

Pakistan's State Owned Enterprises

Pakistan's federal commercial SOEs have been consistently running losses since **2016**

458
billion rupees

are incurred in fiscal costs by the top 14 loss-making SOEs annually¹



These losses equal to

1x

the Benazir Income Support Program budget²



20x

the annual Federal health budget²



30x

the annual Federal primary and secondary education budget²



The fiscal drain caused by SOEs can be reduced by taking measures like:

- Ceasing subsidies to SOEs that do not provide a public good benefit
- Streamlining SOE loan evaluations and enforcing stringent processes for future loan requests
- Preparing for divestment of major loss-making SOEs
- Strengthening SOE governance and financial management mechanisms

To learn more, read the World Bank Pakistan Policy Note, *Rationalizing Expenditures, 2023*

References:

1. The World Bank (2023), PN1: Rationalizing Expenditures, pg 4.
2. As per the revised allocation in FY22. Federal Budget 2023-24, Ministry of Finance.