



House of the Federation

## **SENATE OF PAKISTAN**

### **REPORT NO. 01**

### **REPORT OF THE SENATE STANDING COMMITTEE ON PETROLEUM**

**ON**

**Point of Public Importance regarding “Proposed  
privatization of Pakistan Mineral Development  
Corporation (PMDC)”**

***Presented by:***

**SENATOR UMER FAROOQ**

**CHAIRMAN**

**SENATE STANDING COMMITTEE ON PETROLEUM**

# SENATE SECRETARIAT

Subject: REPORT OF THE STANDING COMMITTEE ON PETROLEUM

I, Chairman of the Standing Committee on Petroleum, have the honor to present this report on a Point of Public Importance regarding "proposed privatization of Pakistan Mineral Development Corporation (PMDC)" raised by Senator Manzoor Ahmed in the Senate sitting held on 05<sup>th</sup> September, 2024. The Point of Public Importance was referred to the Standing Committee for consideration and report.

2. The composition of the Standing Committee on Petroleum is as follows:-

1.	<b>Senator Umer Farooq</b>	<b>Chairman</b>
2.	Senator Qurat-ul-Ain Marri	Member
3.	Senator Rana Mehmood-ul-Hassan	Member
4.	Senator Sardar Al Haj Muhammad Umer Gorgaj	Member
5.	Senator Saifullah Abro	Member
6.	Senator Mohsin Aziz	Member
7.	Senator Mir Dostain Khan Domki	Member
8.	Senator Saadia Abbasi	Member
9.	Senator Abdul Wasay	Member
10.	Senator Raja Nasir Abbas	Member
11.	Minister for Petroleum	Ex-officio Member

3. The Committee considered the matter in its meeting held on 1<sup>st</sup> October 2024. The following members of the Committee were in attendance: -

1.	<b>Senator Umer Farooq</b>	<b>Chairman</b>
2.	Senator Qurat-ul-Ain Marri	Member
3.	Senator Abdul Wassy	Member
4.	Senator Mir Dostain Khan Domki	Member
5.	Senator Saadia Abbasi	Member
6.	Senator Abdul Shakoor Khan	Mover
7.	Senator Manzoor Ahmed	Mover

4. The Committee held an in-depth discussion on the proposed privatization of the Pakistan Mineral Development Corporation (PMDC). Representatives from the Ministry of Petroleum explained that the privatization process of the PMDC is being conducted in line with the State-Owned Enterprises (SOE) Policy 2023, as ratified by the Federal Cabinet. However, the Committee expressed concerns regarding the protection of rights for raising contractors (mine owners) who have been operating in PMDC areas. The Committee emphasized that safeguarding the rights of these

contractors is essential and should be ensured prior to making any final decisions on the privatization of PMDC.

5. The Committee noted that the majority of development work in PMDC projects has been carried out exclusively by the raising contractors, without any financial assistance from PMDC. The corporation has neither granted nor borrowed funds to support these operations; underscoring the critical role played by the contractors in developing these mines. Furthermore, the Committee highlighted that these projects have proven to be highly profitable, generating revenue amounting to Rs. 2.5 billion in the fiscal year 2023-2024. Given this level of success, the Committee strongly asserted that such profitable projects should not be privatized, as they continue to benefit the national and provincial economies.

6. Senator Manzoor Ahmed expressed concerns regarding potential job losses that may arise from the privatization of PMDC, highlighting the corporation's current profitability. In response, the Secretary of Petroleum confirmed that PMDC had been earmarked for privatization under the SOE Act 2023, underscoring the importance of a transparent process. In the event that the government proceeds with privatization, the Committee recommended that priority consideration be given to raising contractors already engaged in PMDC projects. These contractors, having made significant investments and possessing sector-specific expertise, are well-positioned to ensure the continued success of mining operations. The Committee also stressed that provincial governments should issue mining lease deeds to these contractors, ensuring that those who have contributed to the development of these projects retain operational control.

7. After detailed deliberations, the Committee has unanimously recommended as under:-

- i) The Committee mandates that the privatization of PMDC be carried out with full transparency and accountability. The process must prioritize protecting the rights of provinces, leaseholders, employees, and the public interest. Regular reporting should be established throughout the privatization stages with public engagement integrated into all decision-making phases. Furthermore, the Ministry is required to establish mechanisms for stakeholder participation and feedback, fostering a transparent and inclusive environment that upholds the interests of all affected parties.

  
(MUDASSAR SHER ALI GONDAL)  
D.S/ Secretary Committee

  
(SENATOR OMAR FAROOQ)  
Chairman