STATE-OWNED ENTERPRISES-

DO THE ENDS JUSTIFY THE MEANS?

Prepared For

RONCO Consulting Corporation
Analysis of Corporate Sector Constraints In Agriculture (ACSCA) Project

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November 15, 1990
Islamabad, Pakistan

The analysis on which this report is based is supported by the
United States Agency for International Development
under contract number 391-0470-C-00-9265-00

FOREWORD

In the course of doing financial analysis on various agro-industries for the Analysis of Corporate Sector Constraints in Agriculture project undertaken by RONCO Consulting Corporation, in cooperation with Agri-Bi-Con International (Private) Ltd., under contract with the U.S. Agency for International Development (USAID), time and again I came across statements about the profits which Pakistani state-owned enterprises were making. Articles in the national press, often based on government press releases, would mention profits of XX million rupees for a given enterprise. Letters to shareholders from the Chairman of the Board in annual reports often gave rosy pictures of how the company was doing.

Seldom mentioned was how much the government, the primary if not sole shareholder in these enterprises, had invested, either directly as equity or indirectly in loans and subsidies to the company or to its state-owned suppliers. Without the benchmark of total investment, the absolute numbers were meaningless. Thus was born the idea to analyze how state-owned enterprises are faring relative to capital invested and to compare their results with those of private companies in the same industries. The goal was to find out if running the myriad of state-owned enterprises which Pakistan has is an efficient means to providing goods and services or if the many state-owned enterprises are a luxury which Pakistan can ill afford.

I am indebted to many people who have read this paper and offered suggestions for its improvement. In particular, George L. Metcalfe and Leon F. Hesser, current and former Chiefs of Party for the ACSCA project, have provided valuable support for my work. Tom Olson, Chief, Economic Policy and Analysis Division (EPAD) of the Office of Agriculture and Rural Development (ARD), USAID; Ahsan Tayyab and Akhtar Mahmood, Project Officers, EPAD/ARD, USAID; and Gordon Kunde, Agribusiness Specialist, ACSCA project, provided useful comments. Of course, the responsibility for any errors which remain is entirely my own.

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A. Introduction

All governments finance, own and operate various types of enterprises perceived to be necessary for the health, welfare and security of their citizens. The purpose of this paper is to evaluate whether Pakistan is making the best use of its scarce resources by operating the number of state-owned enterprises which it has.

Questions which arise in evaluating state-owned enterprises include the following:

-- What goods and services should the government provide?

-- Should government provide only traditional "governmental services", i.e., ones from which society as a whole benefits rather than specific users?

-- Should the government compete with private firms?

-- Should taxpayers subsidize products because of the social objectives of the government?

-- Should governmental assistance to low income citizens be in the form of subsidized prices on some commodities or would it be more efficient and less costly to provide financial aid to the poor more directly?

B. The Role of the GOP State-Owned Enterprises

The Government of Pakistan (GOP), through state-owned enterprises (SOE), is a significant producer and distributor of a wide range of goods and services. Government enterprises produce and market fertilizer, pesticides, cars, trucks, tractors, edible oils, milk, wheat, sugar, steel, seed, cement and many more commodities. Government enterprises import edible oil; export rice, textiles and cotton; and provide airline, road transport, banking services, and insurance. Some of these SOEs are government monopolies; in others the Government SOE is one of several enterprises in an oligopoly. The SOEs operating in oligopolistic sectors, because of the GOP's ability to subsidize unprofitable operations through tax revenues and loans from state-owned banks, may restrain trade and cause unfair price competition to negatively affect the viability of private sector firms in those sectors.

The Government of Pakistan created state-owned enterprises in two distinct periods for differing reasons. In the early years of its independence, Pakistan had little or no industrialization. Although private investment grew significantly in the late 1940's and early 1950's, high technology industries were avoided by the private sector because of the large investments and high risk involved. To fill this void, the government followed a venture capital role in setting up such industries and then selling them to private firms when the industry became viable and a buyer could be found.

