

PAK LAW PUBLICATION

NEWS

UPDATES

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THE DAY

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Top Stories

Lawmakers support embattled Prime Minister, but berate him at length

September 03, 2014

ZAHEER ABBASI, NAVEED BUTT, ZULFIQAR AHMAD, WAQAR LILLAH & FAZAL SHER

Expressing serious reservations on government's performance as well its style of governance, opposition parties in Parliament vowed unconditional support to Prime Minister Nawaz Sharif. Talking part in a debate in the joint sitting of the Parliament convened to discuss prevailing grave political situation, leader of the opposition in the Senate Aitzaz Ahsan stated that Pakistan Tehreek-e-Insaaf's (PTI) vote rigging allegations are based on facts as vote rigging took place on a large scale in 2013 elections. He added that there is truth in PTI Chief's allegations about corruption. According to him, corruption in Nandipur power project was also pointed out by Manawar Baseer in a letter to the Prime Minister.

-- Achakzai makes snide insinuations against army

-- Nisar likens sit-ins to mutiny

-- Amendments to FIR against Nawaz add to Qadri's seemingly misplaced optimism

-- Negotiators resume talks but Imran says will not give an inch on demand for PM's resignation

Aitzaz said that the Model Town tragedy was a brutal act and a failure of the provincial government to let Pakistan Awami Tehreek (PTA) lodge a first information report provided plausible grounds to the organisation's leader Dr Tahirul Qadri to launch a protest movement. He further stated that the police are no longer ready to obey the government's verbal orders after the Model Town incident because they have been held responsible after the inquiry report.

Aitzaz regretted that the government's decision to remove small obstacles in Lahore's Model Town led to create big hurdles across Punjab. He added that if a small obstacle in Model Town was unconstitutional, the blockade of roads by containers across the province was also unconstitutional. All the political parties in the parliament support democracy and constitution unconditionally, which was not easy for them in the face of Punjab government's attitude towards their workers.

"We are being questioned by party workers for providing support to Prime Minister Nawaz Sharif especially when the Punjab government has used all the means to victimise Pakistan People's Party workers by cancelling their lawful contracts and jobs," he said adding that the parliament is standing behind the Prime Minister and nothing will happen to him. According to him, no one can force Prime Minister to resign if he does not want to do so. He, however, expressed fears that the present government, which has been very arrogant and started passing some respect to the Parliament only after PTI and PAT protests, will even become more arrogant

once the crisis is over.

He also advised Prime Minister Nawaz Sharif to examine the people around him as twice before his government was removed and he is facing same situation. Aitzaz vehemently criticised the leadership of Inqilab March and Azadi March and stated that there is need to bring about a 'revolution'. He asked about the fault of the smaller provinces. He also asked why their assemblies should be dissolved. He said these protesters are talking about the constitution and rule of law in their speeches but have no respect for it.

Khalid Maqbool Siddiqui of Muttahid Quami Movement (MQM) said that his party is against the attacks on democratic institutions. He added that it is the responsibility of the elected leaders to save democracy as it cannot be saved in presence of deepening poverty, growing illiteracy and rampant corruption. He added that his party is ready to sacrifice twenty five seats of National Assembly with a view to 'saving democracy'. He further stated democracy cannot be strengthened if democratic institutions are turned into family ventures.

Siddiqui said his party strongly condemns the attacks on state television and parliament but at the same time underlines the need for giving justice to the families of the Model Town incident. According to him, if there is any conspiracy behind the incident it must be exposed. He said his party wants the government to implement the decision of not using force in Karachi and across the country. He said if anyone from the MQM had incited people for civil disobedience, he would have been charged with treason.

Federal Minister for Interior Chaudhry Nisar Ali Khan likened the protests and sit-ins of Pakistan Tehreek-e-Insaf (PTI) and Pakistan Awami Tehreek (PAT) to mutiny against state of Pakistan. Opening debate in joint sitting of the Parliament on the prevailing political situation on Tuesday, the Minister said, "the Parliament should remove misunderstanding over whether protests and sit-ins of PTI and PAT are democratic or not, but I understand it is a mutiny against Pakistan. These are not protests or sit-ins but a mutiny against the state institutions and Pakistan."

He said it is like invading the state institutions and the whole nation and Parliament is against it. He said that the nation stands by their elected representatives and it is watching the situation. "The PTI and PAT workers have attacked the Prime Minister's House, the Parliament building and Pakistan Television (PTV) office, which is a mutiny against the state institutions," he said.

He said the protesters of both the parties not only damaged the machinery of the PTV on Monday but also took away their two cameras worth Rs 1.6 million. He said over 100 policemen have been injured in a clash with protesters, adding they would be identified through CCTV footages. The Minister claimed that he has clear information that some of these protesters are trained terrorists and belong to a militant outfit. He said the two parties are disassociating themselves from the PTV incident. An inquiry will be held with the co-operation of NADRA to identify those responsible.

"This House has to decide about the role that it can play and the mechanism that it needs to adopt to resolve the issue. It is a reality that both the parties have a hidden agenda and they are giving an impression that they enjoy the support of army. Using army's name is unconstitutional. Involving army in political matters is against the country."

The Interior Minister said that PTI Chairman Imran Khan should be summoned to the parliament

and the Supreme Court to answer why they used the name of army for political purpose, as the institution has time and again declared itself apolitical. The Minister also condemned the Police attacks on media persons during the coverage of the protests of PTI and PAT on Sunday.

Mahmood Khan Achakzai of Pakhtunkhwa Milli Awami Party said that all political parties are committed to protecting Constitution. He said "All militaries of the world respect their constitutions and our army also respects it." Achakzai said storming of the parliament by protesters amounts to sedition and terrorism. According to him, security forces should be given instructions to rid the area of 'these saboteurs'. He asked PTI and PAT to demonstrate sagacity and allow their supporters to go back.

While debating on the issue, Maulana Fazlur Rehman said that conspiracy is being hatched to derail democracy in the country and the parliament has exposed that conspiracy. He said some mistakes were made by the government and other forces took benefits of those mistakes.

The Maulana said, "It is not a matter of resignation of a prime minister but the Parliament. We cannot separate the Prime Minister from Parliament. The Prime Minister would remain intact and his resignations will not be taken," He said, "attacks on the state buildings including the parliament House by protesters are bringing a bad name to the country and it is administrative and constitutional responsibility of the government to clear Islamabad of these extremist elements." He said treason cases should be lodged against the PAT and PTI leadership for attacking state institutions.

"If a treason case could be lodged against Sufi Muhammad for not accepting the constitution, then why such cases cannot be registered against those who are not accepting the Constitution now and are attempting to take over state institutions including parliament," he asked.

Appreciating the unity shown by the parties in the parliament, Maulana Fazlur Rehman said that Imran Khan and Tahirul Qadri should demonstrate moral courage and admit their political demise.

The Maulana asked Speaker National Assembly Sardar Ayaz Sadiq that why he has not accepted the resignations of PTI MNAs. On the resignations of PTI members, Speaker Sardar Ayaz Sadiq said he was delaying the process for acceptance of resignations under the spirit of greater reconciliation.

He however said that the sense of the august house will be honoured at all costs. He said he has yet to determine whether or not all the PTI members have tendered their resignations under their own free will. In a seemingly befitting response to the joint session of the Majlis-e-Shoora (Parliament), the leadership of Pakistan Tehreek-e-Insaf (PTI) and Pakistan Awami Tehreek (PAT) formally joined hands on Tuesday, reiterating their resolve that they would not leave the federal capital till the Sharif brothers stepped down.

It was a rare spectacle on the 20th day of anti-government protests that PAT chief Dr Tahirul Qadri stood beside PTI chairman Imran Khan atop a PTI 'Azadi March' container from where he addressed protesters. While addressing the PAT and PTI workers, Qadri vehemently rejected the allegations that PAT and PTI sit-ins were backed by army. He added that it was a propaganda campaign launched by anti-protest forces to sabotage their pro-democracy efforts.

He disowned the attack on Pakistan Television (PTV) building, saying that violence was not a

part of his peaceful march strategy. He added that there was strong possibility that the state-run television was attacked by some PML-N workers. "Our people were heading towards the PM's House to stage a sit-in... maybe some PML-N Gullu Butts were involved in PTV attack," he said.

Referring to the joint session of the Parliament, Qadri said: "The constitution or democracy about which the parliamentarians talk have not been implemented. The parliamentary leaders think Imran and I are enemies of democracy and Constitution whereas we both are struggling for true democracy in the country." Qadri severely criticised Pakhtunkhwa Milli Awami Party (PkMAP) leader Mehmood Khan Achakzai for his statement in the joint sitting of the parliament, saying that Achakzai "pretends he is 'champion of democracy' but only for his personal gains as his brother is Governor Balochistan and his other close relatives hold key posts in Balochistan."

He said that not a single Article of the constitution on fundamental rights of people had been implemented despite a lapse of 41 years. "Our struggle is to implement Articles of the constitution that give rights to people". Qadri maintained that PAT and PTI believed in the form of democracy and stood for 180 million people of Pakistan while the members of assembly believed in the democracy which protects the elites.

Qadri said that Articles 1-40 of the constitution give rights to the people of Pakistan, but the people of Pakistan were never given their rights during the last 41 years. He said that his struggle was for the rights of the people and those who had not given the rights to the people of Pakistan should be tried under Article 6 of the Constitution. Congratulating the protesters, he said that anti-terrorism clause and some other clauses have been added to the Model Town FIR due to public pressure.

APP adds: Chief of Pakhtoonkhaw Milli Awami Party (PkMAP) Mehmood Khan Achakzai on Tuesday asked the government to order security forces to throw out "terrorist gypsies" stationed in the premises of the Parliament House. He urged the Parliament to invoke Article 245 of the Constitution as it is a clear act of terrorism by the agitators. Participating in country's current political situation in Joint Session of the Parliament, he said from 40,000 to 50,000 security forces were capable to teach a lesson to agitators; they need only clear orders to do so.

He asked the workers of Pakistan Awami Tehreek (PAT) and Pakistan Tehreek-e-Insaf (PTI) to leave the premises of Parliament House. If the government fails to do so - the PkMAP will kick out protesters on its own. The entire Parliament is standing like a rock behind the Prime Minister, according to him. He said media should not cross the 'red lines'.

He said Prime Minister Muhammad Nawaz Sharif was enjoying the support of entire Parliament, civil society, media, bar associations, etc. All parties can gather 50 million people on a single call. Chief of Tehreek Nifaz-e-Sharia-e-Muhammadi Maulana Sufi Muhammad had been incarcerated for making identical unconstitutional demands. Both Qadri and Imran should be dealt with in a similar fashion.

Talks resume: The government resumed stalled talks with Pakistan Tehreek-e-Insaf (PTI) and Pakistan Awami Tehreek (PAT) after opposition political parties lent a helping hand to it with a view to finding a solution to stand-off. A delegation led by Ameer Jamat-e-Islami Sirajul Haq held separate meetings with Imran Khan and Qadri late Tuesday night. The members of Siraj's delegation were Farooq Sattar, Rehman Malik, Hasil Bizenjo, Ghazi Gulab Jamal, Liaquat Baloch and Senator Kulsum Perveen.

The PTI vice-chairman Shah Mehmood Qureshi was heading his party's delegation. The talks were held at the residence of PTI secretary general Jehangir Tareen. After a meeting with Imran and Qadri in their containers, Rehman Malik told media that he was optimistic that they would succeed in breaking the deadlock.

Sirajul Haq said their meeting took place in a very cordial atmosphere, adding the committees would try it level best so reach an agreement acceptable to both sides. He further said that the opposition political parties were ready to become a guarantor regarding implementation of the decisions of the negotiating committees during the dialogue process. Siraj said that if an agreement was reached it would be immediately made public so that no party could back out from its commitment.

About a new round of talks, he said it would be resumed from where it ran into snags. "We must take it [talks] seriously as dialogue is the only way forward to resolve the ongoing political crisis," he maintained. About a crackdown on PAT-PTI workers by the police, he blamed the government for its failure to handle the situation with magnanimity, adding instead of resorting to confrontation, they should have adopted the course of negotiation.

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Hashmi formally quits National Assembly membership

September 03, 2014

Javed Hashmi on Tuesday tendered his resignation as Pakistan Tehreek-e-Insaf's member of the National Assembly during his address to the joint session of the Parliament. Hashmi, who received a very warm welcome in the House, said: "Nawaz Sharif remained into power for 31 years but his party neither changed the fate of the nation nor resolved the problems of people. Why didn't the Prime Minister attend any Senate session for the last 14 months?" he asked.

He said Imran always had respected him and that majority of youngsters with Imran Khan. It is sorry state of affairs that politicians have failed to resolve the people problems, according to him. Hashmi said: "the problems of the people have to be solved. If you resolve their issues they will love you. The government has failed to resolve the country's issues and for that matter I took to the streets against the government."

"I hereby announce my resignation... I'm going back to the people of Pakistan," he said on the floor of the house of joint session of parliament. He stressed upon the need for making parliament a "meaningful parliament." "I come to the Parliament to testify that the continuation of parliamentary system is inevitable," the PTI president said.

Hashmi said he had asked Benazir Bhutto not to ink a deal with the then military ruler General Pervez Musharraf (Retd), warning the self-exiled PPP leader that he would get her killed. Maulana Fazlur Rehman, who was speaking on the political situation, welcomed Javed Hashmi on behalf of the joint session of Parliament.

Suo motu powers: PTI urges Supreme Court to help resolve crisis

September 03, 2014

KHUDAYAR MOHLA

The Supreme Court Tuesday accepted the plea of the President High Court Bar Association Rawalpindi Bench against anti-government marchers for regular hearing and issued notices to all the parliamentary parties as well as Pakistan Awami Tehreek (PAT) for Wednesday (today). The petitioner sought court's directives to the political parties to resolve the current political impasse within the parameters of Constitution.

A four-member bench of Chief Justice Nasirul Mulk asked the petitioner to add the names of all other parties that are represented in Parliament to its petition. During the course of proceedings, the petitioner contended that due to mistrust between the political parties the apex court must intervene to protect country's Constitution. Pakistan Tehreek-e-Insaf's (PTI) counsel Hamid Khan requested the bench to exercise its suo motu powers to end the ongoing political crisis.

Refusing to submit any proposal to the apex court, Barrister Ali Zafar, the counsel for PAT, opposed the petitioner's plea and argued that his client's demands are of a political nature and the court has nothing to do with the ongoing political impasse; Chief Justice Nasirul Mulk observed that it is not merely a political dispute but also a constitutional matter.

Justice Mian Saqib Nisar remarked that whenever there is an issue of political justice, the court has jurisdiction to intervene because it is the Supreme Court that decides the scope of fundamental rights. Justice Jawwad S Khawaja remarked that an individual does not matter as the entire bench decides the case in the Supreme Court. Justice Anwar Zaheer Jamali observed that it has become a feature of Pakistani society to level baseless allegations and malign institutions without realising its consequences. Expressing a grave concern over the attack on PTV headquarters on Monday, Justice Jamali said, "the bench has shown restraint in this matter".

Talking to *Business Recorder*, Syed Zulfiqar Abbas Naqvi, the counsel for the petitioner, stated that in pursuance of court's orders he has filed an addendum after getting a list of 22 parliamentary parties from Election Commission of Pakistan. He further said that 23 political parties including PAT have been issued notices for next hearing in the matter.

The court has issued notices to PTI through its Chairman, PAT through its Chairman, Pakistan Muslim League - Nawaz (PML-N) through its president, Pakistan Peoples Party (Parliamentarian) through its president, Jamaat-i-Islami through its Ameer, Jamiat Ulema-e-Islam (F) through its Chairman, Awami National Party (ANP) through its chairman, Balochistan National Party (BNP) through its chairman, Pakistan Muslim League (Z) through its chairman, Pakistan Muslim League - Quaid (PML-Q) through its chairman, National Party through its chairman, Awami Muslim League (AML) through its chairman, All Pakistan Muslim League (APML) through its chairman, Qaumi Watan Party (Sherpao) through its chairman,

Pakhtunkhwa Milli Awami Party (PkMap) and other parties in Parliament as well as PAT.

The hearing of the matter was adjourned till Wednesday (today).

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CJP refutes Hashmi's allegation

September 03, 2014

Chief Justice of Pakistan Justice Nasirul Mulk on Tues-day denied holding any direct or indirect meeting with PTI chairman Imran Khan as claimed by Javed Hashmi. "Claims about my understanding with Imran Khan are baseless. I just met him once when I was Chief Election Commissioner. Hamid Khan and two other leaders were also present. We discussed biometric system in KPK and pending petitions," the CJP clarified during the hearing of a case pertaining to possibility of extra-constitutional measures. Regarding PTI leader Javed Hashmi's claims, the CJP observed that "discussion between two party leaders is an internal matter of the party."

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Imran strongly reacts to speeches

September 03, 2014

Fiery speeches by pro-government MPs in a specially convened joint-session of parliament on Tuesday could force PTI chief Imran Khan to give an inch on his demand for prime minister Nawaz Sharif's resignation. Imran, whose protest against the alleged election fraud entered 20th day on Tuesday, took the MPs to task for criticising his anti-government sit-in, saying those dancing to the tune of Nawaz Sharif are either 'corrupt to the core or political novice bereft of any idea of a real democracy'.

Responding to a hard-hitting speech by opposition leader in Senate Chaudhry Aitzaz Ahsan, who drubbed the prime minister for his failure to deliver, Imran recalled his journey along with him for restoration of judiciary - a struggle that Imran said was meant for restoring real democracy in the country. "Aitzaz spoke quite well about the election rigging, corruption, nepotism and incompetence of the government...but he is not alongside us in the struggle for restoration of real democracy like he did for restoration of judiciary," he lamented.

About Jamiat Ulema-e-Islam-Fazl (JUI-F) chief Maulana Fazlur Rehman, Imran said: "I consider it as an insult to talks about a man [Fazl] who sells his conscience for a 'diesel permit'." Imran said that the way interior minister Chaudhry Nisar Ali Khan is trying to become more loyal than the king must recall that it was he who declared on the floor of National Assembly that 70,000 votes in every constituency could not be verified.

