The Effects of Privatization on the Financial Performance of Kenya Airways

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Abstract

The study set to establish the effect of privatization on the financial performance of the Kenyan aviation industry, with specific reference to the Kenya Airways Limited. The study has explored literature on the financial performance of Kenya Airways before and after it was privatized by analyzing financial statements throughout this period. The target populations were financial experts, senior and middle-level management staff at Kenya Airways. The study used a sample of 37 staff, chosen using the stratified random sampling technique. Questionnaires were used to collect data from the respondents and analyzed using the SPSS statistical tool. The results showed that to a larger extent, privatization has had a positive impact on the financial performance of the aviation industry. The researcher provided a set of recommendations and suggested areas for future research.

Key words: Privatization, liquidity, solvency, profitability and financial effectiveness.

1. Introduction

The aviation industry is, by its very nature, a global industry. This industry continues to remain a large and growing industry, facilitating economic growth, world trade, international investment and tourism and therefore remains central to the globalization taking place in many other industries. In order to survive and be prosperous in this industry, airlines have recognized the need for radical change. The new trends emerging in the aviation industry in a global scenario are the increased globalization of economies, liberalization of aviation policies, new technological developments in civil aviation, privatization of airlines and airports and liberal and open skies bilateral agreements (Durge, 2011).

According to Iatridis & Hopps (1998) privatization affects the nature and environment of any business in any country. There has been a high level of privatization activity in the aviation industry in recent years, especially in the airports sector. Privatization of government-owned airlines has been one of the pre-eminent transformations in air transport. Whatever the reason, the privatization of government-owned airlines has accompanied a more commercially oriented outlook within a liberalized competitive environment. Block (2008) and Durge (2011) argued that the privatization of all aspects of the industry is the most effective way to ensure that the free enterprise market system can efficiently allocate scarce resources and maximize consumer and producer welfare. However, some form of participation of government in the industry is necessary to ensure that the government puts in place favourable policies that will contribute towards the achievement of the privatization goals.

According to IATA press release No. 3 (2008), airport performance is measured in three major areas: (1) Airports must deliver adequate capacity to ensure that markets are well served; (2) they must ensure service levels that meet customer expectations; and (3) they must have prices that reflect efficiency, effectiveness and quality customer care. This therefore, indicates that providing the right incentives is the most critical part of the privatization process in the aviation industry. There have been a number of privatized firms failing because of lack of effective and transparent economic regulation in place (IATA, 2008).

Privatization in the aviation industry is a phenomenon that has and is still being practiced in the world. This has been a case mostly in reference to developed countries. In the developing countries, the concept is new and in some cases in a number of developing countries, it is a process that is still yet to be fully realized. The aviation industry has had and still experiencing privatization in a number of African countries. A good number of African countries national carriers have been privatized or are in the initial or final process. Most of these airlines have been privatized and bought by European and American nationals. Major players here include the British Airways, KLM for Netherlands, Lufthansa for Germany, Iberia for Spain, and Air France among others. An example of fully or partially privatized African carriers includes Nigeria Airways, Kenya Airways, Senegal Airways, and Cameroon Airways among others (Etieyibo, 2011; Omoyefa, 2008).

According to Naikuni (2004) and IFC (2010), in 1995, IFC successfully advised the Government of Kenya on the privatization of Kenya Airways. The sale was aimed at improving the performance of the airline. It is for this reason therefore that the government initiated a plan to privatize the airline where KLM Royal Dutch Airlines, an international airline, purchased 26% of the equity where the Kenyan Treasury received over US$70 million from the sale, 113,000 Kenyans bought 22% shares worth US$200, Kenyan financial institutions bought 12%, international financial investors 14%, and finally the Kenya airways employees acquired 3%. Naikuni further stated that after selling 26% of the airline to a strategic partner, the frequency of the airline's flights grew by 61% in six years, developing Nairobi into a regional hub and that the airline had been profitable ever since.

A number of research carried out on the impact of privatization have greatly touched on its impact on organization's overall performance as well as corporate image. Little has been done to evaluate its impact on financial performance of an organization. Senturk, Terzi & Dokmeci (2011) discussed the process of privatization of health-care, its importance and how it can be sustained. Bruton, Keels & Scrifres (2002) examined the effects of privatization on the quality of goods and services and how it leads to economic growth of an organization. Wu and Parker (2007) assess how privatization leads to policy change an aspect that will eventually improve the overall performance of an organization. Specifically, the researches carried out do not touch much on the impact of privatization techniques influencing financial performance, how it leads to competitive advantage that brings about financial performance of the aviation industry and how pre- and post-privatization impacts performance of the aviation industry in terms of profitability, financial efficiency and liquidity and solvency.

The study provides information on how privatization has a great impact on the financial performance of the Airline carriers and how to sustain the improvements achieved. It is in this regard that Kenya Airways was selected as a case study. The rest of the paper is structured as follows: First we give the statement of the problem and objectives of the study. Then we introduce the concept of privatization where both the theoretical and conceptual frameworks are discussed. Thereafter we outline the methods that were used in collecting data and drawing conclusions in the research methodology. Then we enumerate the research findings. We then draw conclusions from the findings and make recommendations based on the findings and outline areas that further research needs to be done.

2. Statement of the Problem and Objectives

Kenya Airways was incorporated in 1977 as the country's national flag carrier and was fully owned by the Government. Over the last decades, the airline accumulated massive financial losses, along with crippling debt arrears from its failure to service its loans and sustain its operations. The basis for a nationwide privatization program was laid out in 1992, and Kenya Airways was one of the 45 companies to be privatized in the first stage of the process.

The major step that was to be realized was to help bring about private ownership of Kenya Airways. The Government's main objectives were to ensure the continued operation of Kenya Airways as the country's national airline, to transfer the bulk of ownership of the airline to the private sector, and to allow the airline to build on its improved operating performance, sustain itself and become profitable with support from the private sector (Republic of Kenya, 1996a).