In the early 1970's the government's philosophy changed to a belief in an active and expanding roie for the public sector. In addition to establishing new companies, the government nationalized several industries, at least in part to break up the concentration of wealth in the hands of a few families and to create a more egalitarian distribution of incomes. Some of these nationalized industries are still fully state-owned; others have been re-opened to investment by private firms.

C. Questions to Ask

Whatever the reasons for their creation, it is necessary to ask: are the SOEs beneficial to Pakistan? Are they economically viable? Are they using assets efficiently and therefore contributing as much as possible to the economy of Pakistan? Are there more cost-effective ways of achieving the same health and welfare benefits?

The first question is obviously not a simple one. Its answer lies in a judgment of the success or failure of the SOEs in meeting the objectives of the country. The second and third ones are much easier to evaluate using financial analysis techniques. The fourth question requires some indepth comparative financial and economic analysis of alternative means, which is beyond the scope of this paper.

D. A Measure of Analysis

If we accept as given the social and welfare objectives of the Government of Pakistan and the fact that resources are scarce, it is fair to ask if the means chosen to achieve those objectives is making the best use of the scarce resources. One measure of the utility[1] of an enterprise is the return realized on assets employed. The greater the return, the more resources made available to achieve social or other objectives. The objective is thus not profits for their own sakes but for what can be accomplished with those profits.

Private investors will generally not capitalize businesses unless they have a "reasonable risk" chance to earn at least an amount equal to the savings rate plus inflation; the expected returns for investments in various industries will often be greater than this, given risk and uncertainty in the market place and the economy. For those industries which provide a product or service which could be, or is also, provided by private firms, are SOES realizing returns as high as those realized by the private firms? If not, is there justification for the SOE being in that business? From this financial perspective, then, what is the current status of returns to state-owned enterprises in Pakistan?

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[1] In economics, the capacity to satisfy human wants or desires (Webster's Third New International Dictionary, 1981).

E. Data Used and Its Limitations

Each year the Ministry of Finance, GOP, publishes a volume titled Government Sponsored Corporations which presents the financial results of state-owned enterprises in Pakistan. Companies send their audited financial statements to the Ministry of Finance, which aggregates the individual SOE holding company results and further aggregates the composite results of SOE operations by sector.

There are many problems in the Ministry's aggregation of SOE financial information for this publication, both at the corporate holding company level and at the economic sectoral level. The most serious problem is that, due to the necessity to print the information by a certain deadline, some SOE results which should be included are not. The SOE may not have completed the audit of its accounts or it may simply fail to respond fully to the Ministry of Finance's request for financial information. For example, in 1987-88, 10 of 24 Ghee Corporation of Pakistan (GCP) units did not respond and the Ghee Corporation Holding Company itself did not respond. This lack of complete information makes it impossible to evaluate a given company's financial status and to compare results from one year to the next for many of the corporations.

A second problem is that intercompany transactions may or may not be clearly accounted for or eliminated; there is a lack of consistency because of conflicting information or because of insufficient detail to permit their elimination. Not only may the dealings of a subsidiary with its parent not be eliminated, but many of the corporations buy shares in other SOEs or loan money to them, and these capital flows also are double counted. Because of discrepancies in reporting of balance sheet items (Company A's loan to Company B reported as different amounts by the two companies) and lack of time to resolve those discrepancies, balance sheet items are simply summed. Inter-company income statement items (financial charges and dividends, in particular) are sufficiently close in most cases so that they are eliminated, resulting in balance sheet and income statement aggregation being on different bases.

Other problems in aggregating the SOEs financial information include differing accounting year ends, differing accounting policies, and the fact that in Pakistan corporations are not required to consolidate the accounts of their wholly owned subsidiaries, with the result that some corporations do consolidate their subsidiaries and some do not.

F. Would You Invest in This Business?

Even with the above problems, Government Sponsored Corporations does provide some useful information. Although the data is not necessarily complete or, therefore, totally correct, it does provide an insight into how government corporations are faring financially. In particular, if we compare profits to total assets, the average rate of return on assets in each sector may be estimated.[2] The higher the rate of return to assets, the more efficiently those assets are being employed.