"I want to ask these MPs who talk tall about democracy how can I accept the defeat if you're unable to verify the [election] results...tell me a single country which can accept such a result

where such a great number of votes are unverifiable. This assembly has no legitimacy," he questioned.

He said that Nawaz Sharif himself was involved in an election fraud, adding this was the reason he was not ready to unveil those behind that crime because he himself was the main beneficiary. "The people voted for change and he stole the mandate, and is aware that any impartial probe will open a Pandora's box." He said that all the political parties are lending a helping hand to what he called the 'illegitimate' government of Nawaz Sharif as they are involved in all the wheeling dealing to carry out corrupt practices.

He said that Mehmood Khan Achakzai is the main beneficiary as eight of his relatives have occupied lucrative slots while his brother was hand-picked as governor of Balochistan. "How can you expect from him that he will ever raise voice against the status quo?" he asked.

Imran seemed perturbed over the remarks of Javed Hashmi who accused of him colluding with the powerful military and the judiciary to topple the incumbent government. He said that Hashmi was the only politician for whom he had great respect but his statement really came as a shock to him. Addressing Hashmi, he said: "Mr Hashmi it really hurt me when a man of your stature accused me of colluding with the army or doing all this on their [army] dictation and the judges of superior courts".

He continued that he had made it crystal clear to the central executive committee in presence of Javed Hashmi 13 months back that he would employ all legal and constitutional options to unveil poll rigging. Later, speaking to the crowd shortly after the appointment of new inspector general police Islamabad Tahir Alam Khan, he warned both interior minister and his hand-picked IGP of dire consequences in case of any attack on his workers. "Listen Chaudhry Nisar, the field martial (a term that he uses for Nisar after a crackdown on PTI-PAT workers), I'll not spare you and your SSP (Tahir Alam) should you make another mistake by attacking on my peaceful workers," he declared.

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PTI MNAs to attend session today?

September 03, 2014

Pakistan Tehreek-e-Insaf (PTI) MNAs led by Vice-Chairman Shah Mahmood Qureshi will attend the ongoing session of joint sitting of Parliament today, according to a private TV channel. Party chairman Imran Khan has asked Qureshi to address the house.

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IMF bailout package: turmoil could throw off course economic reforms

September 03, 2014

Anti-government protests that have gripped Islamabad since mid-August could throw off course economic reforms Pakistan promised to deliver in return for an IMF bailout, senior officials said, raising the risk of a sovereign rating downgrade. The International Monetary Fund (IMF) saved Pakistan from possible default last September by agreeing to lend \$6.6 billion over three years, conditional on reforms such as a longstanding pledge to privatise loss-making state companies. There is no suggestion that the assistance, which is disbursed in tranches, is about to dry up.

"The programme is not in jeopardy at the moment," said a top economic adviser with direct knowledge of talks with the Fund. "The IMF folk think that if we can wrap this crisis up in a week or so, things will remain on course and normal. But if it goes on any longer, then, yes, we will be in trouble." Commerce Minister Khurram Dastgir Khan voiced concern that an IMF team had already cancelled a visit to Pakistan because of the protests that turned violent last week as Prime Minister Nawaz Sharif refused to resign. He said more than a year of efforts to fix the economy had "gone up in smoke".

"The government has very painstakingly been building a house of international confidence, and the foundation of this was the IMF package and abiding by our reforms' promises," the minister told Reuters. "But ... our struggles of 14 months have gone up in smoke in a matter of 14 days. We are pushed to a point where we have to go back to the drawing board."

For now, credit ratings agency Standard & Poor's is watching events unfold in Islamabad, where followers of Tahir ul-Qadri and Imran Khan camped out for two weeks before advancing on government buildings. S&P currently has a B- sovereign rating for Pakistan, which was thrown the IMF lifeline to bring down inflation, reduce its fiscal deficit and tackle a crippling energy crisis.

Robert Zhong, Hong Kong-based sovereign analyst at S&P, said structural reform may largely continue despite the political turmoil, but added: "If there are signs these programmes will be dislocated, we could review the rating." At Moody's, Singapore-based sovereign analyst Anushka Shah echoed that view, saying the "political developments would have implications for Pakistan's creditworthiness if they resulted in a derailment of the structural reform process".

INVESTOR CONFIDENCE MELTS AWAY Investors have taken fright over the agitation against Sharif, who won a decisive victory in May 2013 elections, the first democratic transition in Pakistan's turbulent history. Since Imran Khan announced on August 5 that his supporters would besiege the capital, the benchmark 100-share Karachi Stock Exchange index has fallen more than 7 percent, but recovered some of that on Tuesday, and the rupee has lost 3.4 percent against the dollar.

Two foreign heads of government have cancelled visits to Pakistan due to the protests, and Sharif himself has called off a trip to Turkey. The worry now is that they could ruin a visit this month by President Xi Jinping of China.

"These people should realise they have disrupted the journey to progress," Sharif said at the weekend. "We want to set up many energy plants and electricity projects in Pakistan in partnership with Chinese corporations. That may also be disrupted." Commerce Minister Khan said the bidding process for an energy park of 10 coal power plants with a total capacity of 6,600 MW has been postponed because investors are unwilling to commit to the country in the current political climate.

"This is a government that has been trying to improve investor confidence," he said. "But if the government's fate itself is under question, then of course this confidence will be affected." Meanwhile, development spending in poverty-stricken areas of the country has been throttled by the turmoil because employees of executing agencies are not turning up for work.

According to a senior official at the Planning Commission, 70 billion rupees (\$690 million) was earmarked for development spending in July-August, but just 40 percent of that was spent. "People are living in abject poverty ... without education and health and roads and water, but Imran Khan wants power at the centre," the official said. "These protests have totally botched up our priorities."

"IF THIS CONTINUES, THE ECONOMY IS DEAD" Normal life and business in Islamabad have been thrown into disarray as the protests grind on. Honda Centre is one of Pakistan's largest car dealerships. The freshly painted showroom is state of the art, with high ceilings, well-dressed staff and a collection of art prints on the wall. But it's barely seen any customers for weeks.

"Logistics aren't running, we can't get the cars that we've booked, customers aren't leaving their homes to pick up their cars and clients aren't coming in to get their cars fixed," said Hassan Raza, the dealership owner. "I've lost 90 percent of my business." "And this is across the economy. People are going out to buy essential stuff, food items - but they're not buying cars, or clothes. They're not going to the cinema. If this continues, the economy is dead. The impact has already been huge." Not everyone is grumbling about the protests, though. Mohsin Ali, who has been selling snacks to protesters camped out around the heart of the city, has enjoyed brisk business. "I've made more money in two weeks than I would in two months," he said.

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Swiss accounts: FBR team holds talks with tax authorities

September 03, 2014

The Federal Board of Revenue (FBR) has held the first round of negotiations with the Swiss tax authorities to revise the Convention for the Avoidance of Double Taxation vis-a-vis Taxes on Income and clauses pertaining to exchange of information. On the conclusion of the visit of senior tax officials to Switzerland, sources told *Business Recorder* here on Tuesday that Pakistan has taken the first step in the right direction to re-negotiate and upgrade treaty on Avoidance of Double Taxation with Switzerland to tax undeclared money deposited in Swiss banks by

Pakistani nationals.

Both the sides have agreed to revise the whole convention with modifications in clauses pertaining to the exchange of information. The Pakistani delegation comprising senior tax officials recently concluded its visit to Switzerland. The FBR officials discussed the revision of the entire convention with the Swiss tax authorities. During the visit of FBR officials to Switzerland, the Pakistani delegation has also taken up the issue of access to banking information under the said treaty, they added.

The government is seriously working on seeking assistance from the new Swiss law referred to as 'The Restitution of Illicit Assets Act, 2010' that allows the Swiss government to exchange confidential information with governments whose citizens have ill-gotten monies stashed in Swiss banks.

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TDE consortium expresses fears: Country seems to be heading towards 'civil war-like' situation

September 03, 2014

HAMID WALEED

The lead contractor for Engineering, Procurement, Construction & Commissioning of gas processing, LPG recovery plant and allied facilities at NASHPA Oilfield in Khyber Pakhtunkhwa has expressed its inability to continue with the project due to prevailing law and order situation in Islamabad.

According to a letter written to the Oil & Gas Development Company Ltd (OGDCL), a copy of which is available with *Business Recorder*, TDE consortium, the lead contractor from Canada for the project, stated that the current law and order situation in the capital city of Pakistan is deteriorating with the passage of each day. Due to the prevalent socio-political conditions and instability in Pakistan, the banking and insurance companies are declining to provide guarantees and insurance for the project. Further, it suggested that through various press conferences held by the government and the armed forces, the country seems to be heading towards a political impasse and a civil war-like situation.

The proposal for the project was submitted by TDE consortium on April 10, 2013 and it was declared the lowest bidder after evaluation by OGDCL. After a lot of deliberations, the contract was near to be signed when the capital was hit by a wave of violent protests.

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PSM CEO opposed to sell-off

September 03, 2014

MUSHTAQ GHUMMAN

Chief Executive Officer (CEO) Pakistan Steel Mills (PSM) Major-General Zaheer Ahmad Khan (Retd) is reportedly opposing the sell-off of country's largest industrial unit until a further investment of Rs 7 billion to revamp and modernise it, well informed sources in PSM told *Business Recorder* from Karachi. The federal government had approved PSM's financial restructuring package of Rs 18.5 billion a few months ago aimed at achieving 77 per cent capacity after January 2015.

"Along with other measures taken to ensure implementation of the business plan as per the agreed targets, an essential repair plan has been prepared within own resources to put the plant in order to meet the given targets. However, to undertake essential revamping for meeting its targets in a sustainable way, approximately Rs 6.84 billion are required to be executed through foreign contractors in 1-2 years. This also includes a light section mill which will bring a value-addition and make PSM more viable. "PSM is a 40-year-old plant and various stops/units of PSM are in operation for more than 30 years without any major investment and revamping, modernisation and up-gradation," according to a letter written by the CEO PSM to Federal Minister for Industries and Production, a copy of which is available with the newspaper.

The proposed modernisation/ revamp plan will be as follows, as per the letter: (i) iron ore and jetty 6-12 months;(ii) raw material handling equipment;(iii) repair of sintering plant (12 months) ;(iv) coke oven batteries I&II and coke oven machines (to be completed in 2014-15);(v) repair of steel making converters boilers and casting machines(1-2 years) ;(vi) repair of hot strip mill(12 months) ;(vii) repair of cold rolling reversible mill ;(viii) repair of turbo generators, boilers and blower stations of TPP/TBS (6-9 months); and (ix) repair water net work (6-9 months).

CEO's right hand man Wasif Memood had informed the Board a couple of months prior to the appointment of incumbent CEO that PSM equipment is in okay condition, and blast furnaces and coke oven batteries have undergone revamp with new automation. According to him, blast mills could be put to use by installing 8 stands bar mills for producing wire rod. At some places automation is to be changed. Through a communication, PSM management stated that it would be more prudent to demonstrate capability of the plant to meet its capacity potential for investors to see before offering their bids. PSM management maintains that without demonstrated capacity utilisation, investors will remain unconvinced of its potential.

"It would be sensible to either carry out essential repair of core equipment at a cost of Rs 7-8 billion in two years for a sustainable and reliable capacity or to upgrade/expand to 1.5 mpy production capacity in three years by spending about Rs 30 billion and then obtain the price of Rs 200-250 billion from its privatisation," the sources quoted the PSM management as saying in a letter to the Ministry of Industries.

Finance Ministry recently informed the International Monetary Fund (IMF) during the mandated quarterly review in Dubai that the privatisation process of PSM is on track. The IMF was assured that the government is working towards reforming or privatising Public Sector Enterprises

(PSEs) focusing on limiting poor performance and improving public sector resource allocation. Analysts who are closely monitoring the performance of PSM fear that the recently approved package of Rs 18.5 billion will be tantamount to throwing good money after bad like the previous package of Rs 50 billion.

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Government hires banks for US dollar sukuk

September 03, 2014

The Islamic Republic of Pakistan's ministry of finance has selected Citigroup, Deutsche Bank, Dubai Islamic Bank and Standard Chartered as bookrunners for a US dollar sukuk offering, according to a ministry official who asked not to be identified. The mandate was officially decided last week, the official added. The ministry will decide on the tenor of the Islamic bond, as well as the format of the transaction, as early as next week, he said.

"We would like to be able to sell this deal to US investors," said the official, who added the government hoped to price the deal by the end of September. Pakistan is rated B- by S&P and Caa1 by Moody's.

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No advice for closure of any embassy: FO

September 03, 2014

WASIM IQBAL

The Foreign Office (FO) clarified on Tuesday that no advice has been issued to close any embassy in the capital in the wake of sit-ins of Pakistan Tehreek-e-Insaf (PTI) and Pakistan Awami Tehreek (PAT) in Red Zone. Security agencies have been advised to enhance security for the embassies and the Foreign Office has suggested to all the embassies in the capital to be cautious in their staff movements, according to the FO.

The offices of most of the embassies, foreign missions, United Nation, donor agencies and international non-governmental organisations are open since August 15. The embassies located inside the diplomatic enclave and outside have stayed open and are performing their routine duties. An official of British High Commission confirmed that most of the staff of High Commission has been regularly coming to office without facing any difficulty since the arrival of 'Azadi March' and 'Inqilab March' in the Red Zone. He further said that the High Commission has issued an advisory for the safety of their staff. "British High Commission staff have been advised to limit their travel within Islamabad during the protests," a foreign travel advise issued by UK Government states.

Information officer UN said all the UN offices in the country have been working as per routine after necessary arrangements were made for the staff in view of security situation. The officer

said, "The UN offices adjust their working according to the prevailing situation and all UN offices are working across the country".

Several hundred employees are working in the UN agencies including Unesco, World Food Programme (WFP), Pakistan-United Nations Population Fund (UNFPA), UN HABITAT-United Nations Human Settlements Programme- Pakistan, United Nations Development Programme (UNDP), UNIDO-Pakistan, United Nations Industrial Development Organisation, World Health Organisation (WHO), UNHCR, UN Information Centre Islamabad, United Nations Office on Drugs and Crime (UNODC) and Office of Co-ordination Humanitarian Affairs (OCHA) and their affiliated projects all over the country. When contacted, German Embassy in diplomatic enclave confirmed that the embassy has been working as per routine and taking visa applications. Brazil Embassy, located in F-8, is also dealing with visa applications and other routine business.

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Three more cases registered against Imran, Qadri

September 03, 2014

The government on Tuesday registered three more cases against Pakistan Tehreek Insaf (PTI) chief Imran Khan and Pakistan Awami Tehreek (PAT) leader Dr Tahirul Qadri attacking security personnel and a Supreme Court judge and causing harm to public and private property.

A police official said that Kohsar Police Station registered three cases: an attack on police van (FIR No 404); an attack on Supreme Court judge - Justice Saqib Nisar (FIR No 405) and an attack on the office of a private TV channel (FIR No 406). The cases were registered under the following sections. FIR No 404 has been registered under Sections 147, 149, 186, 353, 436, 472 and 342; FIR No 405 under Sections 147,149,427,353 and 186; and FIR No 406 under Sections 147,149,342,506,427 and section 109 of Pakistan Penal Code PPC.

The government has so far registered nine cases against PTI and PAT leaders: three cases have been registered at Secretariat Police Station, three at Kohsar police stations, two at Margalla police station and one at Aabpara police station. The Aabpara police registered a case against leaders and activists of both the parties under Section 147, 149, 186, 188, 427, 436, 452, 506 of 353 PPC.

Likewise, the Margalla police registered two cases against PAT and PTI activists on charges of snatching weapons used in lobbing teargas shells and setting a police vehicle on fire. The government has also registered a treason case and two other cases against PTI chief Imran Khan and PTI Dr Tahir ul Qadri for patronising riots, damaging state buildings and attacking police personnel.

The FIR No 182 has been registered under section 7ATA, 124A, 109, 148, 324, 336, 149,188,152,186 and 452. PAT and PTI leadership were charged under an Anti-Terrorism Act section pertaining to treason, incitement to violence, attempted murder, robbery and interfering in the affairs of state.

THE RUPEE: mixed patterns

September 03, 2014

The value of the dollar moved both ways against the rupee on the money market on Tuesday in the process of trading, dealers said. The rupee managed to resist sharp fall in relation to the dollar, shedding 18-paisa for buying at Rs 102.68 and it also lost 15-paisa for selling at Rs 102.70, they said.

INTERBANK MARKET RATES: OPEN MARKET RATES: The rupee, however, gained 35-paisa versus the dollar for buying and selling at Rs 101.65 and Rs 101.85 respectively. It sustained its overnight levels in terms of the euro for buying and selling at Rs 133.50 and Rs 133.75, they said.

In the second Asian trade, the dollar took advantage of thin conditions to overcome an options barrier and ascend to its highest level since January against the yen on Tuesday, while the languishing euro plumbed one-year lows against the greenback on expectations of easier euro zone policy ahead. The moves followed a mostly aimless session overnight with market activity subdued due to the Labour Day holiday in the United States.

The dollar was trading against the Indian rupee at Rs 60.61, the greenback was at 3.1680 in terms of the Malaysian ringgit and the US currency was at 6.1455 versus the Chinese yuan. Inter bank buy/sell rates for the taka against the dollar on Tuesday: 77.40-77.40 (previous 77.40-77.40). Call Money Rates: 05.50-06.75 percent (Previous 05.45-06.75 percent).

=====
Open Bid Rs.101.65
Open Offer Rs.101.85

=====
Interbank Closing Rates: Interbank Closing Rates For Dollar on Tuesday.

=====
Bid Rate Rs.102.68
Offer Rate Rs.102.70
=====

RUPEE IN LAHORE: The Pak pee remained under pressure and was declined by 15-paisa in relation to the greenback on the local currency market on Tuesday.

According to the currency dealers, the dollar resumed at its day earlier closing of Rs 102.10 and Rs 102.35 as its buying and selling rates respectively. As a result of fresh demand, the dollar was ended further higher at Rs 102.25 and Rs 102.50 on buying and selling side, respectively, the dealers said.

