

SENATE OF PAKISTAN

Report No. I of 2024-27



**REPORT OF THE SENATE STANDING COMMITTEE ON
INDUSTRIES AND PRODUCTION**

ON

**A POINT OF PUBLIC IMPORTANCE REGARDING THE CLOSURE
OF THE UTILITY STORES CORPORATION OF PAKISTAN**

**RAISED BY
SENATOR MOHSIN AZIZ
ON 15TH JULY, 2025**

PRESENTED BY

**SENATOR AON ABBAS
CHAIRMAN
SENATE STANDING COMMITTEE ON INDUSTRIES AND
PRODUCTION**

SENATE SECRETARIAT

SUBJECT: REPORT OF THE SENATE STANDING COMMITTEE ON INDUSTRIES AND PRODUCTION ON POINT OF PUBLIC IMPORTANCE REGARDING THE CLOSURE OF THE UTILITY STORES CORPORATION OF PAKISTAN

1, Senator Aon Abbas, Chairman Senate Standing Committee on Industries and Production, have the honor to present this report on behalf of the Committee, on the Point of Public Importance regarding the closure of the Utility Stores Corporation of Pakistan raised by the Senator Mohsin Aziz in the sitting of the Senate held on 15th July, 2025 and referred to the Standing Committee for consideration and report.

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

1	Senator Aon Abbas	Chairman
2	Senator Muhammad Ishaq Dar (Leader of the House)	Member
3	Senator Syed Masroor Ahsan	Member
4	Senator Danesh Kumar	Member
5	Senator Saleem Mandviwalla	Member
6	Senator Saifullah Sarwar Khan Nyazee	Member
7	Senator Khalida Ateeb	Member
8	Senator Azam Nazeer Tarar	Member
9	Senator Mir Dostain Khan Domki	Member
10	Senator Husna Bano	Member
11	Senator Dilawar Khan	Member
12	Senator Mirza Muhammad Afridi	Member

3. The Committee considered the matter in its meeting held on 10th September, 2025, with the following members in attendance

1	Senator Aon Abbas	Chairman
2	Senator Syed Masroor Ahsan	Member
3	Senator Danesh Kumar	Member
4	Senator Saifullah Sarwar Khan Nyazee	Member
5	Senator Khalida Ateeb	Member
6	Senator Husna Bano	Member
7	Senator Dilawar Khan	Member
8	Senator Mirza Muhammad Afridi	Member
9	Senator Mohsin Aziz	Mover

4. Senator Mohsin Aziz, Mover of the agenda item stated that USC has historically served the low-income population by providing essential commodities at subsidized rates. He stated that the government's decision to close USC altogether was not a rational approach and stated that a middle path could have been adopted to make USC profitable. He highlighted that USC has a competitive edge through bulk procurement, which reduces costs and could improve profit margins if effectively managed.

5. Committee Members noted that USC had been working on the implementation of an ERP system to track inventory and enhance transparency, questioning why the Corporation was shut down despite efforts to modernize operations. Members expressed reservations over the closure decision, observing that most retail chains were running in profit and emphasizing that bulk purchasing should have been leveraged to make USC viable.

6. The Secretary, Ministry of Industries and Production, briefed the Committee that a Rightsizing Committee had been constituted to examine USC's viability. The Committee recommended winding up USC, and its decision was ratified by the Federal Cabinet, which further directed that USC may be privatized or wound-up. The Secretary clarified that the decision was not abrupt; in December 2024, USC's Board of Directors had approved a restructuring plan to operate USC on a commercial basis. Consequently, 1,838 loss-making stores were closed and 3,882 contractual/daily-wage employees were laid off. Despite these measures, USC continued to incur monthly losses of around Rs. 700 million until June 2025. On 28th June 2025, the Prime Minister again reviewed the situation and directed that USC operations be closed by 31st July 2025 and that USC be included in the first phase of privatization. In compliance with these directions and with the Board's approval, all stores were closed and reconciled, and sales/purchase operations were completely stopped nationwide from 31st July 2025.

7. Senator Mohsin Aziz urged the government to reconsider its decision, stating that USC provides essential goods to the public at lower prices and only a few items are subsidized while the rest are sold at market prices. The Secretary, Mol&P, responded that the government has adopted a policy of not

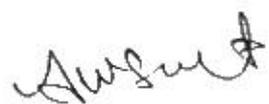
running commercial businesses and is working to privatize other loss-making state entities such as PIA and Pakistan Steel Mills.

8. The Chairman Committee then asked about measures taken to safeguard employees' rights. The Committee was informed that a comprehensive plan had been approved in consultation with the CBA union of USC. A Severance Package of Rs. 25.255 billion had been approved for regular, contractual, and daily-wage employees. Of this amount, Rs. 15 billion would be re-appropriated and disbursed in three phases until June 2026, while the balance would be generated through the sale of USC properties.

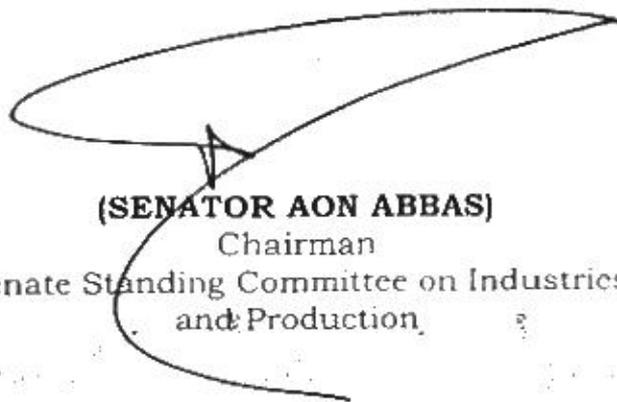
9. Senator Syed Masroor Ahsan inquired about the recruitment policy and advertisements under which contract and daily-wage employees had been hired and requested details of the agreement signed between USC management and the CBA union regarding the Severance Package.

