6	Nov-91	Al-Futain Industires (Pvt) Ltd. UAE
23	National Motors Ltd.	150.4	Jan-92	Biboojee Services
24	Millat Tractors Ltd.	306.0	Jan-92	EMG
25	Baluchistan Wheels Ltd.	276.4	May-92	Abdul Qadir & Saleem I. Kapoorwala
26	Pak Suzuki Co. Ltd.	172.0	Sep-92	Suzuki Motors Co. Japan
27	Naya Daur Motors Ltd.	22.3	Jan-93	Farid Tawakkal & Saleem I. Kapoorwala
28	Bolan Castings	69.2	Jun-93	EMG
	<b>Total</b>	<b>1,101.9</b>		
<b>Cement</b>				
29	Maple Leaf Cement	485.7	Jan-92	Nishat Mills Ltd.

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30	Pak Cement	188.9	Jan-92	Mian Jehingir Ellahi & Ass
31	White Cement	137.5	Jan-92	Mian Jehingir Ellahi & Associates
32	D.G Khan Cement	1,972.8	May-92	Tariq Sehgal & Associates
33	Dandot Cement	636.7	May-92	EMG
34	Garibwal Cement	836.3	Sep-92	Haji Saifullah & Group
35	Zeal Pak Cement	239.9	Oct-92	Sardar M. Ashraf D. Baluch
36	Kohat Cement	527.9	Oct-92	Palace Enterprises
37	Dandot Works - National Cement	110.0	Jan-95	EMG
38	General Refractories Limited	18.9	Feb-96	Shah Rukh Engineering
39	Wah Cement	2,635.5	Feb-96	EMG
	<b>Total</b>	<b>7,790.1</b>		
	<b>Chemical</b>			
40	National Fibres Ltd	756.6	Feb-92	Schon Group
41	Kurram Chemicals	33.8	Feb-92	Upjohn Company USA
42	Pak PVC Ltd	63.6	Jun-92	Riaz Shaffi Reysheem
43	Sind Alkalis Ltd	152.3	Oct-92	EMG
44	Antibiotics (Pvt) Ltd	24.0	Oct-92	Tesco Pvt) Ltd.
45	Swat Elutriation	16.7	Dec-94	Sahib Sultan Enterprises
46	Nowshera PVC Co. Limited	20.7	Feb-95	Al_syed Enterprises
47	Swat Ceramics (Pvt) Limited	38.6	May-95	Empeiral Group
48	Ittehad Chemicals	399.5	Jul-95	Chemi Group
49	Pak Hye Oils	53.6	Jul-95	Tariq Siddique Associates
50	Ravi Engineering Limited	6.5	Jan-96	Petrosin Products Pte
51	Nowshera Chemicals	21.2	Apr-96	Mehboob Ali Manjee
52	National Petrocarbon	20.8	Jul-96	Happy Trading
53	National Petrocarbon (add'l 10% shares)	2.3	Mar-02	Happy Trading
		<b>1,610.2</b>		
	<b>Engineering</b>			
54	Karachi Pipe Mills	18.9	Jan-92	Jamal Pipe Industries
55	Pioneer Steel	4.4	Feb-92	M. Usman
56	Metropolitan Steel Mills Limited	66.7	May-92	Sardar M. Ashraf D. Baluch
57	Pakistan Switchgear	8.9	Jun-92	EMG
58	Quality Steel	13.2	Apr-93	Marketing Enterprises
59	Textile Machinery Co	27.9	Oct-95	Mehran Industries
60	Indus Steel Pipe	47.4	Jul-97	Hussien Industries
		<b>187.4</b>		
	<b>Fertilizer</b>			
61	Pak China Fertilizers Company Limited	435.4	May-92	Schon Group
62	Pak Saudi Fertilizers Ltd.	7,335.9	May & Sep-02	Fauji Fertilizers
	<b>Total</b>	<b>7,771.3</b>		
	<b>Ghee</b>			
63	Fazal Vegetable Ghee	21.2	Sep-91	Mian Mohammad Shah
64	Associated Industries	152.0	Feb-92	Mehmoob Abu-er-Rub
65	Sh Fazal Rehman	64.3	Apr-92	Rose Ghee Mills
66	Kakakhel Industries	55.3	May-92	Mehmoob Abu-er-Rub
67	United Industries	15.5	May-92	A. Akbar Muggo
68	Haripur Vegetable Oil	30.1	Jul-92	Malik Naseer & Assoc.
69	Bara Ghee Mills	27.8	Jul-92	Dawood Khan
70	Hydari Industries	-	Aug-92	EMG