However, the rupee recovered some of its earlier loss and was appreciated against the pound sterling. The pound was traded at Rs 168.50 and Rs 168.75 on buying and selling counter compared with Monday closing of Rs 168.80 and Rs 169.05, respectively, they added.

RUPEE IN ISLAMABAD AND RAWALPINDI: The rupee-dollar parity remained unchanged on the open currency markets of Islamabad and Rawalpindi here on Tuesday. The dollar opened at Rs 102.00 (buying) and Rs 102.10 (selling) against last rate. It did not observe further change in the second session and closed at Rs 102.00 (buying) and Rs 102.10 (selling). Pound Sterling opened at Rs 168 (buying) and Rs 168.10 (selling) against same overnight value. It did not observe further change in the evening session and closed at Rs 168 (buying) and Rs 168.10 (selling).

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Computerised balloting: FBR to exclude certain categories of taxpayers for TY13 audit

September 03, 2014

SOHAIL SARFRAZ

The Federal Board of Revenue (FBR) has decided to exclude certain categories of taxpayers from computerised random balloting for audit (Tax Year/Tax Period 2013) including non-corporate returns of salary income, fixed income, final tax regime, cases selected by Commissioner Inland Revenue, utility companies and government service providers for sales tax and Federal Excise Duty.

Sources told *Business Recorder* here on Tuesday that different categories of taxpayers have been exempted from selection process for audit under computerized balloting for Tax Year/Tax Period 2013. The FBR has drafted a new "Audit Policy 2014 for Tax Year 2013/ Tax Period 2013". As per new audit policy, following are the aims and objectives of the new Audit Policy:

Firstly, random computer ballot for selection of cases for audit would be carried out separately under the Sales Tax Act 1990, Income Tax Ordinance 2001 and Federal Excise Act, 2005 and the whole process shall be based upon the laid down guidelines. Secondly, setting out exclusions objectively in such a way to avoid selection of fixed income, final tax regime, cases already selected for audit through computer random ballot for the previous tax year ie tax year 2012, and cases pertaining to tax year 2013 already selected by Commissioner Inland Revenue (CIR) for audit for income tax returns ballot and 'Nil' and 'Null' filers as well as utility companies, government service providers for Sales Tax and Federal Excise Duty.

Thirdly, the selection of cases for audit would be carried out in a transparent manner through computer ballot. Fourthly, the FBR will ensure that selection of cases for audit doesn't cause any prejudice to a taxpayer/registered person in any manner. If after an audit the declaration of a taxpayer/ Registered Person is found in order the audit shall be closed. This will allay the fear of the taxpayer/registered person whose case is being audited.

Fifthly, the audit guidelines said that the audit would be conducted in a professional manner. Sixthly, the audit guidelines further said that the audit would create an effective deterrence

against tax evasion. Seventh, the audit would also identify tax avoidance loopholes. Eighth, the audit guidelines would ensure that separate notices under different tax laws are issued to taxpayers selected for audit in order to make the process transparent.

Ninth, audit guidelines would also ensure that all correspondence (notices, etc) are routed through Taxpayers' Audit Monitoring System. Tenth, the audit guidelines would also ensure that all statutory notices are served by legally approved modes only, FBR's guidelines added.

According to the FBR's methodology for selection of cases for audit, the FBR has decided to go for random computer ballot for selection of cases for audit for tax year/tax period 2013 certain exclusions have been identified and approved by the Board which pertain to sources of income where audit is not required. Those exclusions from audit are as follows:

1. Income Tax Corporate Returns: All Final Tax Regime (FTR) cases; all cases already taken up for audit under section 177 for tax year 2013 whether under process or finalised; all cases already selected for audit through computer random ballot for tax year 2012 whether under process or finalized; all cases where no business is stated to have been conducted for tax year 2013.
2. Income Tax Non-Corporate Returns: Cases falling under the Final tax Regime (FTR), taxable income only from salary; taxable income only from house property; taxable income only from share from Association of Persons (AOP); all cases already taken up for audit u/s 177 for tax year 2013 whether finalized or pending for assessment and all cases already selected for audit through computer random ballot for tax year 2012 whether under process or finalised.
3. Sales Tax Corporate Returns: Null returns; government departments; cases already taken up for audit for tax period 2013 by the Commissioner Inland Revenue and all cases already selected for audit through computer random ballot for tax period 2012 whether under process or finalized.
4. Sales Tax Non-Corporate Returns: Null returns; government departments; cases already taken up for audit for tax period 2013 by the Commissioner Inland Revenue and all cases already selected for audit through computer random ballot for tax period 2012 whether under process or finalized.
5. FED Corporate Returns: Null returns; government departments; cases already taken up for audit for tax period 2013 by the Commissioner Inland Revenue and all cases already selected for audit through computer random ballot for tax period 2012 whether under process or finalized.
6. FED Non-Corporate Returns: Null returns; government departments; cases already taken up for audit for tax period 2013 by the Commissioner Inland Revenue and all cases already selected for audit through computer random ballot for tax period 2012 whether under process or finalised, the FBR's new audit policy added.

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Women, kids among 11 killed as building caves in

September 03, 2014

Eleven persons, including women and children lost their lives while 18 others received injuries when a three-storey building caved in here in Choori Mohallah, Ilyasabad, on Tuesday afternoon. The death toll was confirmed by Commissioner Hyderabad Jamal Mustafa Syed who visited the Civil Hospital.

The incident occurred around 13:15 hours, when a three-storey building with an old structure crumbled also damaging two adjacent houses all of a sudden, a police spokesman said. Soon after the incident, the area people started rescue work which was later joined by the volunteers of Edhi Foundation. The rescue workers fished out 29 persons including men, women and children and shifted them to Civil Hospital Hyderabad.

Commissioner Hyderabad Jamal Mustafa Syed who visited Civil Hospital Hyderabad confirmed the death of 11 victims and injuries to 18 others. The hospital sources gave the names of eight out of 11 deceased persons as Akhtar Ali, 50, son of Noni Khan; Mariam, 7, daughter of Muhammad Shahid; Muhammad Rashid, 32, son of Muhammad Mukhtar; Asma, 30, wife of Muhammad Rashid; Abdul Basit, 02, son of Muhammad Rashid; Konain, 06, daughter of Mairaj Siddiqui; Nisha, 18, daughter of Muhammad Khalid and Hoor Bano, 38, wife of Muhammad Khalid.

Out of 18 injured persons, 15 have been identified as Haider Ali 24, Ali Raza 15, Rabia 20, Muhammad Khalid 40, Zafar Siddiqui 16, Ghazanfar 2, Nabi Bux 60, Jibran 17, Qamar Jahan 45, Isma 2, Haris 13, Noor Bano 30, Gulzareen 35, Samandar Khan 40, Nimra 3 and Ayna 30. The search of ill-fated premises was continuing as the area people expressed fear that more persons might be stuck in the debris, the police spokesman informed.

The search was being carried out through manual procedure as the ill-fated building was located in a congested area where the deployment of crane could not be possible, the rescue workers informed. Soon after the incident, the elected representatives including MPA Dilawar Qureshi, as well as Deputy Commissioner Hyderabad Muhammad Nawaz Soho and SSP Hyderabad Pir Farid Jan Sarhandi also reached the spot and supervised the rescue work.

Commissioner Hyderabad Jamal Mustafa Syed also visited the Civil Hospital Hyderabad and enquired about the health of injured persons who have been admitted to different wards of the hospital. Speaking on the occasion, he assured that recommendation of the grant of compensation to the heirs of deceased persons and financial assistance to the injured persons would be submitted to the Sindh Government. He asked the hospital management to provide proper medical treatment to injured persons. The Commissioner on the occasion also directed the formation of an investigation committee under the supervision of Deputy Commissioner Hyderabad to probe the causes of the incident.

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Survey puts Punjab ahead of KP in governance, Sindh worst

September 03, 2014

ABDUL RASHEED AZAD

Pakistan Institute of Legislative Development and Transparency (PILDAT) ranked Punjab on top account of governance followed by Khyber-Pakhtunkhawa (KP), Balochistan and Sindh. According to a survey conducted by PILDAT released here Tuesday, among the four provinces of Pakistan, Punjab scores significantly better in terms of the governance track-record of the provincial government.

Khyber Pakhtunkhawa government has not been able to register the same level of positive governance evaluation as the Punjab government, albeit it emerged as the second-best among the four provinces, trailing Punjab. Of the four provinces evaluated and compared in this opinion poll for the respective provincial governments' governance performance, the Sindh provincial government has emerged as the clear loser.

PILDAT released scorecard on quality of governance based on a nation-wide survey. The nationwide survey was commissioned by PILDAT and conducted by Gallup Pakistan to gauge public opinion on quality of governance across Pakistan upon the completion of the 1st year of national and provincial governments elected through the May 2013 election.

The nationwide poll was conducted during July 16, 2014 to August 6, 2014 to obtain public opinion on core indicators on quality of governance across national and provincial governments. The respondents for the survey included 3065 citizens from rural and urban areas from all the four provinces of Pakistan.

Nationwide public perception on performance of 4 Chief Ministers shows that the Chief Minister of Punjab received the highest rating with a Net Performance Rating (NPR) of +33 percent as 65 percent rate his performance as Good to Very Good while 32 percent rate it as bad or very bad. In public opinion, the second ranking on the ladder is reserved for Chief Minister of KP, whose performance though rated negatively with the NPR of -14 percent shows 51 percent rated his performance as Bad or Very Bad while only 37 percent of the respondents evaluated his performance as good or very good.

Third place on the ladder is reserved in public opinion for Chief Minister of Balochistan who received NPR of -19 percent as only 33 percent respondents rated his performance as good or very good while the majority, 52 percent, rated his performance as bad or very bad. The Chief Minister Sindh occupies the opposite end of the performance meter with NPR of -29 percent as a significant 59 percent of the respondents rated his performance as bad or very bad while only 30 percent of the respondents rated his performance as good or very good. Prime Minister of Pakistan received 46 percent positive ratings in public opinion while 52 percent rated his performance in the last year as bad to very bad.

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Treason trial: hearing again adjourned

September 03, 2014

The hearing of a high treason case against former President Pervez Musharraf has been adjourned till 9th of September. The prosecution and Musharraf's counsel were formally informed about the decision, according to the sources. It is pertinent to note here that yesterday's hearing was fixed by the special court of Islamabad last Tuesday, when the judicial proceedings were not carried out on a plea filed by Musharraf's counsel Farogh Nasim.

In his petition, Nasim appealed to the court to adjourn the hearing for at least two months, pleading that all the roads leading to the Red Zone have been barricaded owing to the protest sit-ins by Pakistan Awami Tehreek (PAT) and Pakistan Tehreek-e-Insaf (PTI). But, the court fixed September 2nd as the date of hearing. However, the court, on its own accord, again deferred the hearing, keeping in view the security hazards around Constitution Avenue.

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Zardari speaks to Siraj, Fazl, Illahi

September 03, 2014

Former President Asif Ali Zardari on Tuesday telephoned JI Amir Sirajul Haq, Chief of JUI Maulana Fazlur Rehman and PML-Q leader Chaudhry Pervez Illahi and discussed with them the current political situation. According to PPP's central media cell, the former President stressed upon resolution of the impasse through dialogue.

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Iraqi forces press advance as parliament stormed

September 03, 2014

Iraqi forces made more progress Tuesday in their fightback against jihadists, even as anger boiled over in Baghdad where protesters stormed parliament over the fate of missing soldiers who surrendered in June. After breaking a months-long jihadist siege of the Shia Turkmen-majority town of Amerli by Islamic State (IS) fighters, troops also regained control of part of a key highway linking Baghdad to the north.

Two towns north of Amerli were already taken from the jihadists on Monday as Iraqi forces - backed by US air strikes - won their first major victories since the army's collapse across much of the north in June. That collapse left some 1,700 soldiers who surrendered in jihadist hands, with many believed to have been executed. Demanding to know their fate, hundreds of angry

relatives stormed parliament, attacked MPs and began a sit-in in its main chamber, an official said.

Anti-riot police were deployed to try to evict the protesters, who were also calling for some officers to be held accountable, said the official, who was present in parliament. The jihadists have reportedly carried out widespread atrocities, with Amnesty International on Tuesday accusing them of war crimes and ethnic cleansing.

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Saudi pipeline set alight after shots fired at patrol

September 03, 2014

A small fire erupted on a gas pipeline in eastern Saudi Arabia on Tuesday after assailants shot at a security patrol, security and oil industry sources said, in an incident that may heighten concern about the vulnerability of Saudi energy infrastructure. The pipeline has been repaired and there was no impact on oil or gas production, the sources said.

But the incident marks the first confirmed attack on physical energy infrastructure in the world's top oil exporter since 2006, when Saudi security forces foiled an attack by al Qaeda militants on the giant Abqaiq processing plant. The Saudi security source said the fire started after a stray bullet hit the pipeline when shots were fired at security forces patrolling the oil-rich Eastern Province. The news had almost no immediate impact on the oil market. International benchmark Brent crude oil was down \$1.11 at \$101.68 a barrel at 1144 GMT, pressured by worries about slowing demand growth in China and Europe, a strong US dollar and ample supplies.

"It was a gas pipeline, it was repaired and there was no effect on anything," the industry source said. A resident in the Eastern district of Qatif said the incident had taken place close to a checkpoint at the entrance to the village of Awamiya, but that it had caused no damage to homes or other property.

"It wasn't very big or loud, but people in Awamiya and the neighbouring village of Safwa heard it," he said. Awamiya in Qatif district has been the location of Saudi Arabia's most persistent unrest, with protests by members of the Sunni kingdom's Shia minority in 2011 continuing until last year, coupled with occasional shooting and fire-bomb attacks on police.

There have been no confirmed attempts by Shia activists to target Saudi Arabia's energy facilities. State oil firm Saudi Aramco is a major employer of Shias in both Qatif and the sect's other main population centre in Eastern Province, al-Ahsa. However, there was speculation in late 2012 that a cyber attack on Aramco, which forced the oil company to replace thousands of computers, had been planned by local Shia activists.

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Israel says Gaza war cost military \$2.5 billion

September 03, 2014

Israeli Defence Minister Moshe Yaalon said on Tuesday that the direct cost of the 50-day military offensive in the Gaza Strip was more than \$2.5 billion (1.9 billion euros). "The expenditure on Operation Protective Edge - military expenditure, the direct expenditure - is more than nine billion shekels," Yaalon told an economic conference in Tel Aviv.

"We attacked over than 6,000 targets, more than 5,00 of them by the air force, about 900 from land and sea," he said referring to tank, artillery and naval fire. But, despite the pounding, he acknowledged that the Gaza militants against whom the campaign was launched on July 8 still had a sizeable arsenal left. "The terror organisations in the Gaza Strip - Hamas Islamic Jihad and others - had 10,000 rounds at the beginning of Operation Protective Edge," said Yaalon.

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Saudi Arabia arrests 88 in 'anti-terrorism' drive

September 03, 2014

Saudi Arabia has arrested 88 suspected extremists, more than half of them ex-Qaeda detainees who had previously been released, the interior ministry announced on Tuesday. The arrests come as part of the kingdom's drive to "punish" those "belonging to or supporting" groups classified as "terrorist," the ministry added in a statement on the official SPA news agency.

Saudi King Abdullah on Friday underscored the threat posed by jihadists unless there is "rapid" action. The ministry said Tuesday that the suspects, arrested over past months across the kingdom, are all Saudis except for three Yemenis and one whose identity remains "unknown."

Fifty-nine of them were "previously arrested over their links to the deviant group," the name used by Saudi authorities. The authorities launched a massive crackdown on al Qaeda following a spate of deadly attacks in the kingdom from 2003-2006. It released scores of militants after passing them through a controversial rehabilitation programme set up seven years ago to persuade jihadists that their actions violate the teachings of Islam. But many graduates of the programme returned to militancy, including Saeed al-Shehri, who went on to become deputy leader of the deadly al Qaeda in the Arabian Peninsula before being killed in a US drone strike in Yemen last year.

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IS claims to behead second US reporter

September 03, 2014

The so-called "Islamic State" released a video on Tuesday showing a masked militant apparently beheading an American journalist and threatening to kill a British captive. The footage, seen by AFP after it was found online by private terrorism monitor SITE, shows 31-year-old freelance reporter Steven Sotloff dressed in orange and on his knees in a desert landscape.

The masked militant condemns the ongoing US strikes against the Islamic State - a Sunni jihadist group that operates in Iraq and Syria - and cuts Sotloff's throat. He then introduces a second captive, identified in a caption by name as a British citizen. "I'm back, Obama, and I'm back because of your arrogant foreign policy towards the Islamic State," the militant says, speaking in what sounds like a London accent.

This was an apparent reference to a previous video in which US journalist James Foley was murdered, again by a suspected British foreign fighter and in an almost identical fashion. British Prime Minister David Cameron said the latest video depicted an "absolutely disgusting, despicable act." The previous video was released last month after US President Barack Obama ordered air strikes against the Islamic State.

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Russia and Nato square off over Ukraine

September 03, 2014

Russia declared Nato a major "threat" on Tuesday after the Western military alliance announced plans to reinforce defences in eastern Europe because of the Kremlin's perceived stoking of war in Ukraine. Moscow's surprise declaration of a shift in its military doctrine came just ahead of a Nato summit in Wales on Thursday at which beleaguered Ukrainian President Petro Poroshenko will lobby US President Barack Obama for military support.

Obama will deliver a message of firm Nato support for its newest members from the former Soviet empire when he visits the tiny Baltic state of Estonia on Wednesday.

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Yemen president to replace government, cut fuel hike

September 03, 2014

President Abdrabuh Mansur Hadi is to replace Yemen's unity government and cut a controversial fuel price hike, two demands of Shia Huthi rebels, in an initiative announced Tuesday. Faced with increased pressure from the Huthis and a deepening political crisis, "the president has agreed to go ahead with the initiative and form a new national unity government," Hadi's media advisor Fares Saqqaf told AFP.

