

Pakistan seals plan to sell national carrier ahead of election

- A Monitor Desk Report

Date: 05 February, 2024



Dhaka: Ahead of elections on February 8, Pakistan's caretaker administration is making binding plans for a new government to sell loss-making Pakistan International Airlines, said reports citing the country's minister in charge of the process and other officials.

Pakistan, in deep economic crisis, agreed in June 2023, to overhaul loss-making state-owned enterprises under a deal with the International Monetary Fund (IMF) for a USD 3 billion bailout. The government decided to privatise PIA just weeks after signing the IMF agreement.

The caretaker administration, which took office in August 2023, to oversee the February 8 election, was empowered by the outgoing parliament to take any steps needed to meet the budgetary targets agreed with the IMF.

"Our job is 98 per cent done," said Privatisation Minister Fawad Hasan Fawad, as per reports. "The remaining 2 per cent is just to bring it on an excel sheet after the cabinet approves it."

Fawad said the plan, drawn up by transaction adviser Ernst and Young, will be presented to the cabinet for approval before the tenure of the administration ends following the election. The cabinet will also decide whether to sell the stake by tender or through a government-to-government deal, Fawad said.

"What we have done in just four months is what past governments have been trying to do for over a decade," Fawad said. "There is no looking back."

PIA had liabilities of PKR 785 billion (USD 2.81 billion) and accumulated losses of PKR 713 billion as of June 2023. Its CEO said losses in 2023 were likely to be PKR 112 billion, added reports.

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