In 1987-88 and 1988-89, of the eleven productive (non-financial)[3] sectors classified by the Ministry of Finance, the assets of five of the sectors totalled at least Rs 10 billion each: commerce, manufacturing, oil and gas, transport services, and power. The assets of the remaining six sectors[4] totalled less than Rs 6 billion together, and are aggregated as "other" in Tables 1 and 2. The companies comprising each sector, including the banks and insurance companies, are listed in Annex A.

Only the commerce sector had returns to assets over 10% for 1987-88 and 1988-89.[5] The manufacturing sector, including three of the agribusinesses analyzed under the RONCO/AC-SCA project, achieved an average rate of return on assets of less than 3% in both years. Since inflation in Pakistan is approximately 12% and interest rates are around 15%, in reality the manufacturing sector generates negative returns on assets employed.

G. There Must Be a Better Way!

Is there a better way for these same goods and services to be provided to Pakistan's population? If the provision of some of the same goods by the private sector is any indication, the answer is yes.

The results observed in the ACSCA studies are significant. For 1987-88 and 1988-89, the National Fertilizer Corporation (NFC) had overall returns to assets of 10.18% and 7.35%,

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[2] Return on assets = $\frac{\text{Income before taxes}}{\text{Total Assets.}}$

Income before taxes is used in this study in order to remove possible flaws in analysis caused by differences in tax treatment. Many companies do not accrue income taxes, but record them only when paid, so that tax payments may have no relation to profits or losses of the year being analyzed. In addition, tax payments may be affected by prior period adjustments. Finally, a holding company is not taxed on its consolidated income. Each individual subsidiary company is taxed on its own profits which are not offset by the losses of other sister companies, resulting in a skewed tax rate on the holding company's books.

[3] For purposes of this analysis, banks (both commercial and development finance institutions) and insurance companies are excluded, since the measurement of financial assets is so different from the measurement of assets in other industries.

[4] Mass Media Communications, 2.9 billion; Printing and Publications, 1.1 billion; Other (2 agricultural storage corporations and one supermarket chain), .8 billion; Construction, .5 billion; Consultancy, .4 billion, and Mining, .05 billion.

[5] The Rice Export Corporation, with 56% of the assets in this sector, generated 94% of the profits in 1988-89. In 1987-88, it had 33.6% of the assets and generated 67.3% of the profits in the sector.

TABLE 1

GOVERNMENT SPONSORED CORPORATIONS
SELECTED SECTOR COMPARISONS
1987-88
(Rupees, millions)

Sector	Total Assets	Total Liabilities	Investment (1)	Profit before tax	Return on Assets (before tax)
DFIs and Spec. Banks			(15.1)	2,207.3	
Sch. Commercial Banks			402.9	1,656.6	
Insurance			37.3	568.7	
Banking and Ins.	471,292.0 (2)	438,815.5 (2)	425.1	4,432.6	0.94%
Power	14,949.8		2,188.2	457.3	3.06%
Manufacturing	69,462.2		1,168.1	846.3	1.22%
Oil and Gas	41,575.8		3,075.6	2,808.6	6.76%
Transport Services	16,968.0		978.1	(340.4)	-2.01%
Commerce	12,389.6		42.8	2,281.0	18.41%
Other	8,596.8		272.4	464.4	5.40%
All except banks and ins.	163,942.2 (3)	84,513.4 (2)	7,725.2	6,517.2	3.98%
TOTALS	635,234.2	523,328.9	8,150.3	10,949.8	1.72%
SELECTED AGRIBUSINESSES					
Ghee Corporation of Pak. (4)	1,010.4	829.1	12.4	(33.9)	-3.36%
National Fertilizer Corp. (4)	8,204.4	4,678.0	24.1	835.4	10.18%
Millat Tractors (4)	682.6	457.0	(3.7)	66.5	9.74%
Al-Ghazi Tractors (4)	822.1	745.5	(3.8)	17.4	2.12%
Pak Ag Storage & Serv (5)	2,522.4	2,773.3	21.5	53.7	2.13%
Ag Mktg and Storage Ltd (5)	100.6	112.5	0.5	1.5	1.49%

Source: Government Sponsored Corporations, 1987-88, Economic Advisor's Wing, Ministry of Finance, GOP, except for information for Millat and Agl-Ghazi, which was taken from AnnualReport, 1987-88, Public Sector Industries, Experts Advisory Cell, Ministry of Production, GOP, Islamabad.