Hadi will "assign within a week" a new prime minister to form a "national unity government", according to the text of the proposal published on the official Saba news agency. The president himself will name the defence, interior, foreign and finance ministers in the cabinet that will also include Huthis and members of the separatist Southern Movement.

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Index recoups 767 points

September 03, 2014

Karachi Stock Exchange showed strong recovery after lawmakers reaffirmed their commitment to democracy at the joint session of parliament Tuesday. The benchmark KSE-100 index gained 767 points to close at 29,260 points compared to 28,494 points Monday. Analysts said the market celebrated the phenomena political problems are moving towards a democratic solution after the National Assembly reaffirmed the Prime Minister's position.

Stocks performed well across-the-board with the cement sector leading the way and overall the KSE-100 index went up by 2.7 percent, they added. Ahsan Mehanti, an analyst at Arif Habib, said stocks closed bullish after parliamentarians reaffirmed commitment to democracy, constitution in a joint session on Tuesday speculating end to political crisis.

Record earning announcement by Lucky Cement, low CPI for August 2014 at 6.99 percent YoY, renewed foreign interest in oil and banking stocks and expected ease in circular debt on tariff rationalisation measures for release of \$550 million IMF tranche next month played a catalyst role in bullish activity, he added. He said the market crossed 29,000 points level after all major political parties supported the democratic set-up in joint session of parliament.

During the intra-day trading, the market remained in green zone and the KSE-100 index touched 29,284 points highest level. Following the positive trend volume at the ready counter urged to 182 million shares compared to 423 million in previous session. With an increase of Rs 168 billion, market capitalisation reached Rs 6.879 trillion against previous Rs 6.711 trillion. Trading took place in 367 companies, of which 301 closed in green zone, 56 in red, while 10 companies remained unchanged.

Among top 10 volume leaders, only one company recorded a negative trend. Maple Leaf Cement emerged the volume leader as its 12 million shares were traded, gaining Rs 1.33 to close at Rs 27.96. K-Electric Ltd stood second, down Re 0.02 to close at Rs 8.24 on 10.6 million shares. JS Bank Ltd ranked third with 9.3 million shares to close at Rs 9.84, up Re 1. With a trading volume of 8.4 million shares, Fauji Cement gained Re 0.93 to Rs 19.64.

Pak Elektron Ltd increased by Rs 1.24 to close at Rs 30.57 on 8.2 million shares. Some 7 million shares of B.O.Punjab were traded and the scrip closed at Rs 8.29, up Re 0.30. D.G.Khan Cement gained Rs 3.05 to Rs 76.47 on 6.2 million shares. Samba Bank increased by Re 0.71 to Rs 7.01 on 5.7 million shares. With a trading volume of 5.5 million, Lafarge Pak gained Re 0.18 to close at Rs 15.73 and Engro Fertilizer closed at Rs 53.39, up Re 0.81 on 5.4 million shares.

Nestle Pak and Rafhan Maize were the top gainers with Rs 339.99 and Rs 250.00 to close at Rs 7,899.99 and Rs 10,750.90, respectively. Island Textile and National Foods were the top losers with Rs 32.50 and Rs 8.05 to close at Rs 929.00 and Rs 716.88, respectively. LUCK hit its upper circuit following a consensus beating result reporting an EPS of Rs 35.08 (up 17 percent YoY). PIOC, MLCF, KOHC were the other gainers in the cement sector reaching their upper circuits.

Another incentive to the market was CPI inflation number which clocks in for August 2014 at 6.99 percent YoY vs 7.9 percent YoY in July 2014 takes 2MFY15 inflation to 7.44 percent YoY. Samar Iqbal, an analyst at Topline, said investors believe that chances of any military intervention are diminishing and resultantly the market gained 2.7 percent. Volumes rose to 183 million shares and the value to \$96 million (Rs 9.6 billion). Renewed interest helped PSO rally 4 percent, while Engro, LUCK, HUBC and PSMC closed at upper circuit breaker, she maintained.

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LSE index surges by 39.72 points

September 03, 2014

Mixed sentiments prevailed on the Lahore Stock Exchange on Tuesday where equities moved both ways and finally settled in green zone across the board amid decreased trading turnover. The LSE-25 index was improved by 39.72 points to close at 5334.72 against 5295.00 of Monday while transaction volume was squeezed to 921,400 shares compared with day earlier volume of 1.2 million shares.

The market was opened on a healthy note but could not sustain and was sharply declined due to selling pressure. Later, the market witnessed up and downward moves till close of the trading. However, last hour buying helped market closing in green zone. Mari Petroleum, PSO, Shell Pakistan, PPL, Engro Corporation, Fauji Fertilizer, Engro Foods, Nishat Mills, Kohat Cement, General Tyre & Rubber, Bank of Punjab and PIAC contributed to the market sentiments. Only a few companies like Nimir Industrial Chemical, K-Electric and Silk Bank were ended with marginal declines.

The advancing stocks were ahead of the declining ones. Of 85 active issues, 42 companies posted gains, three went down, while 40 companies stayed glued to their previous closing.

Excide Pakistan gained Rs 16.39, Mari Petroleum was improved by Rs 11.59, PSO was appreciated by Rs 8.44 while Shell Pakistan, Engro Corporation and Nishat Mills were up by Rs 6.54, Rs 6.4 and Rs 4.6, respectively. Nimir Industrial Chemical lost 17-paisa while K-Electric and Silk Bank were down by 12-paisa and 03-paisa, respectively. K-Electric was the market leader whose 177,500 shares changed hands followed by Fauji Fertilizer with 153,600 shares.

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ISE index improves by 107.63 points

September 03, 2014

Bulls dominated the proceedings at the Islamabad Stock Exchange (ISE) on Tuesday, where equities continued to move in upward direction with positive trend at the ISE amid increase in index. ISE Ten Index showed an improvement of 107.63 points as the ISE Ten Index moved from 4,477.14 to 4,584.77 points. The overall turnover amounted to 88,000 shares as compared to previous volume of 220,500 shares.

Total 136 companies participated in buying and selling activity. Majority of stocks (123) closed in positive territory, 13 closed in negative territory, whereas no company remained pegged to its overnight levels. The volume of Fauji Fertilizer Company Ltd was 50,000 shares. The volume of Askari Bank Ltd was 22,500 shares. The volume of K-Electric Ltd was 15,000 shares.

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Business and Economy: *Pakistan*

Neighbouring countries: 'TDAP playing vital role in enhancing trade'

September 03, 2014

Chief Executive of Trade Development Authority of Pakistan (TDAP) SM Muneer while addressing a meeting of Multan Chamber of Commerce and Industry (MCCI) on Tuesday has said that increasing trade with the neighbouring countries is among the priorities of the government and TDAP is playing an important role in this regard. For this purpose, dialogues will be conducted at every level with the neighbouring countries, he added.

Meeting was presided over by MCCI President Khawaja Muhammad Usman. The meeting was also attended by the representatives of various trade associations. MCCI chief assured that an export display centre would be established in Multan while a liaison office of TDAP will also be established.

TDAP's chief further said that Federal Ministry of Commerce is reviewing the trade strategy of the country so that efforts could be made to increase trade share in the existing markets and to find new markets. He said Pakistan is moving towards economic growth and the results of the government's positive policies have started coming up. He said that confidence of the businessmen on the government has increased and there is growth in trade activities.

Muneer said various measures are being taken to double Pakistan's exports and assured all participants that he would discharge his responsibilities honestly in this regard. He said his visit had been a part of self-initiated efforts to mobilise manufacturers and exporters through trade bodies.

MCCI president pointed out that during the past few years, Pakistan has been facing various challenges related to economic instability, internal and external threats in the form of deteriorating law and order situation, energy crisis, slow pace of local and foreign investment, high cost of doing business, corruption, high interest rates and negative perception of Pakistan abroad. "MCCI firmly believes that only solution to uplift and strengthen the economy is industrialisation and enhancing exports," he said.

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Survey puts Punjab ahead of KP in governance, Sindh worst

September 03, 2014

ABDUL RASHEED AZAD

Pakistan Institute of Legislative Development and Transparency (PILDAT) ranked Punjab on top account of governance followed by Khyber-Pakhtunkhawa (KP), Balochistan and Sindh. According to a survey conducted by PILDAT released here Tuesday, among the four provinces of Pakistan, Punjab scores significantly better in terms of the governance track-record of the provincial government.

Khyber Pakhtunkhawa government has not been able to register the same level of positive governance evaluation as the Punjab government, albeit it emerged as the second-best among the four provinces, trailing Punjab. Of the four provinces evaluated and compared in this opinion poll for the respective provincial governments' governance performance, the Sindh provincial government has emerged as the clear loser.

PILDAT released scorecard on quality of governance based on a nation-wide survey. The nationwide survey was commissioned by PILDAT and conducted by Gallup Pakistan to gauge public opinion on quality of governance across Pakistan upon the completion of the 1st year of national and provincial governments elected through the May 2013 election.

The nationwide poll was conducted during July 16, 2014 to August 6, 2014 to obtain public opinion on core indicators on quality of governance across national and provincial governments. The respondents for the survey included 3065 citizens from rural and urban areas from all the four provinces of Pakistan.

Nationwide public perception on performance of 4 Chief Ministers shows that the Chief Minister of Punjab received the highest rating with a Net Performance Rating (NPR) of +33 percent as 65 percent rate his performance as Good to Very Good while 32 percent rate it as bad or very bad. In public opinion, the second ranking on the ladder is reserved for Chief Minister of KP, whose performance though rated negatively with the NPR of -14 percent shows 51 percent rated his performance as Bad or Very Bad while only 37 percent of the respondents evaluated his performance as good or very good.

Third place on the ladder is reserved in public opinion for Chief Minister of Balochistan who received NPR of -19 percent as only 33 percent respondents rated his performance as good or very good while the majority, 52 percent, rated his performance as bad or very bad. The Chief Minister Sindh occupies the opposite end of the performance meter with NPR of -29 percent as a significant 59 percent of the respondents rated his performance as bad or very bad while only 30 percent of the respondents rated his performance as good or very good. Prime Minister of Pakistan received 46 percent positive ratings in public opinion while 52 percent rated his performance in the last year as bad to very bad.

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PIAF-Founder Alliance opens election office

September 03, 2014

The PIAF-Founder Alliance has inaugurated its election office for election campaign for the Lahore Chamber of Commerce and Industry (LCCI) elections 2014. The Alliance leaders Mian Anjum Nisar, Mian Muhammad Ashraf, Shahzada Alam Mannu, and Tahir Javed Malik along with representatives of industrial and market associations performed inaugural ceremony of the office.

LCCI President Sohail Lashari, LCCI former presidents, Mian Misbah ur Rehman, Mian Muhammad Ali, Sheikh Muhammad Asif, Syed Mohsin Raza Bokhari, Iftikhar Ali Malik, Irfan Qaiser Sheikh, Shahid Hassan Sheikh and executive committee members were also present on the occasion. The leaders also introduced Alliance candidates Mian Noman Kabir, Abdul Basit, Nadir Kamal Usman, Shahzad Ahmed, Shahzad Waheed, Dr Quratul Ain Irfan and Mahmood Amjad Mian for the Corporate Class and Nsair Saeed, Syed Mahmood Ghaznvi, Khurram Lodhi, Raja Adeel Ashfaq, Rizwan Akhtar, Asad Noor Paganwala, Waqar Ahmed Mian and Sh Muhammad Fayyaz for the Associate Class.

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Call for enforcement of laws to control counterfeit goods

September 03, 2014

A strict and forceful enforcement of existing laws is needed to control the proliferation of counterfeit products which put human lives at risk. Proliferation of fake and modified goods is not only hurting the consumers and genuine producers of goods, it is also affecting the national economy and public sector socio-economic programmes.

These views were expressed by the speakers of a seminar on combating counterfeiting on the occasion of World Anti-Counterfeiting Day 2014 at a local hotel, said a statement issued here on Tuesday. The event was jointly organised by The Consumers Eye Pakistan (TCEP), Consumer Voice Pakistan (CVP) and Helpline Trust, with the collaboration of Pakistan Standards and Quality Control Authority (PSQCA). Addressing the occasion, TCEP Chairman Umar Ghauri in his keynote address said that fake products were harming consumers, producers and the economy.

President of Consumers Voice Pakistan (CVP), Rasim Khan in his speech said in the absence of counterfeit specific laws and special courts which were hampering efforts to curb the spread of counterfeit goods in the country. He said markets were flooded with counterfeit products being sold without fear of punishment. Some manufacturers use non-food grade plastics and colours in their products, which cause cancer. Other manufacturers use old rusted tins and plastic bottles for packing cooking oils and bottled water, he added.

Rasim Khan stressed the need for counterfeit specific laws and courts in the country and called for setting up of consumer courts in all four provinces. He appreciated those manufactures and retailers who were in forefront in combating counterfeiting. Speaking as the chief guest, the member, Board of Directors of PSQCA, M A Jabbar, in his speech said that there was no formal research or study present on the size of counterfeit drug market in Pakistan, one cannot say how big this market exactly is.

Jabbar pointed out that laws do exist to curb this menace, but the law-enforcement agencies do not have adequate knowledge to distinguish between fake and genuine products, so the country's law-enforcement agencies must acquire the ability to investigate this. The Director General of PSQCA in his message termed the seminar "Combating Counterfeiting" a step in the right direction to aware the people about effects of counterfeiting and assured that PSQCA will not let counterfeiters free or unchecked in Pakistan.

The seminar covered a wide range of topics relating to anti-counterfeiting activities, consumer protection laws and quality standards, enforcing laws and the role of consumer NGOs protecting consumers. The seminar was attended by a large number of people, including representatives from corporate sector, media people, representatives of NGOs, social workers students and volunteers.

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Businesspeople suggest APC to end political crisis

September 03, 2014

N.H.ZUBERI

The business community has suggested that an all parties' conference be convened to find a political solution to the ongoing crisis, which has become a threat to the country's economy. They appealed to the ruling party, heads of all opposition parties, Pakistan Tehreek-e-Insaaf (PTI) chief Imran Khan and Pakistan Awami Tehreek (PAT) chief Dr Tahir-ul-Qadri to sit together and resolve the current political confrontation in the best interest of the country.

It is important to mention here that PTI has decided to expand its protests to all major cities of the country to exert pressure on the government to accept the party's demands. The political unrest has added to the challenges facing the business community, who are already grappling with issues like economic instability, deteriorating law and order situation, and energy crisis.

They said that local and foreign investors were worried about the ongoing political turmoil. Terming the political instability a man-made problem, they said that political unrest in the country was becoming a burning issue. They also expressed concern over the PTI decision to expand its protests to other cities of the country in general and Karachi in particular and termed it a serious blow to business and industrial activities.

They said that the sit-ins by PTI and PAT had already paralysed business activities in Islamabad. They expressed the fear that the foreign customers might divert their import orders to other countries because of the political unrest in Pakistan.

Leader of Businessmen Group (BMG) and former President of KCCI, Siraj Kassim Teli, while expressing concern over the political stalemate said that the national economy had so far suffered billions of rupees losses. He said that the entire political stakeholders were not looking beyond their own nose. "Every one is trying to protect his own interests and not thinking for the country," he observed.

He was of the view that whatever was going on in Islamabad was the result of political issue. Pakistan Tanners Association (PTA) Chairman S.Z, Fawad Jawed and former PTA President and Vice-President FPCCI, Gulzar Firoz, have also called upon the political forces to play their role to cool down the heated political temperature in the country. Fawad said that the country had so far suffered monetary losses running into billions of rupees due to the sit-ins in Islamabad. He said that if the deadlock in talks was not ended, the nation might face dictatorship once again.

He that export oriented industries in particular and all other industrial and trading sectors were facing uncertainty. He asked the judiciary and the armed forces to play their role and help democracy flourish in the country, as the nation could not afford another martial law.

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AMANTECH joins hands with IBA Sukkur

September 03, 2014

AMANTECH proudly announces a partnership with IBA Sukkur to establish vocational trades at their Khairpur and NowsheroFeroze community colleges. As part of this partnership, AMANTECH is happy to announce its first Model Implementation project with IBA Sukkur. Through adoption of AMANTECH's best practices the project will involve development and customisation of curriculum for multiple technical trades and supply of simulators for technical training at IBA Sukkur community colleges.

IBA is arguably amongst the largest and most well established names in the education sector and its partnership with AMANTECH, the largest and most well-reputed vocational training institutes in Pakistan will allow both IBA Sukkur and AMANTECH to further transform the lives of Pakistani youth through technical education and vocational training.

"This will help in extending our reach to transform the lives of the Pakistani youth," Mustafa Bhaiwala GM Special Projects AMANTECH stated. He added "I believe AMANTECH is the right choice as it has the set of expertise, knowledge and experience to support IBA Sukkur in this initiative." Professor Nisar Ahmed, Director IBA Sukkur after signing the contract said "We strongly believe in innovation, that's why we are at AMANTECH, the state of art facility. I am delighted to collaborate with AMANTECH and we look forward to implement the technical & vocational training set up at IBA Sukkur."-PR

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IGP's assurance to KCCI

September 03, 2014

The Inspector General of Police, Sindh, Ghulam Haider Jamali, has said efforts were being made to provide conducive business environment so that local and foreign investors should give preference to invest in Karachi. Speaking at a meeting of Karachi Chamber of Commerce and Industry (KCCI) here on Tuesday, he claimed that as a result of determined efforts and hard work to improve the law and order situation of Karachi has yielded positive results. He praised the Karachi police for its hard work for the restoration of peace and normality in the city.

The police chief giving a detail compression of statistics of crime with last year's (2013) claimed that it showed encouraging results. He said it was our intention to provide environment in which inhabitants of the city could work and live without fear and work for the better future of their younger generation.

He assured the business community to take effective measures to curb heinous crimes. He said 250 policemen had martyred in Karachi in 2013 while 102 police officers and jawans braced martyrdom during the current year. He said during last two to three months neither any case of kidnapping nor any bank dacoity had been reported.