According to Bruton, Keels & Scrifres (2002) public enterprises were a choice by the government to facilitate the provision of important goods and services that the other markets in place could not provide for efficiently. It was the government's responsibility to monitor and command the running of this business in order to provide quality services to its citizens improve the economy so as to speed up the economic growth and achieve distributive justice, reduce poverty and provide public goods for the economically disadvantaged masses and act as a regulator of the markets. This led to the increase of creation and establishment of a good number of business enterprises owned by the government that became no-profit and could not meet and yield the targeted requirements.

Due to the unprecedented expansion in numbers of these government owned organizations, it led to serious burdens on the government. The government failed at some point to regulate, manage and monitor the functions of some of the firms, a factor that led to some government owned enterprises experiencing poor performance, leading to loses and inefficiency. The government had to obtain loans in order to facilitate the continuity of the state owned enterprises, an aspect that became a burden to the exchequer due to increased tax over the last decade (World Bank, 2000a).

A basic question for both policy makers and the public is "why privatize a publicly owned carrier?" Restructuring, privatization, and liberalization/deregulation are complex processes that need keen understanding of the aviation market. Privatization should lead to economic and financial improvement, profitability and efficiency. The improvement should enable the government to reduce budgetary support for the firm, as well as government borrowings and loan guarantees. The assumption is that privatization generates enough funds and that the privatized enterprise continues to operate efficiently without depending much on the government (Oyieke, 2002).

Privatization creates jobs, sustain them and offer more emerging markets as well as new trends in the firm to support its existence. Though the process of privation has been so slow in Kenya, it is a gradual process that if fully realized can free the government off its debs and increase its GDP in terms of tax collection and employment. Privatization can be a solution to financial problems experienced by state owned firms improve service delivery and improve the people's living standards of the citizens. Its importance can only be realized through support and fully implementing privatization in the public sector by the stakeholders in the government. The aim of this research was to provide information on the effects of privatization using a case study of Kenya Airways Nairobi, in order to fill the gap in terms of its importance in financial development of a firm.

The main objective of this research was to investigate the effects of privatization on the financial performance of the Kenyan aviation industry. The research had the following specific objectives:

a. To determine the effect of privatization on the liquidity of the aviation industry in Kenya.
b. To find out how privatization has affected the solvency of the aviation industry in Kenya.
c. To determine how privatization has affected profitability in the aviation industry in Kenya.
d. To examine the effect of privatization on financial efficiency in the aviation industry in Kenya.

3. Theoretical and Conceptual Framework

In this section, we begin with a review of the theoretical framework followed by the conceptual framework. The theoretical framework gives an overview why the decision is taken to privatize state-owned enterprises as well as the theories that support privatization. We also discuss a financial model that was relied upon as a method of solving the questions that formed the basis of this study. In the conceptual framework, we illustrate how privatization affects the financial performance of an organization in terms of liquidity, solvency, profitability and financial efficiency. Each variable is also discussed in detail.

3.1 Theoretical Framework

Privatization has been practiced in various developed countries in the world thus not a new phenomenon in developed countries. Graham & Prosser (1991) explain that the British government has been a world leader in the implementation of privatization policies worldwide. Furthermore, a number of overseas privatization programs are directly modelled on British experiences. According to World Bank (2000a), privatization has helped to build infrastructure in western industries & nations for several hundred years.

Privatization has been viewed by most of economic actors as an inevitable step of the reforms required for financial performance. In fact the financial performance of an entity is what leads to the discussion of whether it should be privatized or not (Cabanda & Sathye, 2009).

Privatization has proven its economic worth and the shift to private ownership generally improves a firm's financial efficiency. There are few exceptions, but the superiority of private firms over public on several efficiency criteria holds up in most countries, including some that are very poor, and many of the former socialist economies. In their extensive literature review, covering 65 empirical studies at the firm level, and across firms within and across countries, Megginson and Netter (2001) conclude that privately-owned firms are more efficient and more profitable than otherwise-comparable state-owned firms. There are various theories that support the idea of privatization. In this study, we selected two theories that are relevant to our research area. This is followed by a discussion on financial ratio analysis as the underlying model of our study.

3.1.1 Benefit and Cost Theory

This theory argues that privatization will increase market share because privately owned enterprises have better incentives to produce goods and services in whatever quality and quantity to satisfy consumers would desire more. However in this case the companies which tend to succeed are the ones that will be able to meet consumer's needs (market demand and supply forces). This theory then believes that with privatization, the consumers will dictate what should be produced rather than the government choosing. This mostly reflects short term political pressure for the government as their only produce with the resources that they have causing problems for the management of public sector (Roland, 2008; Filipovic, 2005).

3.1.2 The Maximizing Privatization Revenue Theory

This theory sets out the assumption about the information between the government and the buyers on the true value of the firm to be privatized assuming that the investor (buyer) do not have enough information about the firms profitability. However the theory predicts that the government sale-off of existing SOEs will see to a continuous performance of the function of profit maximization of such firm.

Since the SOE management reports to the relevant government ministry about its financial and operational performance, the government will be able to extract all the information it gets to obtain a reasonable sales price that will equally reflect the true value of the existing SOE before it is privatized. The bottom line is that as buyer observes the sale of the first SOE, their reaction towards investing in the second SOEs will so much depend upon what premium was made from the first SOE sale or the opportunity that can be made from the second transaction (Chong & Lopez de Silanes, 2005; Roland, 2008; Filipovic, 2005; Vickers & Yerrow, 1991.)

