



**TRANSPARENCY  
INTERNATIONAL-PAKISTAN**

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**Advisory Committee**

21<sup>st</sup> February, 2012

Capt. Nadeem Khan Yousufzai  
Managing Director,  
Pakistan International Airlines,  
Quaid-e-Azam International Airport,  
Karachi 75200

Sub: Procurement of 5 New Boeing ER 777-300, US \$ 1.5 billion on unsolicited basis.

Dear Sir,

Transparency International Pakistan refers to the news published in Daily Jang of 21 Feb. 2012, which states that PIA has placed orders for the procurement of 5 New Boeing ER 777-300, US \$ 1.5 billion, and TIP has noted that no tenders were issued for this procurement, which is a gross violation of Public Procurement Rules 2004.

PIA has been violating Public Procurement Rules 2004 since long time, and for this particular procurement costing the exchequer more than Rs. 140 Billion, when PIA is stated to have already lost Rs110 billion over the past three years, and losing Rs 70 million per day without abiding with the Law of Land.

In 2009, TIP had asked PIA on vide letter dated 8<sup>th</sup> July 2009 about news on the negotiations held for purchase of 27 aircraft at cost of US \$ 2 Billion, and MD PIA Mr. Aijaz Haroon has assured TIP vide letter No. MDS/314/2009 dated 22/7/2009 that PIA will follow the rules and process the procurements of the two products, Boeing and Airbus, whenever PIA decided to acquire the new aircrafts.

Copy of TIP letter dated 27/7/2009 is enclosed acknowledging PIA assurance to follow Public Procurement Rules 2004 whenever new aircraft will be procured in future.

We request the Managing Director to kindly confirm whether the news published in the Daily Jang of 21st Feb. 2012 that PIA has already placed orders for the procurement of 5 New Boeing ER 777-300, US \$ 1.5 billion is correct or not.

Government of Pakistan has made it mandatory under the rule No 8 of Public Procurement Rules 2004, that all procuring agencies shall devise a mechanism, for planning in detail for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future, and shall be posted on PPRA website. TI Pakistan has also confirmed from PPRA website and no such procurement has been planned by PIA in 2012.



Kindly note that this procurement if the news report is true has to be treated as Mis-procurement under Rule No. 50.

PIA is informed that Article 19-A under 18<sup>th</sup> Amendment makes the right to access of information pertaining to a public authority a fundamental right. Justice Syed Mansoor Ali Shah in his landmark judgment *Ataullah Malik v. Federation of Pakistan* laid down the following: "Right to information is another corrective tool which allows public access to the working and decision making of the public authorities. It opens the working of public administration to public scrutiny. This necessitates transparent and structured exercise of discretion by the public functionaries. Article 19-A empowers the civil society of this country to seek information from public institutions and hold them answerable.

Transparency International Pakistan request the Managing Director to kindly provide the copies of the Evaluation Report and Contract Agreement under Rule 48.

Regards,

  
Syed Adil Gilani  
Adviser

**Copy forwarded for the information and action under the law to;**

1. Chairman Public Accounts Committee, Islamabad
2. Minister of Defence, Government of Pakistan, Islamabad
3. Minister of Finance, Government of Pakistan, Islamabad
4. Chairman, NAB, Islamabad
5. Auditor General Pakistan, Islamabad
6. Registrar, Supreme Court of Pakistan, Islamabad
7. MD, PPRA, Islamabad

Daily Jang  
21/2/12

پی آئی اے بونگ کمپنی سے پانچ

نئے طیارے خریدے گی

کراچی (اسٹاف رپورٹر) پی آئی اے بونگ کمپنی سے پانچ نئے ERS 777-300 طیارے خرید رہی ہے جن کی مالیت ڈیڑھ ارب ڈالر ہے۔ ایئر لائن نے ان پانچ 777 طیاروں کی خریداری کا آرڈر دے دیا ہے اور یہ آرڈر فائل ہو گیا ہے۔ ان طیاروں کی ڈیلیوری کے بعد ایئر لائن مزید پانچ 777 طیارے خریدے گی۔



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27<sup>th</sup> July, 2009

Captain Ajaz Haroon,  
Chairman,  
Pakistan International Airlines,  
Head Office,  
Quaid-e-Azam International Airport,  
Karachi 75200

Sub: Procurement of Reality Seven Boeing 777-300ER full-flight simulator

Dear Sir,

Transparency International Pakistan acknowledges the PIA reply to its letter dated 8<sup>th</sup> July 2009, given by the Chairman himself on 22<sup>nd</sup> July 2009, according to which PIA has not even commenced the procurement process of the \$ 2 Billion 27 new Aircrafts from Airbus and Boeing .

TI Pakistan also understand from your clarification that when ever the procurement will be made, it will be in accordance with the laid down rules and procedures, as per reply in the first para on page 3, which means Public Procurement Rules 2004, which does nor allow any discretion to PIA Board of its ministry. .

No reply has been received from PIA to the TI Pakistan letter dated 17<sup>th</sup> July 2009, about the procurement made by PIA from Thales for Reality Seven Boeing 777-300ER full-flight simulator as reported in Daily Times of 2 July 2007.

We request for early response.

With Regards,

Syed Adil Gilani  
Chairman,

**Transparency International Pakistan**

Copy forwarded for the information of ,

1. Auditor General of Pakistan, Islamabad,
2. Chairman, Public Accounts Committee, National Assembly, Islamabad.
3. Managing Director, PPRA, Islamabad.