Notes:

(1) Investment is defined in Government Sponsored Corporations as change in value of gross fixed assets.

(2) Many of the corporations borrow from state-owned banks. Approximately Rs. 49.0 billion of borrowing has been netted out of their liabilities and the same amount out of assets of the banks and DFIs. Information was not provided as to breakdown of these amounts among sectors; hence no attempt has been made to provide total liabilities of individual sectors nor total assets of individual banking and insurance sectors.

(3) Information included for 45 companies which reported results to the Economic Advisor's Wing. Some holding companies include results for only some of their units.

(4) Part of manufacturing sector.

(5) Part of "other" sector.

TABLE 2

GOVERNMENT SPONSORED CORPORATIONS
SELECTED SECTOR COMPARISONS
1988-89
(Rupees, millions)

Sector	Total Assets	Total Liabilities	Investment (1)	Profit before tax	Return on Assets (before tax)
DFIs and Spec. Banks			32.2	2,511.2	
Sch. Commercial Banks			251.3	1,708.2	
Insurance			15.2	610.0	
Banking and Ins.	481,902.2 (2)	476,901.3 (2)	298.7	4,829.4	1.00%
Power	110,260.4		20,143.5	5,161.0	4.68%
Manufacturing	74,864.6		2,003.8	2,121.8	2.83%
Oil and Gas	45,800.3		3,003.3	2,800.1	6.11%
Transport Services	17,649.2		1,096.7	136.4	0.77%
Commerce	10,636.9		35.3	1,654.9	15.56%
Other	5,813.9		236.1	316.8	5.45%
All except banks and ins.	265,025.3 (3)	144,814.6 (2)	26,518.7	12,191.0	4.60%
TOTALS	746,927.5	621,715.9	26,817.4	17,020.4	2.28%
SELECTED AGRIBUSINESSES					
Ghee Corporation of Pak. (4)	2,890.3	2,560.7	13.9	67.3	2.33%
National Fertilizer Corp. (4)	7,794.6	3,974.3	180.5	572.7	7.35%
Millat Tractors (4)	755.0	487.5	6.1	112.0	14.83%
Al-Ghazi Tractors (4)	912.5	828.3	(4.6)	18.6	2.04%
Pak Ag Storage & Serv (5)	412.0	551.3	(12.7)	111.7	27.11%
Ag Mktg and Storage Ltd (5)	285.2	195.9	0.5	(7.4)	-2.59%

Source: Government Sponsored Corporations, 1988-89, Economic Advisor's Wing, Ministry of Finance, GOP, except for information for Millat and Agl-Ghazi, which was taken from AnnualReport, 1988-89, Public Sector Industries, Experts Advisory Cell, Ministry of Production, GOP, Islamabad.

Notes:

(1) Investment is defined in Government Sponsored Corporations as change in value of gross fixed assets.

(2) Many of the corporations borrow from state-owned banks. Approximately Rs. 53.5 billion of borrowing has been netted out of their liabilities and the same amount out of assets of the banks and DFIs. Information was not provided as to breakdown of these amounts among sectors; hence no attempt has been made to provide total liabilities of individual sectors nor total assets of individual banking and insurance sectors.

(3) Information included for 40 companies which reported results to the Economic Advisor's Wing. Some holding companies include results for only some of their units.

(4) Part of manufacturing sector.

(5) Part of "other" sector.

respectively. For the years ended December 31, 1987 and 1988, Exxon Chemicals and Dawood Hercules, two private companies providing the same products as NFC, had returns of 44.44% and 16.02% (1987) and 34.06% and 24.48% (1988), respectively.