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71	Chiltan Ghee Mills	47.5	Sep-92	Baluchistan Trading Co.
72	Wazir Ali Industries	31.9	Dec-92	Treat Corporation
73	Asaf Industries (Pvt) Limited	23.8	Jan-93	Muzafar Ali Isani
74	Khyber Vegetable	8.0	Jan-93	Haji A. Majid & Co.
75	Suraj Vegetable Ghee Industries	10.2	Jan-93	Trade Lines
76	Crescent Factories Vegetable Ghee Mills	46.0	Jan-93	S. J. Industries
77	Bengal Vegetable	19.1	Mar-93	EMG
78	A & B Oil Industries Limited	28.5	Mar-93	Al-Hashmi Brothers
79	Dargai Vegetable Ghee Industries	26.2	Nov-97	Gul Cooking Oil Industries
80	Punjab Veg. Ghee	18.7	May-99	Canal Associates
81	Burma Oil	20.1	Jan-00	Home Products Intl
82	E&M Oil Mills	94.0	Jul-02	Star Cotton Corp. Ltd.
83	Maqbool Oil Company Ltd.	27.6	Jul-02	Madina Enterprises
		<b>767.8</b>		
	<b>Mineral</b>			
84	Makerwal Collieries	6.1	Jul-95	Ghani Group of Industries
	<b>Rice</b>			
85	Sheikhupura	28.0	May-92	Contrast Pvt Ld.
86	Faizabad	21.2	May-92	Packages Ltd.
87	Siranwali	16.2	Jul-92	Enkay Enterprises
88	Hafizabad	20.0	Sep-92	Pak Pearl Rice Mills
89	Eminabad	24.1	Nov-92	Pak Arab Food Industries
90	Dhaunkel	79.2	Jun-93	Dhonda Pakistan Pvt Ltd.
91	Mabarikpur	14.3	Nov-93	Maktex Pvt) Ltd.
92	Shikarpur	32.5	Mar-96	Afzaal Ahmad
		<b>235.5</b>		
	<b>Roti Plants</b>			
93	Gulberg, Lahore	8.7	Jan-92	Packages Ltd.
94	Peshawar	2.6	Jan-92	Saleem Group of Ind
95	Head Office, Lahore	10.2	Jan-92	Hajra Textile Mills
96	Hyderabad	2.6	Jan-92	Utility Stores Corp.
97	Faisalabad	11.5	Jan-92	Azad Ahmad
98	Bahawalpur	1.6	Feb-92	Utility Stores Corp.
99	Multan	2.5	Feb-92	Utility Stores Corp.
100	Quetta	4.8	Feb-92	Utility Stores Corp.
101	Islamabad	3.6	Mar-92	Utility Stores Corp.
102	Taimuria, Karachi	9.2	Jun-92	Spot Light Printers
103	SITE, Karachi	5.1	Sep-92	Specialty Printers
104	Multan Road, Lahore	3.5	Dec-92	Utility Stores Corp.
105	Korangi, Karachi	4.1	Apr-93	Utility Stores Corp.
106	Mughalpura, Lahore	-	Jun-96	Pakistan Railways
107	Gulshan-e-Iqbal, Karachi	20.2	Mar-98	Ambreen Industries
		<b>90.2</b>		
	<b>Textile</b>			
108	Quaidabad Woollen Mills	85.5	Jan-93	Jehingir Awan Associates
109	Cotton Ginning Factory	1.2	Jun-95	Hamid Mirza
		<b>86.7</b>		
	<b>Total (all Industrial Units)</b>	<b>19,647.2</b>		
	<b>Miscellaneous</b>			
110	National Tubewell Const Corpn	18.6	Sep-99	Through Auction
111	Duty Free Shops	12.5	Sep-99	Weitnaur Holding Ltd.

112	Republic Motors (Plot)	6.3	Nov-99	Muhammad Mushtaq
113	Al Haroon Building Karachi	110.0	Sep-02	LG Group
		<b>147.4</b>		
<b>Newspapers</b>				
114	N.P.T Building	185.0	Oct-93	Army Welfare Trust
115	Mashriq – Peshawar	26.6	Jun-95	Syed Tajmir Shah
116	Mashriq – Quetta	6.2	Jan-96	EMG
117	Progressive Papers Ltd.	46.1	May-96	Mian Saifu-ur-Rahman
118	Mashriq – Karachi	6.5	Aug-96	EMG
		<b>270.4</b>		
<b>Tourism</b>				
119	Cecil's Hotel	190.9	Jun-98	Imperial Builders
120	Federal Lodges - 1-4	39.2	Jan-99	Hussain Global Assoc.
121	Dean's Hotel	364.0	Dec-99	Shahid Gul & Partners
		<b>594.1</b>		
		<b>1,011.9</b>		
	<b>Total upto 30-6-2002</b>	<b>79,061.2</b>		

**Proceeds From Privatisation Transactions  
During the period July 2002 to October 4, 2003**

Rs (in million)

Sr. No	Unit Name	Sale Proceeds	Date of Transfer/ Bidding	Buyer Name
<b>Banking and Capital Market transactions</b>				
	<b>Bank</b>			
1	United Bank Ltd. (51%)	<b>12,350.0</b>	Oct-02	Consortium of Bestway & Abu Dhabi Group
2	Bank Alfalah	620.0	Dec-02	Abu Dhabi Group
	<b>Total</b>	<b>12,970.0</b>		
<b>Capital Market Transaction</b>				
3	Muslim Commercial Bank (CDC)	664.0	Oct-02	Stock Exchange
4	Pakistan Oil Fields Limited shares (CDC)	5,138.0	Oct-02	Stock Exchange
5	ICP Lot – A	175.0	Sep-02	ABAMCO
6	ICP Lot – B	303.0	Oct-02	PICIC
7	ICP – SEMF	787.0	Apr-03	PICIC
8	National Bank of Pakistan 10% shares thru stock exchange	783.0	Nov-02	Stock Exchange
9	Attock Refinery Limited shares (CDC)	1,039.0	Jan-03	Stock Exchange
10	DG Khan Cement shares (CDC)	62.0	Dec-02	Stock Exchange
	<b>Total</b>	<b>8,951.0</b>		
	<b>Total Banking &amp; Finance</b>	<b>21,921.0</b>		
<b>Fertilizer</b>				
11	Pak Saudi Fertilizers Ltd. (10%)	<b>815.0</b>	Sep-02	Fauji Fertilizers Ltd.
12	Kurram Chemicals (additional 10%)	<b>6.0</b>	Oct-03	Pfizer Pakistan
	<b>Total</b>	<b>22,742.0</b>		