"Criminals are criminals and action will be taken against them wherever they hiding in the city," he resolved. "Our intention is clear that we want to provide a better and safe environment to the inhabitants of the city," Ghulam Haider Jamali added. Additional Inspector General (AIG) of Karachi police Ghulam Qadir Thebo has again warned motorcycle owners and riders that police will launched a crackdown from 10th September against those whose bike numbers plate are defective.

He advised all motorcycle owners and riders to get their motorcycle number plates relapsed with specified standard number plates within specified period. He said police will also launch drive to provide learning driving license at different places like Karachi Press Club (KPC), Karachi University etc, by organising camps. He said that first camp will be set up at the KPC from Friday. The AIG claimed the police have traced the terrorist gang involved in the attack on Karachi airport. However, he gave no detail of the attack.

Participants in the meeting claimed that extortion cases were reduced considerably during Ramazan but now it once again increasing. Some of the participants were of the view that the police which even cannot manage the traffic in the city how can they apprehend criminals.

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Lucky Cement records Rs 11.34 billion highest-ever PAT

September 03, 2014

Lucky Cement Limited recorded its highest ever profit after tax of Rs 11.344 billion for the year ending June 30, which is 16.4 percent higher than last year's net profit of Rs 9.748 billion. The cement giant announced a cash dividend of Rs 9 per share as its earnings per share (EPS) climbed to Rs 35.08 per share versus Rs 30.15 per share achieved last year.

Lucky Cement's gross profit increased by 11.5 percent during the year to Rs 18.69 billion as compared to Rs 16.756 billion reported last year. Higher sales volume was attributed as the major driver towards the phenomenal profit declared. The local sales volume during the year under review registered a growth of 9.6 percent that rose to 4.132 million tons as compared to 3.77 million tons last year. The export sales volume of Lucky Cement also registered a growth of 8.6 percent from 2.289 million tons last year to 2.487 million tons during the financial year ending June 30.

Lucky Cement announced various projects over the year for further enhancement of its product quality and further penetration in the international markets. These include the completion of the European origin vertical grinding mills for its Karachi plant which are expected to become operational by the end of 2014. The 5MW WHR (waste heat recovery) Plants at Karachi and Pezu captive power plants will become operational by end of calendar year 2014 and 2015 respectively.

Lucky Cement's international ventures also progressed during the year 2014. The joint venture project of a cement grinding facility in Iraq has started its commercial operations early this year. Lucky Cement also reported that its joint venture investment in a Cement plant in DR Congo will be finalised and commissioned by June 2016. Sustaining its legacy of continuous growth and diversification, Lucky Cement also announced that the company intends to put up a 660MW Coal Based Power Plant in Karachi with the name of "Lucky Electric Power Company Limited", through its subsidiary Lucky Holdings Limited. The company will put an equity investment of Rs 20 billion in this project with a 75:25 ratio of debt to equity.

The company is on the forefront of corporate social responsibility in Pakistan and as a part of its CSR, there were numerous projects executed during the year ending 30 June 2014 support to educational institutions, support to leading hospital and health care centers, as well as grassroots community development through provisioning of green energy in rural districts in the country. Furthermore, Lucky Cement has also started earning carbon credits on its pro-environment projects at Karachi and Pezu. These Carbon Emission Reduction (CER) Credits are generated by projects which qualify under the clean development mechanism of the Kyoto Protocol.-PR

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Communication Design category LG gets 9 Red Dot Awards

September 03, 2014

LG Electronics (LG) took home a total of nine Red Dot Awards in the Communication Design category. Among these, Smart Keyboard, Knock Code TM and the graphic user interface (GUI) in the acclaimed LG G3 smart-phone received "Best of the Best" awards.

LG's innovative web OS Smart+ TV platform was also recognised by the Red Dot judges for its new approach to smart TVs with an intuitive user interface that made for a viewing experience that is both seamless and refreshingly uncomplicated.

The internationally respected Red Dot Awards comprises three categories - Communication Design, Product Design and Design Concept. With 7,096 entries from 49 countries in the Communication Design category alone, the Red Dot Awards is one of the three most important competitions in the design industry, alongside iF Design Award and IDEA (International Design Excellence Award).

LG's Smart Keyboard was introduced to the world on the LG G3; a smart-phone that was developed under the Simple is the New Smart philosophy. In the same vein, Smart Keyboard helps to reduce input errors by as much as 75 percent. Through adaptive software that can analyse typing habits and predict word choices, Smart Keyboard makes typing faster and infinitely easier.

Knock Code(tm) was developed in response to consumer feedback that existing security systems on smartphones were cumbersome and time consuming. Knock Code(tm) lets LG smart-phone owners wake and unlock their LG smartphones in one convenient step by employing a personalised series of taps instead of a password or nine-dot pattern. With more than 80,000 possible tap sequences to choose from, Knock Code(tm) is not only more secure, it's more convenient.

The LG G3's GUI provides an intuitive, more enjoyable, user experience. Redesigned from the ground up, the GUI features a clean, stylish appearance that adopts LG's new flat and simple design language in sophisticated pastel colours with a distinctive circular motif consistent with the company's iconic logo.

LG also won six additional awards in the Communication Design category, including the webOS Smart+ TV platform. LG's innovative webOS Smart+ TV makes it quick and easy for users to switch from one content source to another, whether it's a live TV broadcast, VoD service, Smart TV app or media file stored on a connected device. LG's webOS also allows for easy content search and discovery and delivers a stress-free set-up and connection process by introducing user to the friendly animated "BeanBird" character.

"The Red Dot Design Awards for excellence in user interface carry a great deal of meaning for us because enhancing the user experience is how we create value for the customer," said Dr SkottAhn, LG's Chief Technology Officer. "LG's advanced capabilities in user experience come

from a willingness to listen, learn and form a deep understanding of how people are using technology on a daily basis. We will continue to create solutions that improve consumers' quality of life."-PR

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Activity at Karachi and Qasim ports

September 03, 2014

The Karachi Port handled 143,560 tonnes of cargo comprising 124,162 tonnes of import cargo and 19,398 tonnes of export cargo including 5,067 loaded and empty containers during the last 24 hours ending at 0700 hours on Tuesday. The total import cargo of 124,162 tonnes comprised of 53,069 tonnes of containerised cargo; 6,020 tonnes of general cargo; 17,073 tonnes of bulk cargo; 864 tonnes of coal; 3,265 tonnes of canola; 7,907 tonnes of DAP; 3,324 tonnes of soyabean meal and 1,713 tonnes of rape seed and 48,000 tonnes of oil/liquid cargo.

The total export cargo of 19,398 tonnes comprised of 4,791 tonnes of containerised cargo; 122 tonnes of general cargo; 1,185 tonnes of canola and 13,300 tonnes of oil/liquid cargo. As many as 5,067 containers comprising 3,931 containers import and 1,136 containers export were handled during the last 24 hours on Tuesday.

The break-up of imported containers shows 1,457 of 20's and 1,116 40's loaded while 82 of 20's and 80 of 40's empty containers, whereas that of exported containers shows 172 of 20's and 33 of 40's loaded containers while 342 of 20's and 278 of 40's empty containers were handled during the business hours. There were five ships namely Express Euphrates, Mid Osprey, Osam Jumbo-5, Bofors and Julia Oldendorff carrying containers, oil tanker, tug and coal respectively sailed out to sea during the reported period. There were seven vessels viz. MOL Distinction, Japan, HS Marcopolo, Express Kailash, Chrisopigi Lady, Euro Strength and Atlas Explorer carrying containers, oil tankers and general cargo respectively currently at the berths.

There were six ships namely MOL Distinction, Express Kailash, Chrisopigi Lady, Euro Strength, Spring Sunshine and Bao Success carrying containers, oil tankers, DAP and steel respectively sailed out to sea on Tuesday, while three more ships namely HS Marcopolo, Kota Kaya and Angel-2 carrying containers and oil tanker respectively are expected to sail on Wednesday.

There were two vessels viz. Al Mahboobah and Bsle Genova carrying oil tanker and chemical respectively due to arrive on Tuesday, while seven vessels viz. OEL Trust, Pagasitikos, Water Breeze, Pistis, Ikan Salmon, Star Mistral and Somerset carrying containers, ethanol, DAP, coal and cement respectively are due to arrive on Wednesday.

PORT QASIM

A cargo volume of 79,460 tonnes comprising 59,776 tonnes of import cargo and 19,684 tonnes of export cargo inclusive 1,937 loaded and empty containers (TEUs) was handled at Port Qasim during the last 24 hours on Tuesday. The total import cargo of 59,776 tonnes includes 20,311 tonnes of furnace oil; 8,980 tonnes of palm oil; 4,750 tonnes of soya bean oil; 8,616 tonnes of wheat and 17,119 tonnes of

containerised cargo.

The total export cargo includes 19,684 tonnes of containerised cargo. As many as 1,937 containers comprising 901 containers import and 1,036 containers export were handled during the last 24 hours on Tuesday. There was one ship namely CV MSC Panama with containers sailed out sea on Tuesday morning. A total number of six vessels viz. CV Express Kailash, CV MSC Panama, MV Ocean Future, MT Oriental Clematis, MT Argent Iris, and MT Ratna Shalini currently occupied berths to load/offload containers, wheat, soya bean oil, palm oil and furnace oil respectively during the last 24 hours.

As many as three ships namely RBD Anema E Care, Al-Salam-II and Ince II Gaz with furnace oil, diesel oil and rape seed are currently at the outer anchorage of Port Qasim. There are two vessels viz. CV Safmarine Ngami and CV Fawairret carrying containers expected to take berths at Qasim International Containers Terminal on Tuesday.

There are no ships due to arrive on Tuesday.

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FOD Walk at Jinnah Airport observed

September 03, 2014

A Foreign Object Debris (FOD) Walk at the apron of Jinnah International Airport was observed under the umbrella of Safety & Quality Management System Branch of Civil Aviation Authority. Airport Manager CAA, Asghar Fahim Khattak, concerned officers of airlines, ground handling and other related agencies of Jinnah International Airport (JIAP) participated in the walk.

Before start of walk, a presentation was also given to the participants in the IMS Resource Center at JIAP in which it was made clear through a short video that how a small particle lying at the apron can damage an aircraft. After presentation, the participants were taken to the Satellite Bay Area along with the authorised cleaning staff for picking up small particles.

The purpose of this walk was to give awareness to the stake-holders, working at the airport, that how cleanliness at apron is important to avoid damage to the body and engine of an aircraft. It was made evident that a little effort of cleanliness can ensure safety of aircrafts.-PR

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Under the age of 45-year: female pilgrims sans legal guardian won't be allowed

September 03, 2014

General Authority of Civil Aviation (GACA), Saudi Arabia, has warned airlines against transporting female pilgrims under the age of 45 without a legal guardian. The GACA said that violating airlines would be fined SR 50,000, Saudi Gazette reported.

Violating female pilgrims would be denied entry and sent back on the same flight. The airline would be fined and would bear the expenses for any violating passenger's stay at the airport's transit area until they were returned home, the newspaper added. GACA aims through these instructions to provide care for the pilgrims and ensure their safety, starting from their arrival to the Holy Sites until they are to depart to their homes.

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First-ever 'cargo express' train inaugurated

September 03, 2014

The first ever 'cargo express' train after revamping the Railway's falling system was inaugurated here on Tuesday. Additional General Manager, Pakistan Railways Mehmood-ul-Hassan alongwith other officers performed formal inauguration of Cargo Express which will be operated twice a week on Tuesday and Saturday between Karachi Cantonment and Badami Bagh Stations.

Talking to media persons after the inauguration at Karachi City Railways Station, Mehmood-ul-Hassan said the frequency of the cargo train would later be increased to one train a day. He said cargo train service had been revived after a lapse of more than three years.

He said the expected monthly earning from that train was Rs 24 million and Rs 300 million was expected annual earning. The expected running time of cargo express was 38 hours while proper time table had already been issued for that train on the lines of Passenger Express Train, he added.

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NHA to build E-35 in two phases

September 03, 2014

National Highway Authority (NHA) will undertake Hassanabdal-Mansehra Expressway (E-35) in two phases, an official of Ministry of Communications informed on Tuesday. He said in Phase-I, construction of 49-km Hassanabdal-Havellian Section will be taken up. He informed

Asian Development Bank has agreed to provide \$315 million and approved \$200 million for this year and rest \$115 million will be provided next year.

The project is to be executed in two Packages, Package-I is 40-km long and Package-II 19-km long. About land acquisition, he said the process would be carried out in three packages. However, land Acquisition for Package I and II has been completed and payments made to land owners. He said land acquisition process for Package-III is underway, wherein 14 villages have been acquired and for remaining one village proceeds will be completed shortly.

He said after construction of E-35, huge traffic load on Karakoram Highway would be eased. He said the Karakoram Highway was constructed to meet the needs of six to seven thousands vehicles, whereas currently over 20,000 vehicles travel on this road daily.

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Oreo biscuits sales cross Rs one billion in 10 months

September 03, 2014

Oreo, the world's favourite biscuit has become an overwhelming success in the Pakistan market as it crossed the sales mark of one billion rupees in just ten months. Continental Biscuits Ltd (CBL), the makers in Pakistan of the LU brand of biscuits and an exclusive affiliate of global snacks group Mondelez International (previously known as Kraft Foods), are responsible for bringing the iconic Oreo biscuit brand to Pakistan nearly ten months ago.

CBL's strong track record and excellence in biscuit manufacturing and marketing is exhibited by the success of Oreo in Pakistan, where over 350 million biscuits have been sold in ten months. In October 2013, CBL invested Rs 1.1 billion (US 11 million dollars approx) to build a state-of-the-art Oreo production line at its plant in Sukkur, making it the largest biscuit-production facility in the country.

As the production line is fully automated from the initial processes all the way to the biscuit's packaging, the facility is the first of its kind in Pakistan and can produce as many as four million biscuits per day or three tonnes of biscuits per hour. CBL uses the same world class quality standards, formula and ingredients as the international version, and is selling Oreo at affordable prices to consumers. Hasan Ali Khan, Managing Director and Chairman of CBL, said: "When we brought Oreo to Pakistan, we had a vision of making the World's and also Pakistan's No 1 biscuit. Ten months into our endeavour, we are delighted to announce the success of Oreo as Rs 1 billion brand. The demand for this iconic biscuit in Pakistan has been incredible and we are touched by the positive response from our consumers. Oreo is not only selling biscuits but a global ritual for our consumers to take a moment and enjoy each Oreo with their family. We hope to continue to see record-breaking sales, furthering the Oreo momentum."

In addition to record breaking launch sales, Oreo, through its heart warming and widely appreciated advertising, has touched the lives of millions of Pakistanis by spreading Oreo's mission of twist, lick and dunk to liberate the childhood spirit in all of us. This simple ritual

allows consumers to savour each bite they take by enjoying an Oreo biscuit with a glass of milk. Oreo does not discern between adults or children and believe that consumers deserve to be set free once in a while and cherish moments by enjoying each bite of the biscuit.-PR

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Training session on 'IRCA Auditor Course of ISO Standard' held

September 03, 2014

TUV Austria Bureau of Inspection and Certification (Pvt) Ltd organised a five-day training session on "IRCA Registered Lead Auditor Course of ISO 9001:2008 Standard" here on Tuesday. The Quality Management System Instructors Shiraz Majeed and Khawar Zubair gave extensive lectures on the methods of conducting quality inspections and its benefits. The major participant companies in the session included Descon Engineering, Confiz Limited, Konsult Tek (Pvt) Ltd, Colony Group, Qadri Group, Almoiz Sugar Mills, Lucky Cement and MM Pakistan.

They said employees with ISO 9001:2008 Lead Auditor Training, can improve their reputation as quality conscious by reducing internal inefficiencies and resultantly improve their earnings and profitability. Due to the elimination of process errors and inefficiency, the internal effectiveness of the organisation improves and results in enhancing the customer satisfaction level.

They said TUV Austria provides IRCA Registered Lead Auditor Courses, Management System Certifications, Pre-shipment Inspection, Third Party Inspection Services, Civil and Electrical Assessment of Buildings, Project Management, Construction Supervision and QA/QC services to a wide range of industries globally for over a century. According to them, lack of quality management compliance in most of the local industries is one of the major hurdles in promotion of exports. The country's trade deficit can be bridged up by enhancing export, which is improved only by implementing consistent quality audits and applying high management standards in business organisations.

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Company News: *Pakistan*

KASB Bank announces half yearly results

September 03, 2014

The Board of Directors of KASB Bank met on August 30, at Karachi and announced its half yearly results for 2014. The bank's operational profit for the first six months of 2014 is Rs 171 million. The operational profit is a reflection of overall improvement in the bank. The bank's total assets are on constant growth which amount over Rs 69 billion.

KASB bank is also aggressively working in the area of Home Remittances taking the PRI initiative of SBP and Government of Pakistan forward to inculcate the culture of using legitimate means for sending money to Pakistan while helping the economy grow. In the first half of 2014 the bank handled Home Remittances of over Rs two billion. The bank is currently serving its customers through 105 online locations in 44 cities across Pakistan. The bank's focus is to achieve service excellence along with providing innovative financial solutions to cater to its customers banking needs.-PR

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NBP posts Rs 8.13 billion profit after tax

September 03, 2014

National Bank of Pakistan has yet again surpassed analyst expectations by posting stellar half-yearly results for the year 2014. NBP posted profit after tax (PAT) of Rs 8.13 billion, translating into earnings per share (EPS) of Rs 3.82, showing 42 percent growth in EPS compared to the same period last year.

NBP achieved these results on the back of lower provisioning charges (down Rs 2.5bn from Rs 7.4bn in the same period last year) and greater non-mark-up/interest income (up 19 percent YoY to Rs 15.4bn compared to Rs 12.9bn last year). NBP posted 1HCY14 Profit before Tax (PBT) of Rs 12.3 billion, an increase of 63 percent from the corresponding period last year when it stood at Rs 7.55 billion.

