

## Pakistan plans to privatize PIA by Nov

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Islamabad: Pakistan plans to finalize the long-delayed privatization of its national airline, PIA, along with outsourcing operations at Islamabad International Airport by November, the finance minister announced on Wednesday (Oct 23).

Muhammad Aurangzeb, who took office earlier this year, spoke to news agency at the World Bank's headquarters in Washington, where he is attending the annual meetings of the International Monetary Fund and the World Bank.

During a previous interview with the agency in April, Aurangzeb had said he hoped the privatisation of the government-owned Pakistan International Airlines (PIA) could be completed by June 2024.

Speaking Wednesday, the finance minister said the five-month delay was down to two factors: ensuring macroeconomic stability, and doing the

proper due diligence of the interested parties.

"The reality is, when any foreign investor comes in, or even the local investor, who are going to put in a substantial amount of money, they want to ensure that the foundation is there," he said, referring to macroeconomic factors.

Aurangzeb noted that potential bidders for both PIA and Islamabad airport also required scrutiny, another factor in the delay.

"Therefore it's ultimately the cabinet which approved the extension in the timelines so people can do their due diligence before they make these submissions," he said.

Aurangzeb said Pakistan had been behind on existing profit and dividend repayments when the current government took office, and had taken steps to remedy that after making progress on macroeconomic stability.

The country came to the brink of default last year as the economy shriveled amid political chaos following catastrophic 2022 monsoon floods and decades of mismanagement, as well as a global economic downturn.

Inflation peaked at 38 per cent, but has since dropped to less than seven percent, after the central bank maintained sky-high interest rates, amid other government tightening measures, including import bans to preserve foreign exchange.

Last month, the IMF approved a \$7 billion loan, Pakistan's 24th such payout from the multilateral lender since 1958.

Aurangzeb touted progress on the country's current account deficit and the stabilization of the Pakistani rupee, which has depreciated against the US dollar by about 65 percent since 2020.

"In May and June on the back of this macroeconomic stability and building up on our reserves, we paid more than \$2 billion to our existing international investors," he said.

Pakistan's gross public debt currently stands at 69 percent of GDP, according to the IMF, or roughly \$258 billion.

