

Seminar on State-Owned Enterprise and Public Sector Management Reforms

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Presentation on Pakistan Public Sector Enterprises Reform Program

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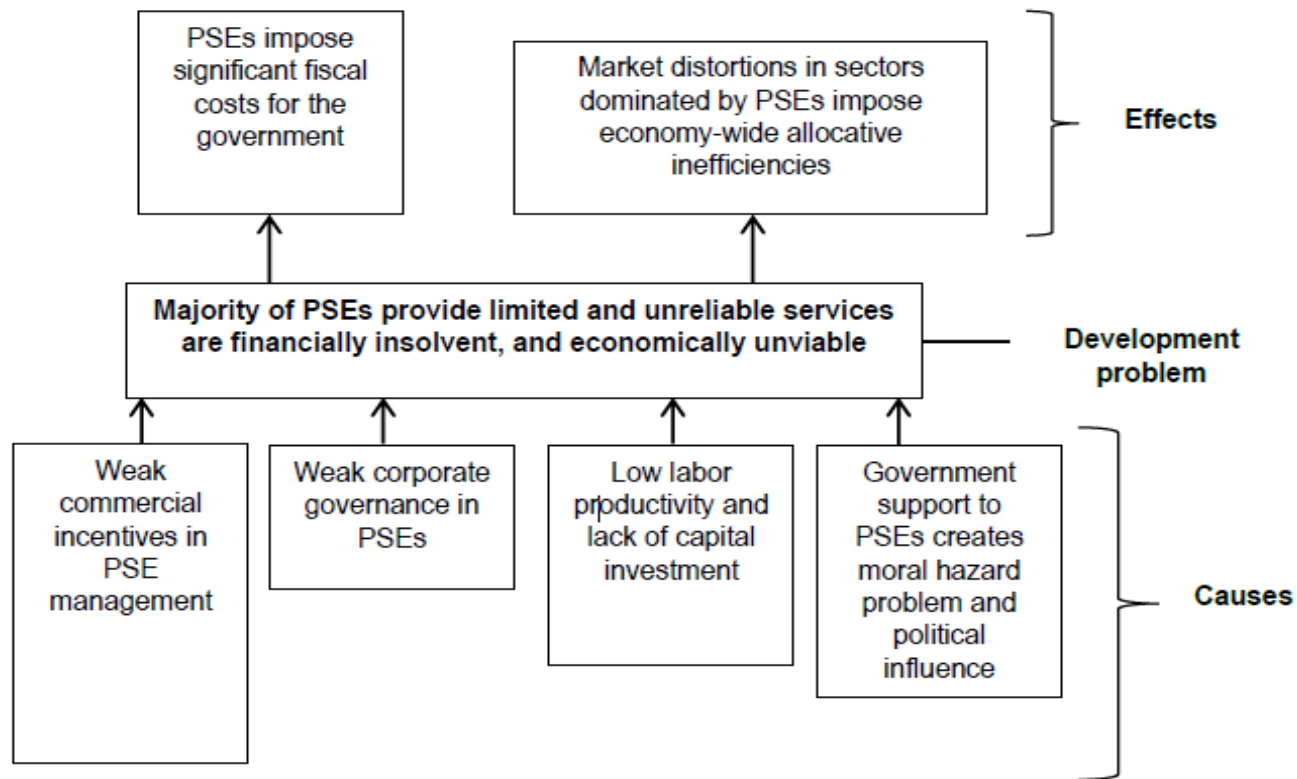
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KEY FACTS

- The federal government owns 191 SOEs (comprising 176 companies, 8 financial institutions, and 7 federal authorities);
- Assets were estimated at PRs 9,400 billion in FY2014 ;
- Total employment was approximately 420,000 workers (of which Pakistan Railways employs 78,000); and
- 142 of the 191 SOEs provided income statements for FY2014, of which 56 reported losses despite budget transfers.
- Fiscal allocation to support SOE day-to-day operations (subsidies and other transfers) constituted 65% of overall budget allocations, severely limiting critical capital development expenditures to improve efficiency.

PROBLEM TREE



KEY AREAS OF THE PROGRAM

- Output 1: Policies to address labor issues and communication strategy introduced, monitoring system designed, and costs and benefits ascertained (**examples:** VRS strategy defined and estimated, pension funds created for the selected SOEs, public awareness campaign introduced)
- Output 2: Financial transparency, monitoring, and corporate governance in public sector enterprises improved (**examples:** IT based monitoring system introduced, comprehensive coverage of the Corporate Governance Rule 2013).
- Output 3: Restructuring and reform of selected public sector enterprises initiated: (**examples:** privatization/corporatization of additional SOEs, accounting, procurement, and internal audit reforms in Pakistan Railways, preparation of a report to rationalize human resources in the Pakistan Railways)

VALUE ADDITION

