

**SENATE OF PAKISTAN**  
**HOUSE OF THE FEDERATION**

Report No. II of 2021-24



House of the Federation

**REPORT OF THE SENATE STANDING COMMITTEE ON INDUSTRIES AND PRODUCTION ON SENATE STARRED QUESTION NO. 15 REGARDING, "(A) THE NAMES OF NONFUNCTIONAL STATE OWNED ENTERPRISES IN THE COUNTRY AT PRESENT" AND (B) "THE DETAILS OF PROFIT AND OPERATIONAL EXPENDITURE OF PAKISTAN STEEL MILLS DURING THE LAST FIVE YEARS WITH YEARS WISE BREAK UP?" ASKED BY SENATOR SYED WAQAR MEHDI IN THE SITTING OF THE SENATE HELD ON 25TH JULY, 2023.**

**Presented by**

**Senator Khalida Ateeb**

**Chairperson**

**Senate Standing Committee on Industries and Production**

## SENATE SECRETARIAT

REPORT OF THE SENATE STANDING COMMITTEE ON INDUSTRIES AND PRODUCTION  
ON "SENATE STARRED QUESTION NO. 15 REGARDING, "(A) THE NAMES OF  
NONFUNCTIONAL STATE OWNED ENTERPRISES IN THE COUNTRY AT PRESENT" AND  
(B) "THE DETAILS OF PROFIT AND OPERATIONAL EXPENDITURE OF PAKISTAN STEEL  
MILLS DURING THE LAST FIVE YEARS WITH YEARS WISE BREAK UP?" ASKED BY  
SENATOR SYED WAQAR MEHDI IN THE SITTING OF THE SENATE HELD ON 25TH JULY,  
2023."

I, Senator Khalida Ateeb, Chairperson, Senate Standing Committee on Industries and Production, has the honor to present on behalf of the Committee, this report on Starred Question No. 15 regarding, "(a) the names of nonfunctional state owned enterprises in the country at present" and (b) "the details of profit and operational expenditure of Pakistan Steel Mills during the last five years with years wise break up?" asked by Senator Syed Waqar Mehdi in the sitting of the Senate held on 25th July, 2023 and referred to the Standing Committee for consideration and report.

2. The composition of the Committee is given as under:-

1	<b>Senator Khalida Ateeb</b>	<b>Chairperson</b>
2	Senator Syed Yousuf Raza Gillani	Member
3	Senator Fida Muhammad	Member
4	Senator Faisal Saleem Rahman	Member
5	Senator Mohammad Abdul Qadir	Member
6	Senator Saifullah Sarwar Khan Nyazee	Member
7	Senator Hidayat Ullah	Member
8	Senator Imamuddin Shouqeen	Member
9	Senator Dr. Asif Kirmani	Member
10	Senator Atta Ur Rehman	Member
11	Senator Samina Mumtaz Zehri	Member
12	Senator Zeeshan Khanzada	Member

3. The Committee considered the question in its meeting held on 15<sup>th</sup> September, 2023 with following in attendance:

1	<b>Senator Khalida Ateeb</b>	<b>Chairperson</b>
2	Senator Fida Muhammad	Member
3	Senator Faisal Saleem Rahman	Member
4	Senator Mohammad Abdul Qadir	Member
5	Senator Saifullah Sarwar Khan Nyazee	Member

6	Senator Atta Ur Rehman	Member
7	Senator Samina Mumtaz Zehri	Member
8	Senator Zeeshan Khanzada	Member
9	Senator Syed Waqar Mehdi	Mover

4. The CEO of the Pakistan Industrial Development Corporation (PIDC) gave a comprehensive presentation on Starred Question No. 15, asked by Senator Syed Waqar Mehdi in the Sitting of Senate held on 25th July, 2023 regarding, (a) "the names of nonfunctional state owned enterprises in the country at present" and (b) "the details of profit and operational expenditure of Pakistan Steel Mills during the last five years with years wise break up?", he stated that there are currently eight non-functional state-owned enterprises, most of which are in a state of stagnation and awaiting either liquidation or privatization. These eight non-functional enterprises includes Pakistan Automobile Corporation (PACO), Republic Motors Limited (RML), Sindh Engineering Limited (SEL), MORAFCO Industries (Pvt) limited, Pakistan Motorcar Company (Pvt), Limited, Pakistan Gems & Jewellery Development Company (PGJDC), Pakistan Hunting & Sports Arms Development Company (PHSADC) and Aik Hunar Aik Nagar (AHAN). Some of these enterprises face delays in liquidation or privatization due to pending litigation in the courts. The committee's Chairperson directed ministry officials to assess all pending litigations and engage with the appropriate authorities to expedite dispute resolution. Committee was of the view that some of these non-functional enterprises could generate valuable foreign exchange for country these enterprises includes Pakistan Gems & Jewellery Development Company (PGJDC) and Pakistan Hunting & Sports Arms Development Company (PHSADC). Committee directed that Pakistan Gems & Jewellery Development Company (PGJDC) be made functional and establish a licencing authority in it to promote export of Gem and Jewellery. Senator Syed Waqar Mehdi stated that these non-functional enterprises own valuable assets at key localities, their liquidation could generate billions of Rupees for the National Exchequer.

5. The CFO of Pakistan Steel Mills provided a detailed breakdown of operational expenditures, explaining that operations at the Steel Mill ceased in 2015, with no production occurring since then. Senator Waqar Mehdi pointed out the absence of a CEO and terms of the Board of Directors for Pakistan Steel Mills have expired. He further stated that this valuable asset was providing employment to more than twenty five thousand individuals and closure of its operation has increased the unemployment as now only around three thousand employees are on its payroll. He stated that this national asset needs to be revived to generate employment in the country. The Secretary of the Ministry informed the Committee that the government intends to revive Pakistan Steel Mills and will share a comprehensive plan on this matter. Committee directed the Ministry of Industries and Production to share the comprehensive revival plan of Pakistan Steel Mills.

6. Senator Syed Waqar Mehdi expressed satisfaction over detailed response/ briefing. The Committee accordingly disposed-off the matter of Starred Question No. 15 regarding, "(a) the names of nonfunctional state owned enterprises in the country at present" and (b) "the details of profit and operational expenditure of Pakistan Steel Mills during the last five years with years wise break up?" asked by Senator Syed Waqar Mehdi in the sitting of the Senate held on 25th July, 2023.

## RECOMMENDATIONS:

- i. Committee recommended that Pakistan Gems & Jewellery Development Company (PGJDC) be made functional and establish a licencing authority in it to promote export of Gem and Jewellery.
- ii. Committee directed the Ministry of Industries and Production to share the comprehensive revival plan of Pakistan Steel Mills.



(MUHAMMAD ABUBAKAR SIDDIQUE)  
Secretary Committee



(SENATOR KHALIDA ATEEB)  
Chairperson  
Senate Standing Committee on Industries and  
Production