3.1.3 Financial Ratio Analysis

The financial function plays a significant role in ensuring that company's objectives are compatible with its resources. Financial information usually serves as the basic instrument of strategic analysis, thus, through the use of published financial data; analysis of the behaviour and competence of rival firms within the industry can be performed leading to judgments relating to a company's relative competitive position. It is this information that will enable the firm to realize its strategy and that of its competitors, thus the future survival of the Organization (Mintzberg & Waters, 1989).

Financial analysis therefore forms a very important aspect of corporate evaluations and general business information. The finance function, therefore, performs two major roles in ensuring the survival of a corporate establishment. One is the monitoring and evaluating the implementation of its business strategy and involving a reporting role. Second, it serves as a basis for future planning of organizational objectives, which can be used to predict the future of an establishment. Financial analysis of corporate organization is commonly carried out through financial ratios analysis that goes hand in hand with the mission of the organization (Filipovic, 2005)

According to Filipovic (2005), ratio analysis is a good tool to evaluate an organization's profitability, liquidity, solvency and financial stability. According to Abraham (as cited in Turk et al, 1995), the key to analysis and measurement of the financial and operational control and impact is related to the interrelationship between the mission and the financial resourcing and control of the organization. Further, a financial model provides an appropriate analysis for past performance which will help an organization realize its future directions.

Abraham (2006) noted that financial ratio analysis formalizes and quantifies financial data to facilitate comparison within an organization. Ratio analysis provides an efficient means for evaluation of financial conditions and operating performance, by which a decision-maker can identify important relationships, and by which forecasts can be made of an organization's ability to pay its debts. Thus the model is vital in assessing the impact of privatization in the aviation industry in terms of financial performance and act as a decision-making tool for public enterprises within and outside the industry that are lined up for privatization in the future.

3.2 Conceptual Framework

According to Oyieke (2002), privatization involves a movement away from public ownership to private ownership. He argues that such a movement is expected to improve efficiency, profitability and growth. Figure 1 depicts a pictorial representation on the effects of privatization on an organizations liquidity, solvency, profitability and financial efficiency are expected to be positive hence influence the financial performance of an organization. This effect is then assessed by use of ratio analysis. According to Tuk et al. (1995), the analytical capabilities of ratio analysis have an important place in assessing an organization's current financial state, establishing measures for future strategies and tasks to accomplish its mission, evaluating its performance over time, and deciding how the organization should proceed in the future. These variables and their influence on financial performance are discussed below.

3.2.1 Liquidity

Liquidity is the ability of a business to meet financial obligations as they come due in the short term, without disrupting the normal operations of the business. Liquidity is measured by current ratio, a measure of a firm's short-term solvency

$$Current\ Ratio = \frac{Current\ Assets}{Current\ Liability}$$

This is measured by the ratios of total debt to total assets and debt to equity. It refers to use of fixed costs in an attempt to increase profitability.

Firms demand liquidity in anticipation of future financing needs either because it is cheaper to get financing now or because there is a risk that financing will not be available if the firm waits until the need for funding arises. An entrepreneurial firm has an investment opportunity with a known outcome, but only part of the return is pledge able to investors. When the pledge able income is insufficient to cover the full investment cost, the firm has to cover the gap with funds it has accumulated from the past. As a result the firm's investment is constrained by the firm's net worth. Liquidity**,** as measured by the ratio of current asset to current liability, is expected to improve as a result of privatization. In developing countries, most of the findings on assessment of financial performance before and after privatization concluded that privatization improves the performance of the enterprise particularly a significant increase in liquidity ratio (Kikeri & Nellis, 2004).

3.2.2 Solvency

Solvency is defined as creditworthiness of a company. The solvency ratio measures the size of a company's after-tax income; excluding non-cash depreciation expenses, as compared to the firm's total debt obligations. It provides a measurement of how likely a company will be to continue meeting its debt obligations.

$$Solvency\ Ratio = \frac{shortterm\ debt + longterm\ debt}{total\ assets}$$

Note that the lower a company's solvency ratio, the greater the probability that the company will default on its debt obligations (Pinheiro, 1996).

Zhara, Ireland, Gutierrez & Hitt (2000) explained that one of the factors that influences the selection of enterprises for privatizations include their cost of operations and solvency. For example, poorly performing public enterprises frequently are among the first to be privatized, perhaps to buffer the taxpayer from their operating costs. This improves profitability and thus overall performance of the company.

3.2.3 Profitability

Profitability is the quality of affording gain or benefit or profit. Return on sales, return on asset and return on equity are the indicators used to measure profitability. Most studies find that privatization has a positive impact on the profitability of firms. The firms in these studies have had a majority of their assets privatized and control rights have been transferred from the government to private owners (Megginson & Netter, 2001).

The study by Megginson, Nash & Netter (1997) that compared the pre- and post-privatization performance of 61 companies in 18 countries and 32 industries; showed a significant increases among newly private firms in profitability, output per employee, capital spending, and employment. It also found that the financial policies of these firms start to resemble those typically associated with private entrepreneurial companies with lower leverage and higher dividend pay-out ratios. The study was able to rule out price increases as a frequent source of profitability increases. It also showed that privatization has a positive effect on a firm's operating and financial performance while maintaining employment.

3.2.4 Financial Efficiency

Privatization programs implemented by governments over the past three decades have changed the size and efficiency of global financial markets, altered the practice of corporate finance in economies that experienced large privatizations, and impacted the returns earned by individual investors who purchased stock in a privatized company (Megginson, 2010). According to Adegbite (2000) privatization does not only improve financial efficiency but helps in streamlining the financial procedures a factor that leads to designing of good financial policies as well as implementation of the same in order to improve the firm’s financial performance.

Additionally, privatization has improved in doing away with bureaucratic activities experienced in state owned enterprises thus making financial information of the firm available to the members of the public, that is, public awareness and transparency. This has led to transparency in privatized enterprises, as well as enabling the public to participate in contributing to the development of the organization (Adegbite, 2000).