The results in the edible oil industry are similar. For 1987-88 and 1988-89 the GCP, the state-owned edible oil producer, had overall returns of -3.36% and 2.33%[6]. Four private companies had returns at least twice as high: Pakistan Ghee Mills averaged 5.56% return to assets in the years 1986 - 1988; Punjab Oil averaged 6.76% and Fatima Enterprises averaged 11.7% over the same three years. (1989 results were not available for these companies.) Lever Brothers Edible Oil Division had returns of over 30% in the years 1986 and 1987.[7]

The key raw material inputs for both the fertilizer and ghee industries are either regulated, produced or imported by the government and sold to all companies at the same price. Thus, the differences in returns noted above cannot be said to result from differences in raw materials costs to manufacturers. The variation in the rates of return results from differences in labor, overhead costs, interest costs and other operating expenses.

For a number of major economic reasons (low commodity prices, rising manufacturing costs, limited effective tractor demand), there are no private sector tractor companies currently operating in Pakistan to compare to the SOEs, Millat Tractors and Al-Ghazi Tractors. (Allied Tractors, a joint venture between Ford and local investors, ceased production in 1989 for marketing, technical and production reasons.) In 1990, Al-Ghazi management was reassumed by the Pakistan Automobile Corporation, the major shareholder, which also controls and manages Millat.

Millat's 1988-89 return on assets of 14.84% is healthy compared to NFC's 7.35% and GCP's 2.33%; for 1987-88 at 9.74% it is slightly lower than NFC's (10.18%). However, Millat depends on five other state-owned enterprises for its components and raw materials. Of these suppliers, Balochistan Wheels had returns of 16.8%; the others had returns of less than 4%. Pakistan Steel, the largest both in company size and in percentage of raw material input to tractors, had returns of only 1.5%; Bolan Castings, Bela Engineers and Pakistan Machine Tool Factory had returns of 3.8%, 2.8% and 0.1%, respectively. Thus, if Millat's materials costs were not in effect subsidized by its SOE suppliers, it would have achieved much lower returns or lost money. If its costs of goods sold had been even 5% higher, its returns would have been reduced to only 2% pretax return on assets, the actual level of Al-Ghazi's returns in 1987-88 and 1988-89. Al-Ghazi, of course, depends on most of the same suppliers as Millat, so higher cost of goods sold would have put it into a loss situation.

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[6] Results of units not reporting their results to the Ministry of Finance are not included in these amounts. The missing units are not among the larger nor more profitable companies; therefore, the percentage rate of return for the corporation as a whole is not estimated to be significantly better than that reported here.

[7] Since 1988, after its merger with Lipton, Lever Brothers no longer has segregated results of its edible oils division in its annual reports. Edible oils sales are now included with sales of Lipton teas and other food products in a new food products division and are thus no longer comparable to GCP results.

Summary

The above analysis shows that few of the SOEs are economically viable. Table 3 shows the percentage pretax return on assets in 1987-88 and 1988-89 for the SOEs whose results were reported in Government Sponsored Corporations. Only 4 of the 45 companies reporting in 1987-88 and 6 of the 40 companies reporting in 1988-89 achieved better than a 20% return on its assets; of these only 3 in 1987-88 and 4 in 1988-89 achieved a 24% return, the amount equal to the savings rate plus inflation. In contrast, 13 of 45 in 1987-88 and 10 of 40 companies in 1988-89 had losses[8] and another 13 (1987-88) and 11 (1988-89) had returns of 3% or less. The aggregated results of all state-owned enterprises, including the financial sectors, show a combined return on assets of 1.72% in 1987-88 and 2.28% in 1988-89. Such results show that the state-owned enterprises are not making efficient use of the resources at their disposal.

Given the lack of economic viability of most of the state-owned enterprises, it appears that the questions with which this paper began can be at least tentatively answered. The basic principle which this brief analysis illuminates is the proper role of government in the present economy.[9] There are certain activities which should be performed by government because it is best suited to do them. Other activities are best left in nongovernmental hands and should be undertaken by government only for compelling reasons and on an economically viable basis. As The Economist concluded in its "Survey of the Third World":

> *Government has several vital jobs to do, and no spare resources to waste on other things. The cost of an effective legal system is public money very well spent. . . . Spending on infrastructure, education and health services will also pay. . . . Elsewhere, governments would be doing their economies a favour if they just did less.*[10]

ACSCA's research on the tractor, fertilizer and edible oil industries[11] leads to the conclusion that state participation in these subsectors, besides being inefficient, has neither led to better quality nor lower prices for consumers. Pakistan can better achieve its objectives by regulation of private enterprise and by creating the conditions so that private enterprise can

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[8] One company, Pakistan National Shipping Corporation had losses of Rs. 695 million in 1987-88, more than its paid-in capital of Rs. 500 million. Its accumulated losses at June 30, 1988 totalled Rs. 3.6 billion.