The Bank's strategy to modernise and invest in product development combined with a high-dividend payout history has convinced analysts to develop a bullish view of its stock, which is currently considered by most as an undervalued scrip. The stock price closed at Rs 57.84/share on September 1, with majority of the analyst community being positive about the company's outlook for the second half of 2014.-PR

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NBP: 1H2014 Result Highlights

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PKR (mn)	1H2014	1H2013	YoY	2QCY14	YoY	QoQ
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Markup Earned	53,682	49,580	8%	28,426	11%	13%
Markup Expensed	34,210	29,554	16%	17,579	22%	6%
Net Interest Income	19,472	20,026	-3%	10,847	-3%	26%
Provision/(Reversal)	2,514	7,438	-66%	1,879	-75%	58%
Non-Interest Income	15,453	12,994	19%	9,392	27%	55%
Non-Markup Expenses	20,133	18,032	12%	10,833	19%	16%
PBT	12,277	7,551	63%	7,867	143%	78%
Tax	4,149	1,824	128%	2,883	435%	128%
PAT	8,128	5,727	42%	4,984	85%	59%
EPS @ 2,127.51mn shares	3.82	2.69		2.34		

Lucky Cement records Rs 11.34 billion highest-ever PAT

September 03, 2014

Lucky Cement Limited recorded its highest ever profit after tax of Rs 11.344 billion for the year ending June 30, which is 16.4 percent higher than last year's net profit of Rs 9.748 billion. The cement giant announced a cash dividend of Rs 9 per share as its earnings per share (EPS) climbed to Rs 35.08 per share versus Rs 30.15 per share achieved last year.

Lucky Cement's gross profit increased by 11.5 percent during the year to Rs 18.69 billion as compared to Rs 16.756 billion reported last year. Higher sales volume was attributed as the major driver towards the phenomenal profit declared. The local sales volume during the year under review registered a growth of 9.6 percent that rose to 4.132 million tons as compared to 3.77 million tons last year. The export sales volume of Lucky Cement also registered a growth of 8.6 percent from 2.289 million tons last year to 2.487 million tons during the financial year ending June 30.

Lucky Cement announced various projects over the year for further enhancement of its product quality and further penetration in the international markets. These include the completion of the European origin vertical grinding mills for its Karachi plant which are expected to become operational by the end of 2014. The 5MW WHR (waste heat recovery) Plants at Karachi and Pezu captive power plants will become operational by end of calendar year 2014 and 2015 respectively.

Lucky Cement's international ventures also progressed during the year 2014. The joint venture project of a cement grinding facility in Iraq has started its commercial operations early this year. Lucky Cement also reported that its joint venture investment in a Cement plant in DR Congo will be finalised and commissioned by June 2016. Sustaining its legacy of continuous growth and diversification, Lucky Cement also announced that the company intends to put up a 660MW Coal Based Power Plant in Karachi with the name of "Lucky Electric Power Company Limited", through its subsidiary Lucky Holdings Limited. The company will put an equity investment of Rs 20 billion in this project with a 75:25 ratio of debt to equity.

The company is on the forefront of corporate social responsibility in Pakistan and as a part of its CSR, there were numerous projects executed during the year ending 30 June 2014 support to educational institutions, support to leading hospital and health care centers, as well as grassroots community development through provisioning of green energy in rural districts in the country. Furthermore, Lucky Cement has also started earning carbon credits on its pro-environment projects at Karachi and Pezu. These Carbon Emission Reduction (CER) Credits are generated by projects which qualify under the clean development mechanism of the Kyoto Protocol.-PR

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Attock Petroleum Limited

September 03, 2014

Higher petroleum sales have positively affected the oil marketing companies (OMCs) like Attock Petroleum Limited, especially after the settlement of the circular debt in the latter half of 2013. The Attock Petroleum Limited (APL) was incorporated in 1998. It is engaged in the downstream petroleum business of the country. It belongs to the only integrated oil and gas group in the country--Attock Oil Group--and is the fourth OMC to be granted the marketing license.

APL's product profile consists of lubricants and commercial and industrial fuels. In the fuel category, APL markets and supplies fuels to manufacturing industry, armed forces, power producers, government/semi-government entities, FMCG companies, developmental sector, agricultural customers, etc. Its main commercial and industrial fuels that are marketed include: High-Speed Diesel (HSD), Motor Spirit (MS), Jet fuel, kerosene oil, asphalt, furnace oil, light diesel oil and lubricants. In the lubricants category, the company offers a range of products which include both automotive and industrial grades blended with base oils and additives.

APL has a large storage, transportation and retail outlet network that supplements its product range with 468 retail outlets. Apart from facilitating export of naphtha to the Middle East, Far East and South Asia, APL also exports petroleum products to the neighbouring country, Afghanistan.

INDUSTRY DYNAMICS FY14 continued to move forward with fiscal challenges, which resulted in a number of consequences for the energy sector as well as the entire economy. Besides law-and-order situation continuing to plague everyone and every business, power and gas shortages, mounting circular debt and increased petroleum product prices were some of the key challenges faced by the OMC sector, too.

Amid all this, the industry was able to increase its sales volumes by nine percent year-on-year in FY14. APL was able to increase its market share from 9.3 percent in FY13 to 10.1 percent in FY14 due to its better product sales growing by 19 percent year on year in FY14. Its contribution to the national exchequer stood at Rs 47.5 billion.

FINANCIAL PERFORMANCE FY14 From the financial perspective, FY14 proved to be a modest year for Attock Petroleum Limited. Largely driven by retail volumes growth, the oil marketing sector had been in the limelight in FY14 after the improvement in the liquidity and rising petroleum product consumption in the country.

With rapid expansions in its retail network, the company seems to be reaping the fruits of consistent CNG shortages in the country which is reflected in its strong retail sales volume. Furthermore, enduring energy shortages has compelled power producers to resort to furnace oil, and expensive fuel, which is a positive wave for the company.

The firm's net revenue rose by an impressive 25 percent in FY14 versus FY13, and it was a result of increase in volumes sold, and a jump in international oil prices. Furnace oil volumes are estimated to have grown by 13 percent year on year in FY14, while that of HSD and motor gasoline (petrol) witnessed an upsurge of 20 percent and 32 percent, year on year, respectively.

Despite strong top line growth, burgeoning inventory losses kept a lid on expansion in gross margins, which remained the primary victim of denting the bottom line growth. This happened particularly due to escalated cost of sales in the fourth quarter of FY14. Overall, the decline in margins in FY14 resulted due to decrease in average profit margins on petroleum products and increase in operating expenses due to stiff competition.

Moreover, the drop in the finance income by a massive 61 percent was offset, to a great extent, by a significant improvement of 92 percent in finance charges due to circular debt resolution in 2013, and a 38 percent drop in 'other income'. Overall, the inhibitors and propellers eventually resulted in the bottom line to grow by 11 percent, year on year.

OUTLOOK APL's liquidity, as explained in its annual report for FY14, seems to be well-positioned to meet its future developments and future commitments. The development of a bulk oil terminal at Mehmood Kot, Muzaffargarh is anticipated to fuel APLs storage capacity, which in turn will help the company meet the increasing demand for petroleum products in the country. The firm is also increasing its footprint across Pakistan by expanding its retail network.

APL's net cash and cash equivalents decreased by Rs 2.32 billion mainly due to utilisation of cash to pay dividends. The firm's financial performance for FY14 was also accompanied by a final cash dividend of Rs 30 per share taking the full-year cash dividend to Rs 47.5 per share. Not bad at all!

In future, one key challenge for the OMC industry, as mentioned in the company's annual report, would be to maintain its return on working capital as rising international crude oil prices amid fixed OMC margins will increase the working capital requirements. And with circular debt rising once again, this working capital conundrum is imminent.

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Attock Petroleum Limited

=====FY10

	FY11	FY12	FY13	FY14	
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Profitability					
Gross margin	4.5%	4.3%	3.0%	3.1%	2.9%
Net margin	4.3%	3.9%	2.7%	2.4%	2.1%
Operating leverage	39.1%	75.2%	-15.5%	-12.2%	22.80%
Return on equity	44.1%	41.0%	34.4%	29.56%	31.08%

Liquidity

Current ratio	1.63	1.76	1.58	1.75	1.59
Quick ratio	1.55	1.35	1.35	1.42	1.24

Efficiency

Inventory turnover	139.29	33.55	31.5	34.23	33.36
Debtor turnover	10.73	12.95	12.4	13.36	17.42
Creditor turnover	7.09	8.86	9.97	9.65	11.41
Total asset turnover	4.17	4.76	5.56	5.43	6.39
Fixed asset turnover	70.52	84.41	102.71	95.09	108.16

Market

EPS	62.4	61.6	59.61	56.52	52.16
Dividend yield	8.61%	12.08%	11.98%	8.96%	9.01%
Dividend cover	2.08	1.48	1.19	1.26	1.1

Taxation: *Pakistan*

Swiss accounts: FBR team holds talks with tax authorities

September 03, 2014

The Federal Board of Revenue (FBR) has held the first round of negotiations with the Swiss tax authorities to revise the Convention for the Avoidance of Double Taxation vis-a-vis Taxes on Income and clauses pertaining to exchange of information. On the conclusion of the visit of senior tax officials to Switzerland, sources told *Business Recorder* here on Tuesday that Pakistan has taken the first step in the right direction to re-negotiate and upgrade treaty on Avoidance of Double Taxation with Switzerland to tax undeclared money deposited in Swiss banks by Pakistani nationals.

Both the sides have agreed to revise the whole convention with modifications in clauses pertaining to the exchange of information. The Pakistani delegation comprising senior tax officials recently concluded its visit to Switzerland. The FBR officials discussed the revision of the entire convention with the Swiss tax authorities. During the visit of FBR officials to Switzerland, the Pakistani delegation has also took up the issue of access to banking information under the said treaty, they added.

The government is seriously working on seeking assistance from the new Swiss law referred to as "The Restitution of Illicit Assets Act, 2010" that allows the Swiss government to exchange confidential information with governments whose citizens have ill-gotten monies stashed in Swiss banks.

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Computerised balloting: FBR to exclude certain categories of taxpayers for TY13 audit

September 03, 2014

SOHAIL SARFRAZ

The Federal Board of Revenue (FBR) has decided to exclude certain categories of taxpayers from computerised random balloting for audit (Tax Year/Tax Period 2013) including non-corporate returns of salary income, fixed income, final tax regime, cases selected by Commissioner Inland Revenue, utility companies and government service providers for sales tax and Federal Excise Duty.

Sources told *Business Recorder* here on Tuesday that different categories of taxpayers have been exempted from selection process for audit under computerized balloting for Tax Year/Tax Period 2013. The FBR has drafted a new "Audit Policy 2014 for Tax Year 2013/ Tax Period 2013". As per new audit policy, following are the aims and objectives of the new Audit Policy:

Firstly, random computer ballot for selection of cases for audit would be carried out separately under the Sales Tax Act 1990, Income Tax Ordinance 2001 and Federal Excise Act, 2005 and the whole process shall be based upon the laid down guidelines. Secondly, setting out exclusions objectively in such a way to avoid selection of fixed income, final tax regime, cases already selected for audit through computer random ballot for the previous tax year ie tax year 2012, and cases pertaining to tax year 2013 already selected by Commissioner Inland Revenue (CIR) for audit for income tax returns ballot and "Nil" and "Null" filers as well as utility companies, government service providers for Sales Tax and Federal Excise Duty.

Thirdly, the selection of cases for audit would be carried out in a transparent manner through computer ballot. Fourthly, the FBR will ensure that selection of cases for audit doesn't cause any prejudice to a taxpayer/registered person in any manner. If after an audit the declaration of a taxpayer/ Registered Person is found in order the audit shall be closed. This will allay the fear of the taxpayer/registered person whose case is being audited.

Fifthly, the audit guidelines said that the audit would be conducted in a professional manner. Sixthly, the audit guidelines further said that the audit would create an effective deterrence against tax evasion. Seventh, the audit would also identify tax avoidance loopholes. Eighth, the audit guidelines would ensure that separate notices under different tax laws are issued to taxpayers selected for audit in order to make the process transparent.

Ninth, audit guidelines would also ensure that all correspondence (notices, etc) are routed through Taxpayers' Audit Monitoring System. Tenth, the audit guidelines would also ensure that all statutory notices are served by legally approved modes only, FBR's guidelines added.

According to the FBR's methodology for selection of cases for audit, the FBR has decided to go for random computer ballot for selection of cases for audit for tax year/tax period 2013 certain exclusions have been identified and approved by the Board which pertain to sources of income where audit is not required. Those exclusions from audit are as follows:

1. Income Tax Corporate Returns: All Final Tax Regime (FTR) cases; all cases already taken up for audit under section 177 for tax year 2013 whether under process or finalised; all cases already selected for audit through computer random ballot for tax year 2012 whether under process or finalised; all cases where no business is stated to have been conducted for tax year 2013.
2. Income Tax Non-Corporate Returns: Cases falling under the Final tax Regime (FTR), taxable income only from salary; taxable income only from house property; taxable income only from share from Association of Persons (AOP); all cases already taken up for audit u/s 177 for tax year 2013 whether finalized or pending for assessment and all cases already selected for audit through computer random ballot for tax year 2012 whether under process or finalised.
3. Sales Tax Corporate Returns: Null returns; government departments; cases already taken up for audit for tax period 2013 by the Commissioner Inland Revenue and all cases already selected for audit through computer random ballot for tax period 2012 whether under process or finalized.

4. Sales Tax Non-Corporate Returns: Null returns; government departments; cases already taken up for audit for tax period 2013 by the Commissioner Inland Revenue and all cases already selected for audit through computer random ballot for tax period 2012 whether under process or finalized. 5. FED Corporate Returns: Null returns; government departments; cases already taken up for audit for tax period 2013 by the Commissioner Inland Revenue and all cases already selected for audit through computer random ballot for tax period 2012 whether under process or finalized.

6. FED Non-Corporate Returns: Null returns; government departments; cases already taken up for audit for tax period 2013 by the Commissioner Inland Revenue and all cases already selected for audit through computer random ballot for tax period 2012 whether under process or finalised, the FBR's new audit policy added.

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'Issuance of non-changeable number plates soon'

September 03, 2014

Punjab Minister for Excise and Taxation and Finance Mujtaba Shujaour Rehman has said that the department is considering issuance of non-changeable motor vehicles number plates. These numbers plates will be issued by Excise and Taxation department and will have the qualities of checking theft of vehicles, he added.

He expressed these views while presiding over a meeting regarding registration of motor number plates on Tuesday. The Secretary Excise and Taxation, Director General and senior officials attended the meeting. The Minister said it is also considered to introduce uniform number plates across the province on the pattern of Nadra and citizens can contact Excise office of their respective city for this purpose, but number plates will be issued from Lahore.

"The number plates will not be removed or fixed on another vehicle after first fixation," he added. He said online collection of token tax, property tax and other taxes from Bank of Punjab, Ufone, MasterCard and other departments is also under consideration so that payment of tax could be made simple and easy and citizens will be able to pay their tax at any franchise in any part of the country.

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New audit policy: FBR plans to select 15 percent of total tax returns

September 03, 2014

The Federal Board of Revenue (FBR) is planning to select around 15 percent of the total tax returns for audit out of total returns filed by taxpayers for the Tax Year/Tax Period 2013. Sources told *Business Recorder* here on Tuesday that the FBR has finalised the "Audit Policy 2014 for Tax Year 2013/Tax Period 2013".

Under the new policy, cases shall be selected for audit through random computer balloting up to the extent of 15 percent of total returns of taxpayers filed for the Tax Year/Tax Period 2013. According to the new audit policy, for the purpose of audit for tax year 2013, the Federal Board of Revenue (FBR) has adopted a policy of selection of cases for audit through random ballot. Certain cases of taxpayers falling under Final Tax Regime, eg, fixed incomes, incomes subjected to advance withholding tax and where such tax is deemed to be full and final discharge of tax liability, deriving share income from an AOP and those already selected for audit by FBR through random computer Ballot for tax year 2012, have been excluded. In addition to the above cases of taxpayers deriving only salary income under section 12 and only income from house property u/s 15 have also been excluded. Audit Policy 2014, for selection of cases by FBR for audit of Tax year 2013 is without prejudice to the proceedings initiated for Audit under section 177 of the Income Tax Ordinance, 2001 by Commissioners of Inland Revenue for audit for Tax year 2013.

The new audit policy said that the FBR continues to follow a broad policy of facilitation to Taxpayers and encourages voluntary compliance through minimising interface between taxpayers and tax collectors and extensive use of computer-based system. Universal Self-Assessment Scheme is thus a corner stone of the aforesaid policy.

A taxpayer or a registered person who voluntarily declares his tax liability and declares his return to be correct and that he has maintained supporting books and records under the existing provisions of Sales Tax Act 1990, Income Tax Ordinance 2001 and Federal Excise Act, 2005. Audit is an internationally accepted mechanism by which tax authorities can determine the veracity and correctness or otherwise of a declaration, the FBR said.

In order to ensure proper compliance with the law, it is imperative that a certain proportion of Tax Returns filed under the income Tax, Sales Tax and Federal Excise laws are audited every year. This process is nothing adverse to the taxpayer. If the tax auditors observe some discrepancies which are not properly explained or reconciled by the taxpayer, a show cause notice is issued under the law for appropriate corrective action for proper tax assessment. Such process and practices are universally followed by similar tax administrators as in Pakistan, FBR maintained.

Taxpayers' Audit for the Tax Year/tax period 2012 was undertaken on the basis of random computer ballot and certain categories were excluded particularly keeping in view that no purpose of audit could be served through audit of fixed income groups such as Salaried cases, cases of exclusively share income from AoPs and the cases that fell under the final tax regime

(FTR) and Presumptive Tax Regime (PTR) as the receipts in such cases were verifiable and the tax payable thereon had been fully withheld/deducted/paid in advance.

This policy document takes into consideration all guidelines, constraints and restrictions, legal or otherwise and ensures that a transparent and judicious system of Audit for tax year 2013/ tax period 2013 is implemented. While the focus remains on facilitation of Taxpayers and Registered Persons, the policy ensures presence of an effective deterrent through Audit for curbing the menace of evasion of tax. Audit can not be applied indiscriminately to such taxpayers whose incomes are exempt or who earn only fixed incomes such as salary (only) cases. Auditing fixed income cases would negate the spirit of facilitation envisaged in the USAS, the FBR said.