4. Research Methodology

A case study is a way of organizing data and looking at the object to be studied as a whole. All aspects are considered, which means that the development over time of the event constitutes an important dimension. According to Paton (1990), a case study seeks to describe a unit in detail, in context and holistically. A case study becomes particularly useful when one can identify a case rich in information- rich in the sense that a great deal can be learnt from a few examples of the phenomena under study.

This study was based on published financial data for Kenya Airways for the period 1990-2012. Ratio analysis was used to assess the financial performance during the pre- and post-privatization periods, based on:

a. Liquidity (Current ratio)
b. Solvency (Debt to asset ratio)
c. Profitability (Return on Equity)
d. Financial effectiveness(Asset Turnover ratio)

Structured questionnaires and interviews were used in this study to verify the accuracy of this data. This was focused on selected financial experts, top management, and middle level management at Kenya Airways. Data was analyzed by use of quantitative statistical tools mainly tables, pie charts and graphs. Inferences were made based on the output. All the analysis was done with the help of a statistical package for social scientist (SPSS).

5. Findings

This section presented raw data followed by discussion depending on the type of data collection instrument that the researcher used. In this case, the researcher analyzed the answers from the interviews and questionnaires distributed, explained the contents and lastly derived a conclusion from the explanation given. Unit of analysis was based on the research questions and objectives and captured the independent variables. In order to analyse the performance of Kenya Airways, data was analysed from the annual financial reports. Performance criteria were calculated and compared to determine whether there was a significant difference among the pre- and post-privatization periods.

5.1 Respondents profile

The researcher distributed 37 questionnaires to the respondents and received 32 questionnaires that represent 86.5% of the response rate. Further, of those who responded, 59.4% were male and 40.6% were female. Most of the employees interviewed were below 35 years of age with majority (about 84.3%) having worked in the company for over 5 years. Thus it was concluded that the company had many young productive employees with reliable working experience.

5.2 Extent privatization positively affects financial performance in terms of liquidity?

Liquidity, as measured by the ratio of current asset to current liability, improved in the period that followed privatization. Figure 2 indicates Kenya Airways liquidity between 1990/1991 and 2011/2012 and reveals that there was a significant increase in liquidity ratio before and after privatization. The results shown in Figure 3 re-affirms the claim that privatization positively affects aviation industry in terms of liquidity to a high extent (about 78% of those who responded “very high” and “high”).

5.3 Extent privatization positively affects financial performance in terms of solvency

One of the factors that influenced the selection of Kenya Airways for privatizations included its cost of operations and solvency. For example, when Kenya Airways was found to be performing poorly, it was among the company listed for privatization, perhaps to buffer the taxpayer from their operating costs. This improved profitability and thus overall performance of the company. The solvency was seen to be higher than when it was a state owned enterprise. The results are shown in Figure 4.

The researcher sought to know to what extent privatization positively affects the financial performance of the aviation industry in terms of solvency. The results in Figure 5 reveals that over 85% of the respondents (those who responded “very high” and “high”) concur to the claim that privatization has positive effects on solvency.

5.4Extent privatization positively affects financial Performance in terms of Profitability?

Privatization at Kenya Airways led the management to focus on profit goals because now under private ownership, they were directly supervised by shareholders. That is why the change in ownership from public to private resulted in an increase in the profitability of Kenya Airways. Moreover, the benefits of ownership stem from the assumption that shareholders did not expropriate investments of manager in the company’s assets while the government could re-deploy the investments to serve social goals. The managers then showed a greater interest for profits and efficiency in private ownership relative to state ownership. By doing so, privatization subjected managers to the pressure of the financial markets and to the monitoring and discipline of profit oriented investor. Figure 6 shows Kenya Airways profitability between 1990/91 and 2011/12 while Figure 7 validates that privatization positively affect the financial performance of the aviation industry in terms of profitability.

5.5 Extent privatization positively affects financial performance in terms of Efficiency?

The researcher analysed Kenya Airways before and after it was privatized and found a significant increase in profitability, operating and financial efficiency. The changes in profitability and financial efficiency were huge immediately after privatization. It was concluded that from the findings, Kenya airways’ financial efficiency improved after privatization. Privatization reduced the government expenditure due to the withdrawal of direct subsides. Prior to the privatization process, there was a physical drain on the national treasury as the government was heavily subsidizing Kenya Airways to stand on their own, for instance, exempting them from import duties. In this there was increased financial efficiency and high profitability. Privatization reduced subsidies to Kenya Airways which led to increase in government income especially when taxes paid exceeded the sums previously as the government profits when it was a public utility. Figure 8 shows Kenya Airways financial efficiency between 1990/91 and 2011/12 while Figure 9 shows that 87.5% of the respondents agree that privatization positively affect the financial performance of the aviation industry in terms of financial efficiency.

6. Conclusion

The objective of this study was to examine the impact of privatization on financial performance of Kenya aviation industry by using both descriptive and quantitative ratio analysis. In order to achieve its objective, the study addressed the theoretical aspects of privatization, by reviewing concepts, objectives, methods, impacts and experiences. Furthermore, the researcher concentrated on Kenya Airways, which served to establish a framework for the study and to derive the variables essential for conducting the research. To examine the performance of Kenya Airways, the study followed the standard methodology of comparison used in the literature and empirical studies to compare the pre- and post- privatization financial performance of the company. The result of the study showed that there were positive improvements in the performance of Kenya Airways after privatization in terms of liquidity and debt ratios compared to its performance before privatization. This performance indicator showed also an increase in financial efficiency. In addition to this effect, the operation performance indicator of asset turnover and income efficiency was increased. The results suggest that privatization has positive effects on Kenya Airways performance. It was found that profitability and financial efficiency increase after privatization. In addition, the study documents an improvement in solvency as measured by total assets. Remarkably, there is a decline in employment in the years that followed privatization.