[9] Two similar principles behind the National Agribusiness Action Plan presented in November 1990 by the Analysis of Corporate Sector Constraints in Agriculture (ACSCA) project are that Pakistan must use its scarce resources with increased efficiency and that the government's limited resources should be used in a supporting role rather than to operate businesses directly.

[10] "A Survey of the Third World," The Economist, September 23, 1989, page 58.

[11] ACSCA Research Report #1, The Farm Machinery and Farm Implements Agro-industry (1990); ACSCA Research Report #2, The Fertilizer Agro-industry (1990); ACSCA Research Report #4, The Edible Oil Agro-industry (1991); Islamabad, Pakistan.

TABLE 3

STATE OPERATED ENTERPRISES
PERCENTAGE RETURNS ON ASSETS
1987-88 AND 1988-89

Rate of Return[1](Assets %)	Number of SOEs 1987-88	1988-89
20.1 -->	4	6
15.1 -- 20.0	3	0
10.1 -- 15.0	4	4
5.1 -- 10.0	5	7
3.1 -- 5.0	3	2
0.0 -- 3.0	13	11
Losses	13	10
Total SOEs reporting	45	40

Source: Derived from data in Government Sponsored Corporations, 1987-88 and 1988-89, Economic Advisor's Wing, Ministry of Finance, Government of Pakistan.

[1] Pretax returns: $\frac{\text{Income before taxes}}{\text{Total assets}}$

flourish; the government does its citizens a disservice by monopolizing or competing in the production of goods and the provision of services. Applying the principle of the proper role of government requires some thought. The principle is often understood to mean that infrastructure type activities (both social and physical) should be provided directly by government; all other activities are better assumed by the private sector. For example, responsibility for the railway network is usually in the public domain, while the printing industry is commonly viewed as a private sector activity.

Table 4 is an attempt to formulate a public sector restructuring plan for Pakistan. With the exception of the oil and gas industries, there are many firms which are not suitable for public sector control and management and which could be restructured into the private sector.

It is also apparent from a summary table such as this that each industry and each firm has its own particular traits which would influence its restructuring plan and schedule. These restructuring alternatives would need to be the subject for a subsequent paper. What is called for now is the decision to begin.

TABLE 4

SUMMARY OF PUBLIC AND PRIVATE SECTOR RESTRUCTURING

Sector	Present Status	Recommended Status	Restructuring Timing	Reasons
Banking and Insurance	Public and Private	Private	Short to medium term	Improved efficiency and competition yield lower interest rates and higher tax revenues.
Power	Public	Public and Private	Long term	New generation facilities to be private.
Manufacturing	Public and Private	Private	Short to long term	Improved efficiency and competition yield lower prices and better quality. Timing to extend to long term since some firms are not now viable.
Oil and gas	Public	Public	--------	Economies of scale; national service.
Transport	Public and Private	Public and Private	Short to medium term	National services, such as railroads, remain public.
Commerce	Public and Private	Private	Short term	Improved efficiency with competition. Move quickly since investment is not large.
Selected Agribusinesses				
Ghee Corporation of Pakistan	Public	Private	Short to medium term	To improve earnings, returns on assets and stimulate local oilseed production.
National Fertilizer Corporation	Public	Private	Short to medium term	To improve efficiency, return on assets and expand fertilizer production and sales.
Millat Tractors	Public	Private	Short to medium term	To improve efficiency, return on assets and expand tractor production and sales.