Every taxpayer/registered person cannot be audited due to time and resource constraints. Selection of cases for audit is a significant feature of any Audit Policy as segregation process needs logical grounds in the form of identification of risk areas and determination of the basis for audit through a transparent and fair process, the new audit policy added.

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Transfers, postings in FBR

September 03, 2014

Federal Board of Revenue (FBR) has made transfers/postings of seven officers of Inland Revenue Service (BS-20) with immediate effect.

According to its notification, Abdul Hameed Sangi (Inland Revenue Service/BS-20) has been transferred from Commissioner-IR, (Zone-II) Regional Tax Office, Sukkur and posted with the assigned additional charge of the post of CIR (BTB), RTO, Sukkur; Ghulam Mujtaba Bhatti (Inland Revenue Service/BS-20) from Commissioner-IR, (Zone-II) RTO, Sialkot to the assigned additional charges of the posts of CIR (BTB) and CIR (IP/TFD/HRM), RTO, Sialkot; Khalil Ahmad Zahid (Inland Revenue Service/BS-20) from Commissioner-IR, (Appeals) Multan to the assigned additional charge of CIR (Appeals), Bahawalpur; Dr Malik Muhammad Khan Awan (Inland Revenue Service/BS-20) from Commissioner-IR, (IP/TFD/HRM) RTO, Sargodha to the assigned additional charges of CIR (BTB) and CIR (Zone-II), RTO, Sargodha; Nawab Khan (Inland Revenue Service/BS-20) from Commissioner-IR, (BTB) Regional Tax Office, Peshawar to assigned the additional charges of CIR (Zone-I) and CIR (IP/TFD/HRM), RTO, Peshawar; Dr Tauqeer Ahmad Memon (Inland Revenue Service/BS-20) from Commissioner-IR, (WHT) Regional Tax Office, Hyderabad to the assigned additional charge of CIR (BTB), RTO, Hyderabad and Ahmad Shuja Khan (Inland Revenue Service/BS-20) from Commissioner-IR, (Zone-II) RTO, Bahawalpur to assigned the additional charges of CIR (BTB), CIR (WHT) and CIR (IP/TFD/HRM), RTO, Bahawalpur.-PR

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Tax Year 2014: FBR issues three tax return forms for different categories

September 03, 2014

The Federal Board of Revenue (FBR) has issued three income tax return forms (Tax Year 2014) for different categories of taxpayers including individuals, deriving income only under the head salary. In this regard, the FBR here on Tuesday issued Return Form IT-1A for Tax Year 2014 for individuals deriving income only under the 'Head Salary'; return Form IT-1B for Tax Year 2014 for individuals deriving Income under the heads other than business and return form IT-1C for Tax Year 2014 for AoPs deriving income under the heads other than business.

The first return form (return of total income/statement of final taxation) is related to the individuals deriving income under the 'Head Salary' and profit on debt subject to final tax. The second return pertains to return of total income/statement of final taxation under the Income Tax Ordinance, 2001 for AoPs deriving income under any head other than business. The third return form relates to (return of total income/statement of final taxation) for individuals deriving income under any head other than business.

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Sukkur DCs asked to collect agriculture, revenue taxes

September 03, 2014

Commissioner Sukkur Muhammad Abbas Baloch on Tuesday directed all the Deputy Commissioners (DCs) of Sukkur division to collect agricultural and revenue taxes by achieving the target and pay full attention to cleanliness and development schemes in the districts.

While presiding over a meeting here, with all DCs and Assistant Commissioners to review monthly performance of the administrations concerned, he directed them to monitor all the development schemes according to a comprehensive plan and also submit a detailed report based on past five years' performance.

He asked the DCs to make the consultation process more effective while obtaining details by Patwaris and ensure a speedy monitoring process in their districts and talukas concerned on the steps taken for cleanliness, basic facilities and development of cities. In this connection, the Commissioner said that all the DCs and ACs should also hold consultations with him for the improvement of all the schemes.

Commissioner Baloch also directed the authorities to ensure ban on the cultivation of paddy crop and impose a heavy fine upon the growers who have cultivated this crop despite clear instructions in advance adding that awareness should also be created among the growers that

they should consider the cultivation of alternative crops, because with the cultivation of paddy crop, we have to face agricultural losses.

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OS to reduce revenue loss due to grey traffic on the anvil

September 03, 2014

An operative system (OS) is being designed to collect and analyse data from various sources and provide effective solutions to reduce loss of revenue incurred due to grey traffic. The system will consist of four major building blocks whose purpose will be to collect data, analyze it, report it into a meaningful format and then use the results to monitor the traffic. The system will be installed at Pakistan Internet Exchange (PIE).

National ICT Research and Development Fund, a subsidiary of Ministry of Information Technology and Telecommunications is executing the project in collaboration with COMSATS Institute of IT (CIIT), Islamabad, at the cost of Rs 13.51 million. Official sources on Tuesday said the project called Automatic Monitoring and Detection System (AMDS) for Grey Traffic is being executed in two steps one being the training of proposed system AMDS and the other being the real-time system that is to be installed at the site, ie PIE.

They said initially only the data collection block (Probe) will be installed at the PIE. The training is done on the remaining three blocks, ie Data analysis (SBDNM), Reporting (SPR) and monitoring of traffic block (TM). All this will be done at the site which will be the CIIT Campus. Once this is achieved the project will proceed towards step two in which this trained system will be installed. Once installed, it will be vigorously tested in real-time environment before being properly launched.

They said in telecommunication business all communication is done through use of some routes. Generally there are three types of routes-White route: where the routes of both source and destination have legal termination, black route: where both source and destination have illegal termination and Grey route: which defines a route that is legal for one country or the party on one end, but illegal on the alternative end.

The sources said thus any traffic that uses grey routes will be termed "Grey Traffic". Grey routes can be identified in terminating network. Normally heavy load in certain network areas or short voice calls or incomplete call information indicates grey trafficking. Grey traffic due to heavy load can be identified through three methods which are Mobile phone (or GSM Gateway) termination, Subscriber Access Line termination and Media Gateway (MGW) in the IP backbone termination mobile phone (or GSM Gateway termination).

Subscriber access line termination results in heavy load in local exchange. MGW in IP backbone termination results in higher load on the MGW and soft switch. Short voice calls is another indicator of grey traffic. These short voice calls are due the repetitive redialling by the customer in hope to get better voice quality thus indicating grey traffic. Grey routed calls have often

incomplete information like calling party number, bearer service information, etc. So any such call is termed as grey traffic.

Pakistan Telecommunication Authority (PTA) defines Grey telephony as the use of illegal gateway exchanges to bypass legal PTCL gateways and terminate/originate international traffic, including through VoIP gateways, GSM gateways, and WLL phones, mobile SIMs or other related equipment. This traffic may then be distributed onwards using WLL and mobile numbers. It is claimed that grey telephony costs loss of over Rs 3 billion annually.

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SHC grants stay on recruitments in E&T Department

September 03, 2014

The Sindh High Court has granted a stay order against recent recruitment in the Sindh Excise and Taxation (E&T) Department. The higher court had also sought explanation from the Sindh Chief Secretary and E&T Director. The higher court passed this order while hearing a petition filed in the SHC. Counsel of the petitioner Asadullah Billo apprised the High Court that E&T Department was recruiting persons for the posts of Excise Inspector, Junior Clerk and Senior Clerk.

The post of Excise Inspector was of grade 14 and the post of assistant sub-Inspector of Police in same grade was filled through Sindh Service Commission, but the post of Excise Inspector was being filled while bypassing the Sindh Service Commission.

The counsel of the petitioner said the mode of recruitment was tantamount to violation of rules of merit and would end in nepotism, while meritorious candidates would be deprived of their rights. The counsel of the petitioner appealed to the higher court to issue order for the stoppage of ongoing recruitments in E&T Department upon which the higher court gave a stay order for the stoppage of recruitments and asked the Sindh CS and E&T Department to submit explanation in the same matter.

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Cotton and Textiles: *Pakistan*

Cotton market: mills, spinners continue buying ahead of likely rains

September 03, 2014

Business activity improved on the cotton market on Tuesday as mills accelerated forward buying to cover urgent needs, dealers said. The official spot rate managed to hold overnight level at Rs 5,600, they added. In ready session, trading activity came down, as over 14,000 bales of cotton changed hands between Rs 5600 and Rs 5800, they said. In Sindh, prices of seed cotton were at Rs 2500 and Rs 2550 and in Punjab prices were at Rs 2550 and Rs 2650, they said.

Market sources said that mills and spinners continued buying following the anticipations that heavy rains may cause damage to the standing crop. Cotton analyst, Naseem Usman sharing the same idea said that quality and production both were good, but if rains lasted for a long time, it could hit the standing crop. In the meantime, prices may come down in the near future due to quality factor, they added.

The following deals reported: 1200 bales of cotton from Sanghar at Rs 5600-5650, 1400 bales from Mirpurkhas at Rs 5600-5650, 800 bales from Kotri at Rs 5600-5650, 1000 bales from Hyderabad at Rs 5600-5650, 600 bales from Hala at Rs 5600-5650, 200 bales from Jhole at Rs 5600, 600 bales from Tando Adam at Rs 5650, 1200 bales from Shahdadpur at Rs 5650, 1000 bales from Haroonabad at Rs 5700-5800, 200 bales from Pak Pattan at Rs 5725, 200 bales from Chinute at Rs 5730, 200 bales from Sahiwal at Rs 5750, 800 bales from Bahawalnagar at Rs 5750, 200 bales from Mian Chano at Rs 5750, 200 bales from Faqirwali at Rs 5750, 200 bales from Chistian at Rs 5750, 200 bales from Chunia at Rs 5750, 1200 bales from Chichawatni at Rs 5750-5800, 1000 bales from Burewala at Rs 5750, 800 bales from Khanewal at Rs 5750-5800 and 200 bales from Hasilpur at Rs 5800, they said.

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The KCA Official Spot Rate for Local Dealings in Pak Rupees

FOR BASE GRADE 3 STAPLE LENGTH 1-1/32"

-----MICRONAIRE VALUE BETWEEN 3.8 TO 4.9 NCL

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Rate	Ex-Gin	Upcountry	Spot Rate	Spot Rate	DifferenceFor	Price	Ex-Karachi	Ex. KHI. As
Ex-Karachi on 01.09.2014								
37.324 Kgs	5,600	150	5,750	5,750	Nil			

Equivalent								
40 Kgs	6,002	160	6,162	6,162	Nil			
=====								

APTPMA voices concern over turmoil due to sit-ins

September 03, 2014

All Pakistan Textile Processing Mills Association (APTPMA) expressed great concern over present turmoil and unrest faced by the country due to sit-ins which are affecting our economy, export, business and trade dangerously. Sheikh Muhammad Ayub, Central Chairman APTPMA said due to recent chaos business and trade activities have been hampered and wheel of industry and our economy has jammed.

People are facing severe problems and their life has become tedious. Loss of billions of rupees has been occurred and labourers are being jobless due to closures of factories and trade. Elaborating his point of view APTPMA Chief said the crisis should be resolved immediately by the Government and leaders of the Azadi and Inqeelab March through dialogue so that unrest and uncertainty could be resolved and difficulties of public, industrialists, businessmen and traders could be reduced.

He said for the last many years our industry and especially the textile industry has been facing hardships due to gas and electricity load shedding and striving for its survival. He said a hope was created by the present govt but due to long sit-ins, chaos and uncertainty the industry and business are being collapsed. Exports and foreign investment is suffering and loss of billions of rupees is being occurred to our country. Chairman APTPMA has appealed to the PM Mian Muhammad Nawaz Sharif, and Imran Khan and Allama Dr Tahirul Qadri leaders of PTI and PAT to resolve the crisis forthwith for the sake and welfare of our economy, investment, industry, trade, public and the country.

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Agriculture and Allied: *Pakistan*

Agriculture plains will be in grip of gusty winds, Met Office warns farmers

September 03, 2014

Gusty winds are likely to grip the agriculture plains of the country in the next 10 days, the met office has warned the farmers. The office in its 10-day farmers' advisory ending on September 10, said that "normal to gusty wind pattern may prevail in most of the agricultural plains of the country".

However, temperature is expected to remain normal in most of the agriculture plains of the country, it said, adding that "rainfall/gusty winds after irrigation cause water logging of standing crops like maize, sugarcane and cotton". It advised the farmers to be careful under the prevailing circumstances and warned them of the pest and viral attacks on their standing crops.

"Pest/viral attacks and more weeds growth are expected during the current and expected monsoon rains in sugarcane and other standing crops in upper parts of the country," it pointed out. It asked the farmers to take timely precautionary measures to protect the crops from disasters. It also advised the growers who irrigate crops through tube-wells to schedule their irrigation in line with the expected rainy spells. "Farmers of rainfed areas obtaining water through tube wells and irrigated areas in upper parts are advised to schedule the irrigation according to the expected weather," it said.

It said farmers should take measures to protect their crops, livestock and other property from expected rains. "Farmers of cotton belt are advised to be aware of the adverse effects of stagnant water in the fields during monsoon," it urged. It said that the farmers should evolve mechanism for drainage of stagnant water from fields on a priority basis and take necessary requirements in this regard.

"Viral/pests attacks on cotton and sugarcane crops have been reported in agricultural plains of the country. These attacks may further enhance due to coming monsoon rains. Farmers should be careful to control these attacks in time," it alerted. Light to moderate rainfalls at isolated places is expected over most of the agricultural plains of Punjab during the forecast period till September 10.

The office said light rainfall expected at isolated places of lower Sindh during the first five days of the forecast period. In Khyber Pakhtunkhwa, heavy falls at isolated places are expected over most of the agricultural plains of the province. In Balochistan, it said mainly dry weather is expected in the province. However, it said, light rainfall is expected in north western parts of the province. Mostly cloudy weather with light to moderate rainfall over hills is expected in most parts of Gilgit-Baltistan during 1st half of the period. Mainly cloudy weather with light to moderate rainfall over hills is expected in isolated parts of Kashmir till September 5, the office said.

KBP to discuss paddy growers' issues today

September 03, 2014

Kisan Board Pakistan (KBP) has convened meeting of its rice board on Wednesday in the provincial metropolis to discuss the issues faced by the paddy growers and delay in announcement of minimum purchase price by the government. KBP Secretary General Malik Muhammad Ramzan Rohari said here on Tuesday that the rice crop was near the harvesting stage but the government is yet to announce increase in its minimum purchase price.

He said that increase in rice support price is inevitable keeping in view the increase in the prices of fertilisers, diesel and other agricultural inputs. To discuss these issues the Board had convened an emergent meeting of its rice committee at KBP head office on Wednesday. The meeting would be chaired by the rice committee chairman Aman Ullah Chattha while the participants are expected from the progressive rice growers and KBP Punjab President Noor Elahi.

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Daily trading report of PMEX

September 03, 2014

On Tuesday at Pakistan Mercantile Exchange (PMEX) value traded was recorded at PKR 1,784 million as compared to PKR 1,683 million registered on Monday, up by 5.99 percent. The number of lots traded was 8,978 and PMEX Commodity Index closed at 2,988. Major business was contributed by gold amounting to PKR 916 million - up 120 percent, followed by crude oil amounting to PKR 808 million and silver at PKR 60 million - up 143 percent.

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PSM CEO opposed to sell-off

September 03, 2014

MUSHTAQ GHUMMAN

Chief Executive Officer (CEO) Pakistan Steel Mills (PSM) Major-General Zaheer Ahmad Khan (Retd) is reportedly opposing the sell-off of country's largest industrial unit until a further investment of Rs 7 billion to revamp and modernise it, well informed sources in PSM told *Business Recorder* from Karachi. The federal government had approved PSM's financial restructuring package of Rs 18.5 billion a few months ago aimed at achieving 77 per cent capacity after January 2015.

"Along with other measures taken to ensure implementation of the business plan as per the agreed targets, an essential repair plan has been prepared within own resources to put the plant in order to meet the given targets. However, to undertake essential revamping for meeting its targets in a sustainable way, approximately Rs 6.84 billion are required to be executed through foreign contractors in 1-2 years. This also includes a light section mill which will bring a value-addition and make PSM more viable. "PSM is a 40-year-old plant and various stops/units of PSM are in operation for more than 30 years without any major investment and revamping, modernisation and up-gradation," according to a letter written by the CEO PSM to Federal Minister for Industries and Production, a copy of which is available with the newspaper.

The proposed modernisation/ revamp plan will be as follows, as per the letter: (i) iron ore and jetty 6-12 months;(ii) raw material handling equipment;(iii) repair of sintering plant (12 months) ;(iv) coke oven batteries I&II and coke oven machines (to be completed in 2014-15);(v) repair of steel making converters boilers and casting machines(1-2 years) ;(vi) repair of hot strip mill(12 months) ;(vii) repair of cold rolling reversible mill ;(viii) repair of turbo generators, boilers and blower stations of TPP/TBS (6-9 months); and (ix) repair water net work (6-9 months).

CEO's right hand man Wasif Memood had informed the Board a couple of months prior to the appointment of incumbent CEO that PSM equipment is in okay condition, and blast furnaces and coke oven batteries have undergone revamp with new automation. According to him, blast mills could be put to use by installing 8 stands bar mills for producing wire rod. At some places automation is to be changed. Through a communication, PSM management stated that it would be more prudent to demonstrate capability of the plant to meet its capacity potential for investors to see before offering their bids. PSM management maintains that without demonstrated capacity utilisation, investors will remain unconvinced of its potential.

"It would be sensible to either carry out essential repair of core equipment at a cost of Rs 7-8 billion in two years for a sustainable and reliable capacity or to upgrade/expand to 1.5 mypy production capacity in three years by spending about Rs 30 billion and then obtain the price of Rs 200-250 billion from its privatisation," the sources quoted the PSM management as saying in a letter to the Ministry of Industries.