Finally, the findings confirm that privatization results in an increase in capital expenditure after privatization. In general the results concur with empirical literature that states privatization improves the performance of privatized companies in terms of profitability and financial efficiency. While the causes of such satisfying outcome most expect further empirical analysis, there is evidence to suggest that such causes may include but not limited to adequate finance, decrease in production cost and management efficiency.

6.1 Recommendations

We tried to provide a set of the following recommendations:

1. As this study has shown that privatization has a positive impact on the financial performance of an organization in terms of liquidity, profitability, solvency and financial efficiency, the government should privatize poorly performing enterprises as it can greatly benefit from privatizing commercially oriented enterprises.
2. To sustain the positive benefits of privatization, there is need for privatized companies to engage professionals in the running of the companies who can foster transparency and credibility as is the case of Kenya Airways. In this manner, management of the privatized companies would be able to make them attractive to the market and be able to compete in growing global competitive industries.
3. Policy makers should borrow from the experience of Kenya Airways' privatization and advice the government of creating an enabling political and economic environment that would ensure the gains made during privatization are sustained through efficient and effective use of resources, as this study has shown that privatization increases overall efficiency in resource utilization.
4. The government through the privatization commission should ensure that methods used in privatization are transparent and objective so as to achieve positive results.

If the above recommendations are taken by the government, the implemented privatization policy is likely to benefit the entire population.

6.2 Further Research

We suggest more research to be done on the following topics:

1. Impacts of privatization on employment and retrenchment.
2. Impacts of privatization on the operational performance of state owned enterprises.
3. Investigation into the effects of privatization on the economic growth.

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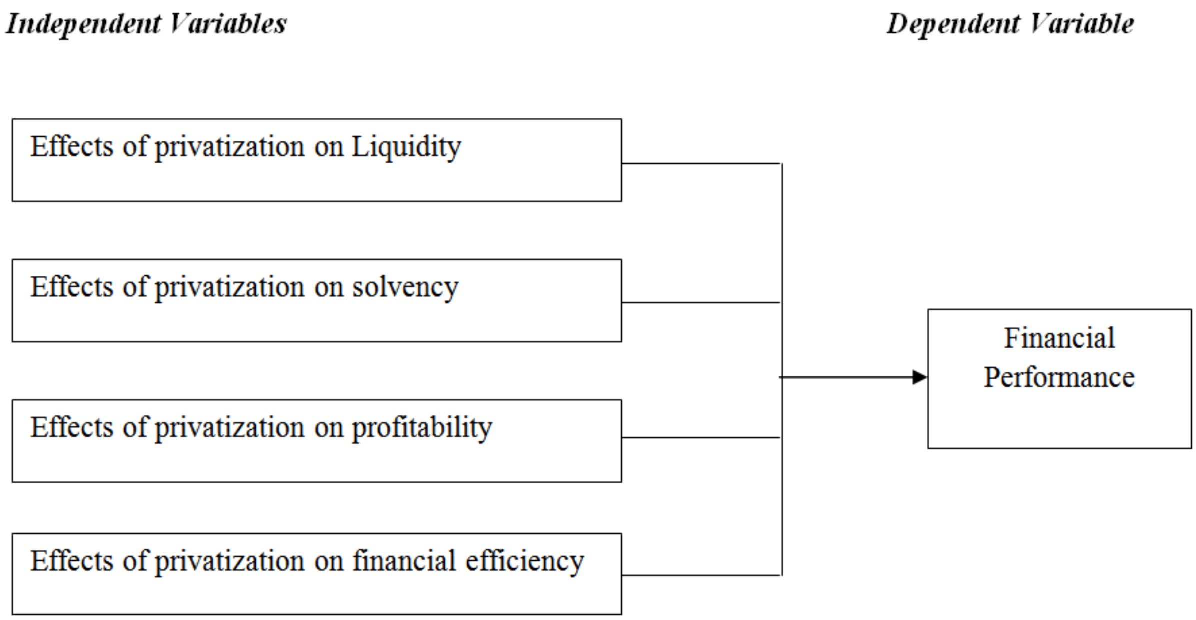