10. The Ministry of Industries and Production was directed to make arrangements to disburse the full Severance Package amount to USC employees rather than in parts. The Ministry was further directed to submit complete details of the recruitment policy, advertisements for hiring contract/daily wage employees, and a copy of the agreement signed with the USC CBA union regarding the Severance Package for review by the Committee.

11. Thereafter, the agenda was disposed-off. Copy of the Point of Public Importance as raised in the Senate is at Annexure-A. The Committee also gave approval of presentation of report of the Committee to the House. Hence, this report is presented to the House.



(**MUHAMMAD ABUBAKAR SIDDIQUE**)
Secretary Committee



(**SENATOR AON ABBAS**)
Chairman
Senate Standing Committee on Industries
and Production

T01-15July2025

Abdul Ghafoor/ED: Waqas

04:07 pm



**THE
SENATE OF PAKISTAN
DEBATES**

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Point of Public Importance raised by Senator Mohsin Aziz regarding closure of Utility Stores Corporation of Pakistan:

and in the interest of the public interest میں بھی

house. One is that this is my eleventh year in this august house.

(جاری ---- T08)

T08-15July2025

Ali/Ed; Mubashir

05:20 pm

سینٹر محسن عزیز: (جاری ہے۔۔۔۔۔) اس میں ہم نے اپنی حکومت کا بھی وقت دیکھا ہے اور اپوزیشن کا بھی وقت دیکھا ہے، پہلے اپوزیشن میں تھے پھر حکومت میں تھے اب پھر اپوزیشن میں ہیں۔ لیکن اس سال میں آپ کو یہ بتانا ہوں کہ جب سے یہ Session شروع ہوا ہے یہ term شروع ہوا ہے کبھی بھی کوئی بھی Presiding Officer from this largest party which is represented in the House, is PTI اس سے پرینڈائیڈنگ آفیسر وہاں پر appoint نہیں کیا جا رہا ہے۔ جس پر مجھے تشویش بھی ہے اور تھوڑی سی شرمندگی بھی ہے کہ why is this discrimination being done for the last one and a half year اس کو تو آپ ضرور کریں، دیکھیں۔

دوسری چیز یہ ہے جی کہ یہاں پر جو ہمارا House Business ہوتا ہے وہ اتنا delay ہوتا ہے کہ سر سے پانی بھی گزر جاتا ہے، خدا نخواستہ جو قتل ہونا ہے وہ ہو بھی جاتا ہے، جو نقصان ہونا ہے ہو بھی جاتا ہے اور اس کے بعد یہاں پر وہ discuss کیا جاتا ہے۔ میں refer کر رہا ہوں میرا ایک calling attention ہے، 23-01-2025 کو یہاں submit کیا گیا House میں نہیں آیا، 31-01-2025 کو submit کیا گیا نہیں آیا، 24-02-2025 کو submit کیا گیا نہیں آیا، 13-03-2025 کو submit کیا گیا نہیں آیا۔ آج 25-06-2025 کو دوبارہ میں نے submit کر دیا ہے

and that is regarding a point of public interest, importance and that was regarding the closure of utility stores of Pakistan.

اس وقت left right سے جو خبریں آ رہی تھیں کہ یہ ہونے والا ہے، یہ ہو جائے گا، اس کی ضرورت نہ تھی کہ یہ اور وہ feelers اخبار میں آ رہے تھے، ہم میڈیا میں اس کو سن رہے تھے، اس وقت میں نے اس کو raise کیا تھا۔ آج یہ پانی سر سے گزر چکا ہے، آج یہ stores بند کر دیے گئے ہیں، utility stores غریب کے لیے بنا تھا، اس کو بند کر دیا گیا ہے اور ان کے جو receivables ہیں، ان کے جو payables ہیں وہ بھی ختم ہو گئے۔ یعنی کسی نے ان کو مال supply کیا ہے اس کو پیسے نہیں مل رہے۔ they are going into a default. ان کے جو لوگ ہیں ان کو unemploy کر دیا گیا ہے، ان کے future کا کوئی پتہ نہیں ہے کہ وہ کیا کریں گے، کس جگہ پر ان کو نوکری ملے گی اور ان کا کیا حشر ہو گا۔ جناب! میں جب چھوٹا تھا، اس زمانے میں ڈپو ہوتا تھا، ہم اس سے سامان خرید کرتے تھے۔ ایک employment exchange ہوتی تھی، آٹا چینی اس طرح کاراشن یہاں دیا جاتا تھا۔ اس کے بند سوچا گیا کہ نو مائے لیے especially for the essential items ان کو یہاں پر یہ چیزیں نہ دنی جائیں، لیکن کم از کم black market کی قیمت میں یا بہت زیادہ قیمت میں بھی نہ دیا جائے۔

اس میں یہ ضرور ہے کہ بعض شعور بہت زیادہ نقصان کر رہے ہیں، اس کی وجوہات کیا ہیں؟ اگر آپ نے کرنا ہے تو آپ ان کو consolidate کر دیں، آپ کچھ stores کو بند کر دیں، آپ باقیوں کو شروع کریں۔ لیکن ان کو یکسر بند کر دیا گیا ہے۔

Mr. Chairman: It's an important issue, I refer it to the standing Committee.

Senator Moinisn Aziz: Please refer it to the standing Committee and also please ask them to put this Calling attention of mine or Motion under Rule 218 in the House as well.