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 annually\(^1\)

These losses equal to

- \(1x\) the Benazir Income Support Program budget\(^2\)
- \(20x\) the annual Federal health budget\(^2\)
- \(30x\) the annual Federal primary and secondary education budget\(^2\)

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.