Figure 1: Conceptual Framework

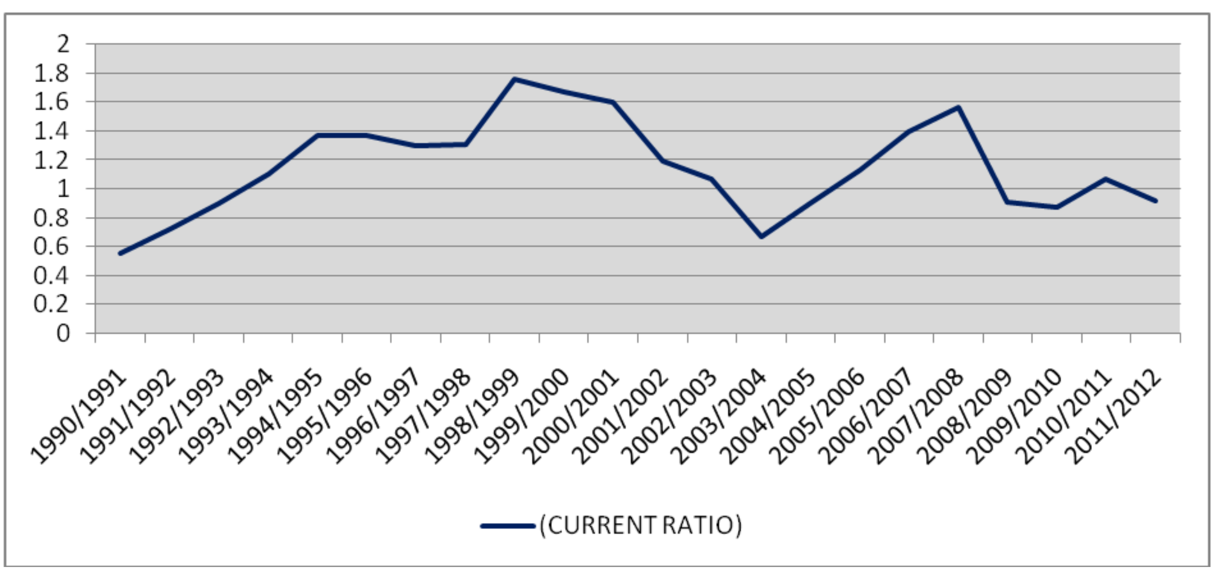

Figure 2: Kenya Airways liquidity between 1990/1991 and 2011/2012

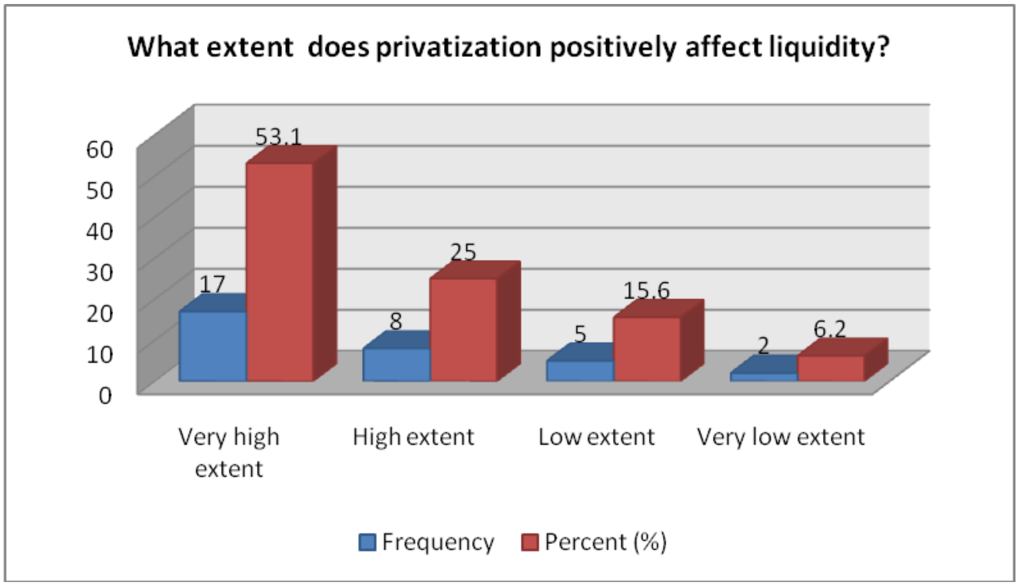

Figure 3: the extent to which Privatization positively affects Liquidity

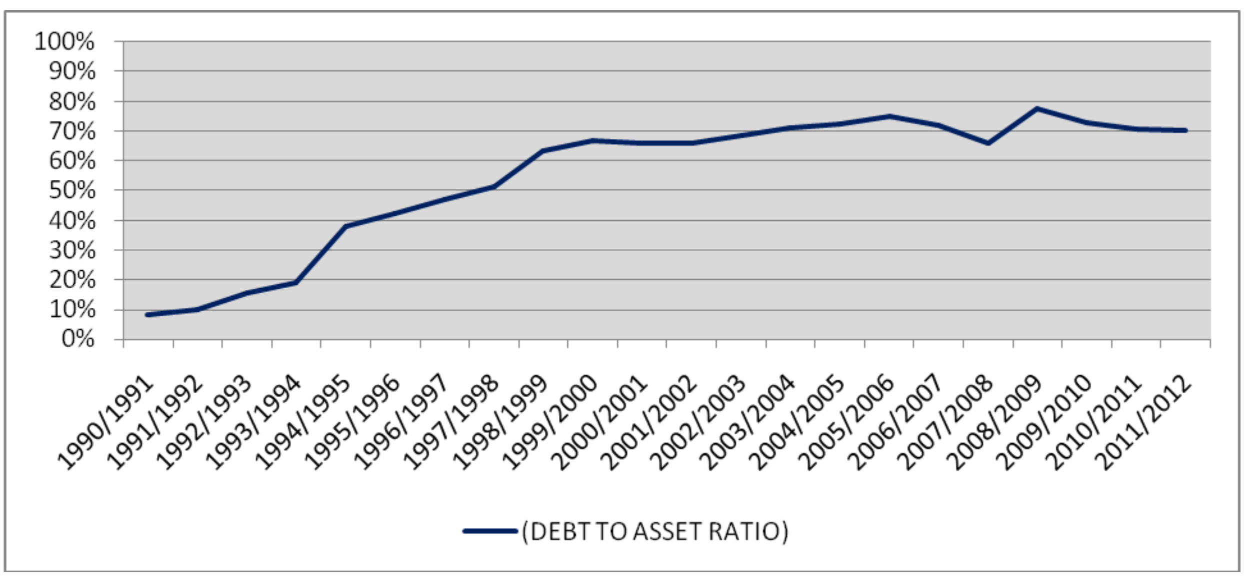

Figure 4 Kenya Airways solvency between 1990/91 and 2011/12