STATE-OWNED ENTERPRISES-

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ANNEX A

SECTORAL CLASSIFICATION OF GOVERNMENT SPONSORED CORPORATIONS

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SECTORAL CLASSIFICATION OF GOVERNMENT SPONSORED CORPORATIONS

I. D.F.I.s AND SPECIALIZED BANKS

Agricultural Development Bank of Pakistan
Bankers' Equity Limited
Equity Participation Fund
Federal Bank for Co-Operatives
House Building Finance Corporation
Investment Corporation of Pakistan
Industrial Development Bank of Pakistan
National Development Finance Corporation
National Investment Trust
Pakistan Industrial Credit and Investment Corporation
Pak-Kuwait Investment Company Limited
Pak-Libya Holding Company Limited
Saudi Pak Agricultural Investment Company Limited
Small Business Finance Corporation
Regional Development Finance Corporation

II. SCHEDULED COMMERCIAL BANKS

Allied Bank of Pakistan Limited
Habib Bank Limited
Muslim Commercial Bank Limited
National Bank of Pakistan
United Bank Limited

III. INSURANCE

National Insurance Corporation
Pakistan Insurance Corporation
State Life Insurance Corporation

IV. COMMERCE

Cotton Export Corporation
Rice Export Corporation of Pakistan
Trading Corporation of Pakistan

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V. MANUFACTURING

Carrier Telephone Industries Limited
Federal Chemicals and Ceramics Corporation Limited
(14 of 16 units included, both years)
Ghee Corporation of Pakistan Limited
[15 (1988) and 18 (1989) of 25 units included]
Karachi Shipyard and Engineering Works Limited
National Fertilizer Corporation of Pakistan Limited
(all units included in 1988;
7 of 8 units included, 1989)
Pakistan Automobile Corporation Limited
(12 of 16 units included, both years)
Pakistan Industrial Development Corporation
(8 of 11 units included, both years)
Pakistan Steel Mills Corporation Limited
Roti Corporation of Pakistan Limited [1]
State Cement Corporation of Pakistan Limited
(14 of 15 units included, 1988;
all units included, 1989)
State Engineering Corporation Limited
(12 of 13 units included, both years)
Telephone Industries of Pakistan Limited [1]

VI. CONSTRUCTION

Mechanized Construction of Pakistan Limited [1],[2]
National Construction Company (Pakistan) Limited [1],[2]
National Construction Limited
National Power Construction Corporation Limited
National Tubewell Construction Corporation Limited
Railway Construction Company [1]

VII. OIL AND GAS

Southern Gas Company Limited [1]
Oil and Gas Development Corporation
Pakistan Oilfields Limited
Pakistan Petroleum Limited
Pak-Arab Refinery Company Limited
Pakistan State Oil Company Limited
State Petroleum Refining and Petroleum Corporation Limited
Sui Southern Gas Company Limited
Sui Northern Gas Pipeline Limited

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VIII. MINING

Gem-Stone Corporation of Pakistan Limited [2]
Pakistan Mineral Development Corporation [1]
(1 of 2 units, 1988; both units included, 1989)
Resource Development Corporation Limited [1],[2]

IX. TRANSPORT SERVICES

Northern Areas Transport Corporation [2]
Pakistan International Airlines Corporation
(all units included, 1988;
6 of 7 units included, 1989)
Pakistan National Shipping Corporation

X. POWER

Karachi Electric Supply Corporation
Water and Power Development Authority (Power Wing) [2]

XI. PRINTING AND PUBLICATIONS

National Book Foundation [1]
Printing Corporation of Pakistan Limited [1],[2]
Pakistan Security Printing Corporation Limited
Security Papers Limited

XII. MASS MEDIA COMMUNICATIONS

National Film Development Corporation
Pakistan Broadcasting Corporation
Pakistan Television Corporation

XIII. CONSULTANCY

Investment Advisory Center of Pakistan
National Engineering Services Pakistan Limited
Pakistan Environmental Planning and Architectural Consultants [2]
Pakistan Railway Advisory and Consultancy Services Limited [2]

XIV. OTHER CORPORATIONS

Pakistan Agricultural Storage and Services Corporation Limited
Pakistan Tourism Development Corporation [1],[2]
Overseas Employment Corporation [1]

Shalimar Recording Company (Private) Limited [1]
Utility Stores Corporation
Agricultural Marketing Storage Limited

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Notes:

1. Financial results not included in Table 2.

2. Financial results not included in Table 1.

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