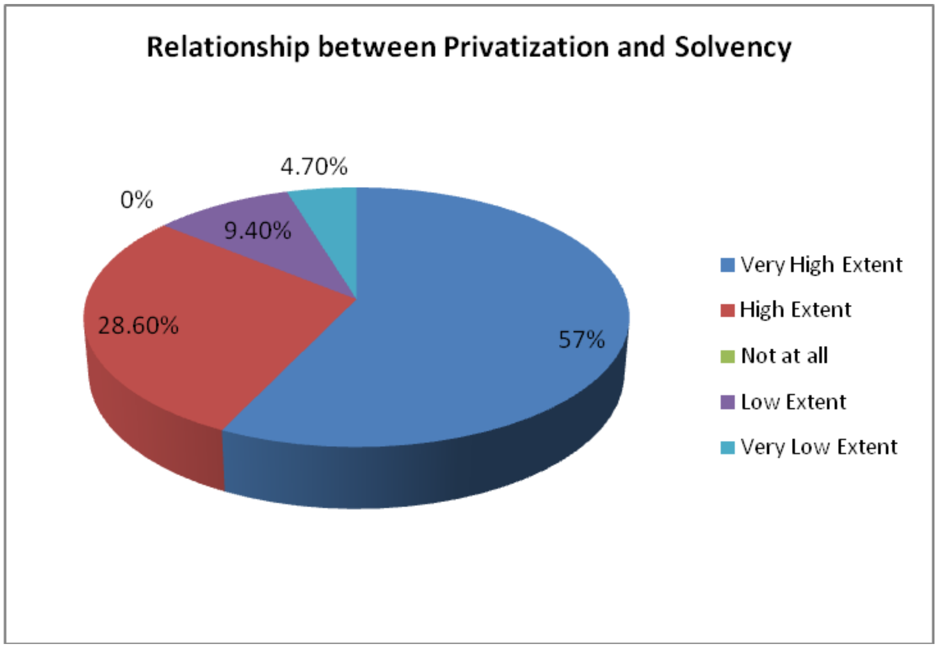

Figure 5: The extent to which privatization positively affects solvency

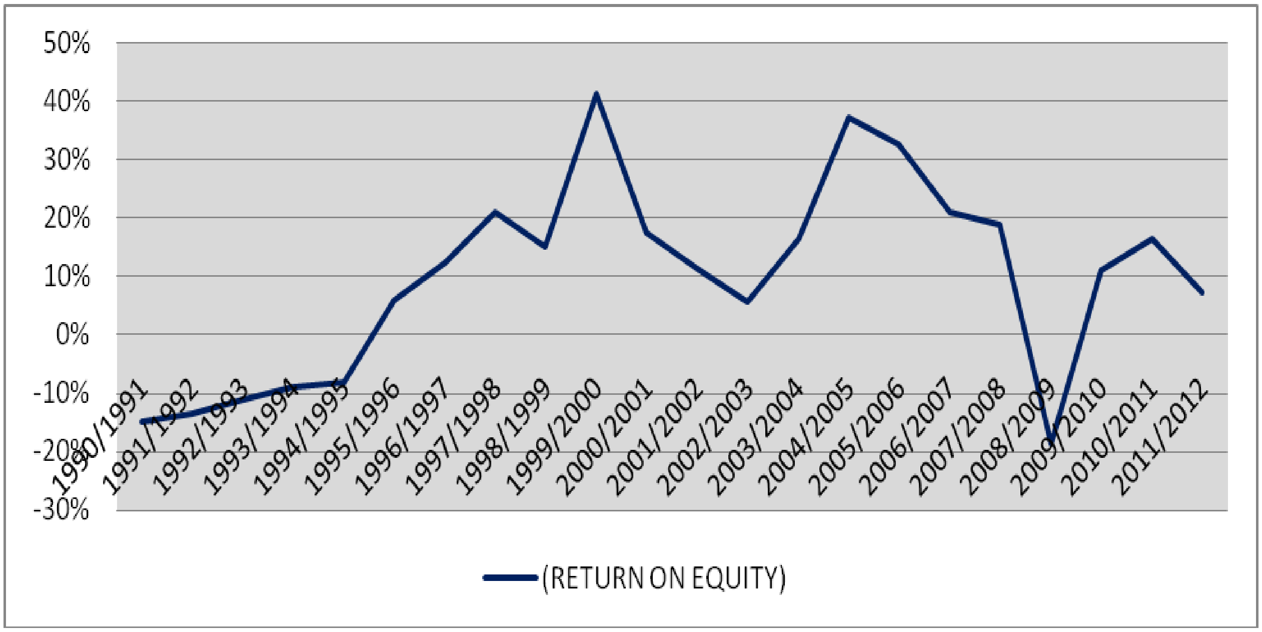

Figure 6: Kenya Airways profitability between 1990/91 and 2011/12

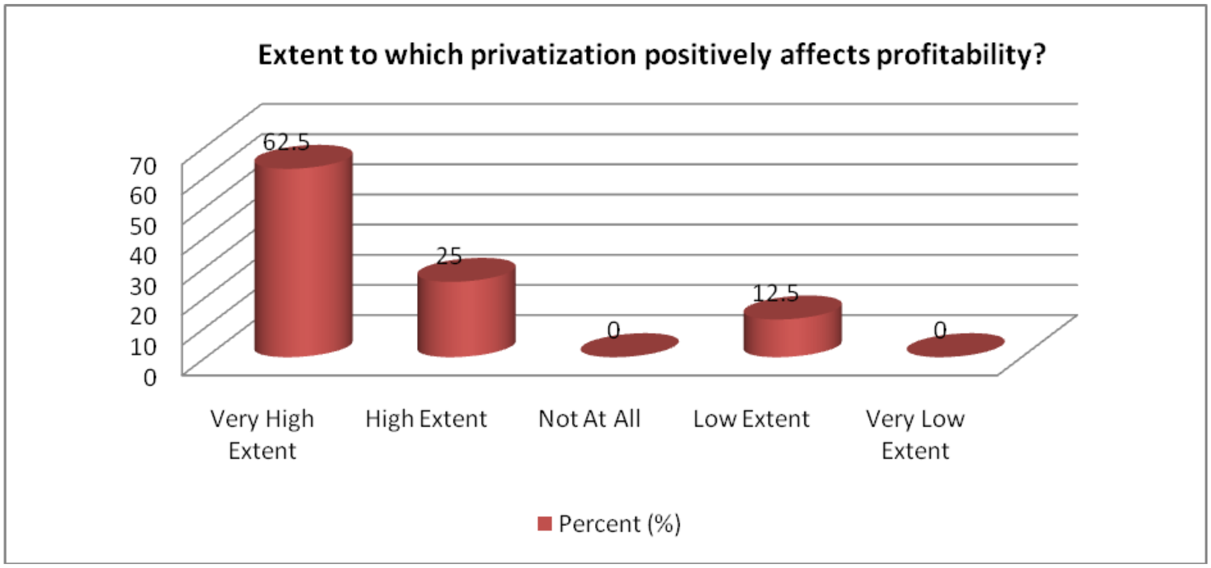

Figure 7: Extent to which privatization positively affects financial performance in terms of profitability

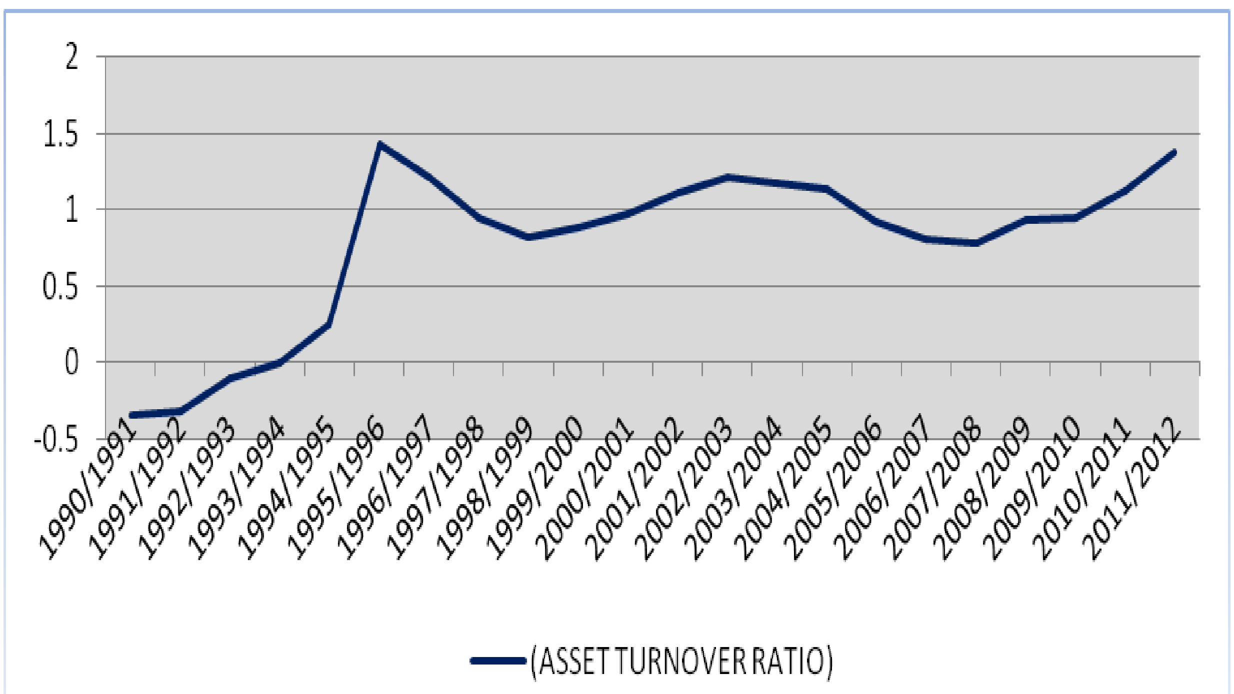

Figure 8: Kenya Airways financial efficiency between 1990/91 and 2011/12

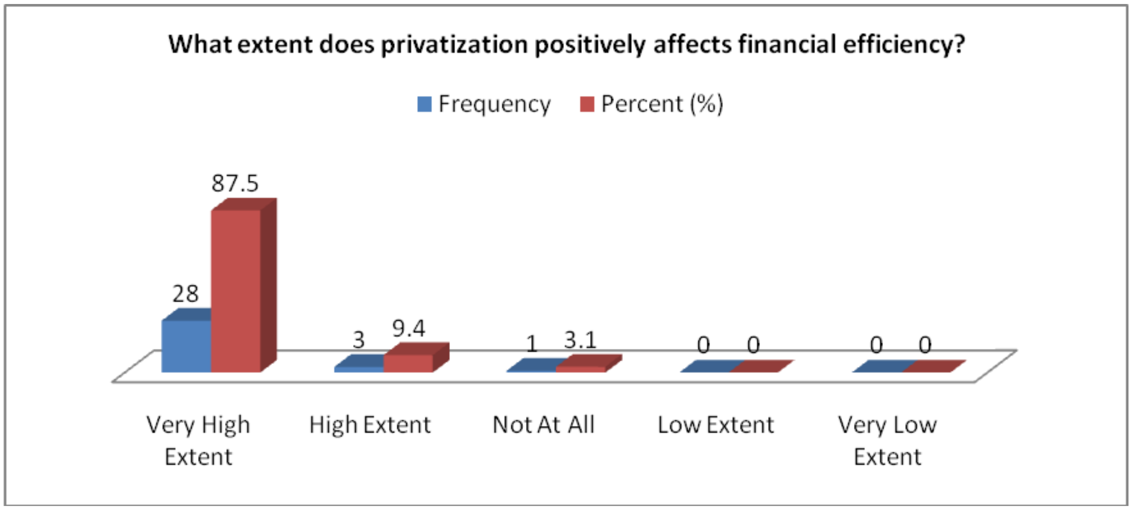

Figure 9: Effects of Privatization on Financial Performance in terms of Efficiency