Finance Ministry recently informed the International Monetary Fund (IMF) during the mandated quarterly review in Dubai that the privatisation process of PSM is on track. The IMF was assured that the government is working towards reforming or privatising Public Sector Enterprises (PSEs) focusing on limiting poor performance and improving public sector resource allocation. Analysts who are closely monitoring the performance of PSM fear that the recently approved package of Rs 18.5 billion will be tantamount to throwing good money after bad like the previous package of Rs 50 billion.

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Finished articles, made-ups: imposition of 17 percent ST under SRO 1125(I) will promote illegal imports

September 03, 2014

IQBAL MIRZA

The imposition of 17 percent sales tax on imported finished articles and made-ups under SRO 1125(I)/2011 through notification SRO 420(1)/2014 would promote and facilitate illegal imports through grey trafficking, Afghan transit trade and smuggling. Besides, genuine imports are also likely to be mis-declared and heavily under invoiced.

Well informed sources said the imposition of 17 percent sales tax at retail level on imported apparel, footwear and leather items has adversely affected all their business models and feasibilities. Prior to imposition of 17 percent sales tax, the importers of finished textile and leather goods are already paying value addition tax in addition to five percent sales tax applicable on similar goods which are manufactured locally. The abrupt increase of sales tax from five percent to 17 percent will bring to an end the growth of formal retail sector, which is already contributing more than 90 percent of total sales tax currently being collected by FBR.

This is apparently a discriminatory move by the government to steeply increased the sales tax on the import of finished goods of textile, footwear, leather, sports, carpets and surgical goods industries from five percent to 17 percent through SRO 420(1)/2014, an overnight increase of more than three times. Government has tried to give favour to local manufacturers by stating that locally manufactured finished articles will attract five percent sales tax whereas supply of the same imported finished articles will be charged with 17 percent ST.

The ultimate price of this will be paid by the consumers first and eventually the retail sector and its ancillary industries like real estate development of malls, jobs growth for the youth, reduced revenue collection through customs duties and even sales taxes as Pakistan becomes a pariah for international brands and foreign investors.

Tomorrow, the Government of Pakistan may impose same sales tax discrimination on imported eatables and the food sector, petroleum products which are imported or even cars for that matter without realising the consequences. It seems that government wants to penalise documented and taxpaying importers and retailers of finished goods by taking such counterproductive steps for the industry.

Industry insiders said that the government is trying to introduce two separate sales tax rates for locally manufactured goods and imported goods in a bid to make the imported good expensive enough to lose their market share. Its injustice with the consumers who want to buy international brands from local shopping malls, else they have to fly to Dubai and London for the same, they said.

Do they just want to indiscriminately apply higher taxes onto the same people who are already

contributing huge taxes and duty without any thought as to the legality or consequences of these decisions, disgruntled stakeholder exclaimed. They said that the strength of most developed and documented economies is measured by their retail sales. All manufacturing and trade activities usually culminate at the retail stage and are reflected as consumption and spending at the retail level in some form. The most common and widespread retail activity manifests itself in food outlets, stores which sell FMCG's (fast moving consumer goods) and stores that sell apparel, footwear and accessories. By documenting these sectors the Government of Pakistan has an opportunity to multiply it's sales tax collection many times over and also get a clear gauge of how large or small an economy Pakistan really is.

Unfortunately that cannot happen with the issuance of SRO's that discriminate on sales tax rates based on country of origin. It shows the duality of the policy makers as opposed to uniformity and a planned and transparent approach to increasing sales tax collection by imposing uniform sales tax rates which encourage documentation and collection mechanism based on the type of industry or sector.

Sources said that Pakistan will be the only country in the world where consumers pay a different sales tax rate for the same category article depending on the country of manufacture. Due to this action, imported articles from the above mentioned industries will become more expensive for Pakistani consumers who pay taxes, Government of Pakistan's policy of liberalisation, free and fair trade and market reform will be looked at with extreme skepticism by organisations like the IMF and WTO as well as foreign investors who are considering Pakistan as place for investing, growth of the documented and tax paying segment of the retail sector which had just begun to show growth will reverse direction due to the more than three times differential in sales tax rates between local and imported products, the undocumented retailers, suppliers and importers who mis-declare are the only ones who will be able to survive and foreign brands and investors will get a very negative impression of Pakistan as a country that applies double standards.

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IT and Computers: *Pakistan*

PITB launches redesigned P&D website

September 03, 2014

M RAFIQUE GORAYA

The Punjab Information Technology Board has launched newly redesigned website of the Punjab Planning and Development (P&D) Department here on Tuesday. Addressing the inaugural ceremony, P&D Chairman Muhammad Irfan Elahi said the newer version of website of the P&D Department would not only keep up with the demands of the citizens for transparency, greater engagements and inclusion but it shall also empower the general public by allowing them to view the ongoing new schemes along with other major development initiatives taken by the Punjab Government.

Elahi said the redesigned website had been re-vamped and the new version had now been launched in collaboration with the PITB and P&D Department at the Arfa Software Technology Park. He said the website was an epitome of the digital era and depicted the standardised E-Governance Model required to cope with the tremendous and continuous changes in the dynamic ICT environment.

He said the systematic and comprehensive menu of that website was expected to introduce the departmental activities and its efforts. The website was hosted on a platform based on a proven content management used world-wide for deploying secure, reliable and approval based content workflow; thus allowing a secure hosting environment, he added. It is the first beginning of transparent system by launching this website. All data relating to development schemes / projects would be available on this website for general public. The first step would be an updation of website, second step be maintenance of this website and the third step should be access to information for everyone. The P&D Department remained committed to a development strategy that fulfilled the needs and aspirations of the people, he concluded.

Provincial Secretary P&D Waseem Ajmal Chaudhary, Chairman Punjab Information Technology Board Omer Saif, Senior Chief Co-ordination P&D Javed Latif, Director General E-Government Sajid Latif, Joint Director E-Government & Industry, PITB Saima Shaikh and other Officials of P&D and PITB also attended the ceremony.

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KMC to computerise all record, linkage with IT department

September 03, 2014

In a bid to respond citizens' complaints, the Karachi Metropolitan Corporation (KMC) has decided to expedite computerisation of all departmental records of KMC and its linkage with the central system of IT Department. In this connection, the Administrator of Karachi has asked the Senior Director of IT Department to submit a comprehensive plan within two days.

On Tuesday, KMC Administrator Rauf Akhtar Farooqui chaired a meeting to review the ongoing computerisation departmental records of KMC. Sources said that citizens have to face the verification of their land records due to missing of files at department concerned.

During the meeting IT officials were asked to ensure training of staff in advanced technology so that the programming and other data processing works could be performed by the department's own manpower without outsourcing these works which would decrease the operational cost. He said in the first place the department's record must be computerised as soon as possible for which the IT Department has to send the group of officials to various departments for providing guidance and technical expertise to the staff concerned. The meeting directed the officials of Information Technology Department to play active role in computerisation of all departmental records of KMC and its linkage with the central system of IT Department.

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Fuel and Energy: *Pakistan*

Windmill projects: COO Nordex briefs Pakistani ambassador

September 03, 2014

Chief Operating Officer (COO) of Nordex, Lars Bondo Krogsgaard has briefed Pakistan ambassador in Berlin, Germany Syed Hasan Javed about windmill projects being executed in Pakistan in collaboration with the local partners to augment energy shortfall.

The COO Nordex, one of the largest producers of windmills, said that Pakistan has the potential of producing around 50,000 MW of electricity through wind mills, said a message received here Tuesday from Pakistan Embassy in Berlin. Pakistan was an ideal market for investment, Krogsgaard added. Ambassador Syed Hasan Javed said that Nordex should undertake more mill projects in Pakistan as its energy sector offered one of the best investment regimes to the investors.

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TDE consortium expresses fears: Country seems to be heading towards "civil war-like" situation

September 03, 2014

HAMID WALEED

The lead contractor for Engineering, Procurement, Construction & Commissioning of gas processing, LPG recovery plant and allied facilities at NASHPA Oilfield in Khyber Pakhtunkhwa has expressed its inability to continue with the project due to prevailing law and order situation in Islamabad.

According to a letter written to the Oil & Gas Development Company Ltd (OGDCL), a copy of which is available with *Business Recorder*, TDE consortium, the lead contractor from Canada for the project, stated that the current law and order situation in the capital city of Pakistan is deteriorating with the passage of each day. Due to the prevalent socio-political conditions and instability in Pakistan, the banking and insurance companies are declining to provide guarantees and insurance for the project. Further, it suggested that through various press conferences held by the government and the armed forces, the country seems to be heading towards a political impasse and a civil war-like situation.

The proposal for the project was submitted by TDE consortium on April 10, 2013 and it was

declared the lowest bidder after evaluation by OGDCL. After a lot of deliberations, the contract was near to be signed when the capital was hit by a wave of violent protests.

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K-Electric urges government to ensure foolproof security for employees

September 03, 2014

K-Electric has voiced serious concern over the target killing of its employees and demanded of the provincial government to ensure foolproof security for its field employees. Sources said that the ongoing menace of target killing has not only claimed the precious lives of the common man but also the employees of the government and private entities particularly KE workers have been targeted while offering their duties in field.

They said the incidents of target killing of KE employees are alarmingly increasing as field employees have been targeted thrice since last year creating sense of frustration among them. According to sources, unidentified gunmen on a motorbike opened fire at KE's Maintenance Vehicle standing outside grid station in Baldia Town in the limits of Saeedabad police station on Tuesday. Resultantly, a driver Shabbir was killed on the spot whereas Obaid Ullah, the line-man and Fazal, the meter-reader were wounded in the incident.

Similarly, KE Deputy General Manager (DGM) Quddoos Memon in Gulistan-e-Johar, was targeted by unidentified persons while he was on his way to somewhere last year, however he managed to escape the attack. In another incident, Muhammad Salim, Cable Jointer was shot and injured by unknown assailants when he was busy in maintenance work in Lyari a few months ago. Similarly, a KE team was targeted in North Nazimabad recently in which an employee was fatally injured, they claimed.

When K-Electric spokesman was contacted in this regard, he said that it was the matter of great concern for the power utility as its employees were being targeted. He urged the law enforcement agencies to arrest the miscreants as early as possible. He also appealed to the Sindh government to ensure security for KE workers and their assets as well.

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Fuel and Energy: *World*

Brent oil sinks to 16-month low

September 03, 2014

Brent crude oil futures fell to the lowest level in 16 months on Tuesday, pressured by the prospect of slowing oil demand growth in China and Europe, while a strong dollar and ample supplies pushed US prices to a seven-month low. Oil prices on both sides of the Atlantic have been in steady decline since the end of June as concerns faded over supply disruptions from Iraq, Libya and Russia. Continued supply from key producing regions and tepid demand has left global markets well stocked.

Brent crude for October delivery fell \$2.45 to settle at \$100.34 a barrel, its lowest closing price since May 1, 2013. US crude dropped \$3.08 from Friday's close to settle at \$92.88 a barrel, the lowest since January 14. There was no trading in the United States on Monday because of the Labour Day holiday. "There was some buying going into the long weekend and you are seeing that premium come out," said Oliver Sloup, director of managed futures at iitrader.com in Chicago. "The dollar is strong today and the US has so much oil and has the capability to produce more."

Euro zone manufacturing growth slowed more than initially thought in August, data showed, while growth in China's factory sector slipped to a three-month low last month, adding to concerns about oil demand. The euro sagged to fresh one-year lows against the dollar on bets the European Central Bank will do more to help a wobbly euro zone economy, while the pound fell to a near five-month low versus the greenback on worries about a Scottish secession.

Further pressure came from the prospect of resuming oil supplies from the Buzzard field in the North Sea. The Buzzard field, the biggest contributor to the Forties oil stream, one of the four crudes that underpin the price of Brent crude oil futures, may be shut for up to a week, after going offline at the weekend.

"We have to watch the Buzzard oilfield, but as long as we have plentiful supplies in the European market, the upside for Brent will be rather limited," said Carsten Fritsch, an oil analyst at Commerzbank in Frankfurt. Analysts were beginning to watch for a turnaround in US prices after a steep fall from above \$107 a barrel in June. Some saw strong support at \$90 a barrel and before that, between \$92 and \$92.50.

Demand for physical crude has withered in recent months, creating a glut in Asia and the Atlantic basin and causing the futures market to flip into contango, in which oil for delivery in the future is priced higher than that for immediate delivery. This has encouraged traders to store crude, with Energy Aspects saying that 75 percent of the 40 million barrels of storage capacity in South Africa's Saldanha Bay has been filled.

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Halliburton to settle US Gulf spill claims for \$1.1 billion

September 03, 2014

Halliburton Co said it reached a \$1.1 billion settlement for a majority of claims against the company for its role in the BP oil spill in the Gulf of Mexico in 2010. The settlement, which includes legal fees, is subject to approval by the US District Court for the Eastern District of Louisiana. The amount, to be paid in three installments over the next two years, will be put into a trust until all appeals are resolved, the company said.

Halliburton, North America's top oilfield services provider, had set aside \$1.3 billion for costs related to the incident. The Macondo accident spilled 4.9 million barrels of oil into the sea, according to the US government, and killed 11 workers. Rig contractor Transocean Ltd, which employed nine of the workers killed, agreed to pay \$1.4 billion in settlement last year, while BP has paid about \$28 billion so far.

Halliburton provided cementing services for BP at the Macondo drilling operation, including the placement of "centralizers" that help stabilise the well bore during cementing. Halliburton had earlier blamed BP's decision to use only six centralizers - to save "time and money" - for the blow-out. Halliburton's shares were up slightly at \$67.92 in morning trade on the New York Stock Exchange.

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Banking & Finance

SBP reminds public to exchange decimal coins

Tuesday, 02 September 2014 20:45

Posted by Imaduddin

ISLAMABAD: State Bank of Pakistan (SBP) has reminded the general public to exchange the decimal coins of Paise 1,2,5,10,25 and 50 from the field offices of SBP BSC and commercial/microfinance banks branches by last working day of September, 30.

According to a statement of Central Bank for awareness of the general public, SBP has advised the Commercial/Microfinance Banks to display posters/banners at their branches for exchange of decimal coins.

It may be recalled that the federal government has already notified that coins of Paise 1,2,5,10,25 & 50 will cease to be legal tender on October 1, this year.

However, it can be got exchanged from the field offices of SBP BSC and branches of banks by September, 30.

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Compliance of SBP rules, regulations, correspondence with SBP

Tuesday, 02 September 2014 20:42

Posted by Imaduddin

KARACHI: State Bank of Pakistan (SBP) has asked its dealers to bring foreign exchange regulations to the notice of their customers and to ensure compliance in their day to day operations.

SBP, through a circular on Tuesday, has invited the attention of the authorised dealers to the instructions contained in Paras 5 and 6 of Chapter I and Para 4 of Chapter II of the F.E. Manual (Eighth Edition-2002).

The authorised dealers are also required to refer to the State Bank only those cases which they are not authorised to approve after satisfying themselves about the bonafides of the applicants and the correctness of the statements made by them on the application and the accompanying documents, if

any, along with their recommendations/ comments and appropriate documentary evidences. The process should be completed according to EPD circular letter No 08 of 2014 issued to The Head/ Principal Offices of all Authorised Dealers in Foreign Exchange.

It has, however, been observed that the above referred instructions are not being followed in letter and spirit by the Authorised Dealers.

It has been noticed that queries/ clarifications relating to various foreign exchange regulations/ F.E. circulars/ circular letters are sought from and cases are forwarded to Exchange Policy Department directly either by field functionaries or different officers of the Authorized Dealers without in-depth study of the instructions and knowledge of the concerned Head of the Department/ Group Head.

This results in wastage of precious time and resources in unnecessary correspondence with the Authorised Dealers.

For streamlining the process for expeditious disposal of the cases/ references, it is advised that Authorised Dealers must ensure that the same are forwarded to Exchange Policy Department after proper review/ scrutiny in the light of above referred instructions. Henceforth all references seeking clarification on the regulations/ instructions and all other cases, except routine and prescribed statements/ returns/ information, shall be signed at least at the level of respective Departmental/ Business/ Group Head of the bank.

It may carefully be noted that the references/ cases received without following the above procedure shall not be attended and shall be returned back in original to the respective Authorised Dealer.

It has also been observed during inspections of various banks that personnel handling foreign exchange related matters lack in skills and knowledge about foreign exchange regulations, SBP policies etc. Therefore, Authorised Dealers are advised to arrange suitable training courses in areas related to foreign exchange for their staff and submit their training plans to the Exchange Policy Department latest by December 31, 2014, the SBP circular said.

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PTI MPAs pay millions of rupees income tax on their salaries

Tuesday, 02 September 2014 14:15

Posted by Parvez Jabri

PESHAWAR: Contrary to the civil disobedience call of their party leader, the Pakistan Tehreek-e-Insaaf legislators in the Khyber Pakthunkhwa Assembly paid income tax as no written submission was made to the Accountant General office against deductions from their monthly salaries.

Rs3000 were deducted from the August salary of each MPA as neither any minister nor legislator belonging to PTI had filed written application to the AG Office against deductions of the Income Tax, official sources confided.

Only those employees are exempted from IT whose salary was less than Rs500, 000 per year. Similarly all the MPAs of the KP Assembly getting Rs92800 monthly salary which is subjected to over Rs3000 income tax deduction.

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BR Research: *All*

The run on Isloo wallets

September 03, 2014

BR Research

Its been a bad year so far for the residents of Islamabad. Not just because of the political crisis currently manifesting itself on the streets of the capital. Nor solely because of the Metro Bus project that has paralysed city life, and destroyed its natural flora and fauna. Its related to the rising prices in the city. Long before these two problems emerged, the inflationary dragon had surfaced in the city and decided to wreck havoc with consumer prices.

A few months ago, this column noted that ever since development work gathered pace in Islamabad and Peshawar, several donor agencies became active to be able to tap the developmental funding by the Federal and Khyber-Pakhtunkhwa (KP) Governments (See BR Research column: Are donors driving inflation in Pakistan? published on April 8, 2014). As a result, the two cities saw an influx of foreign and local development experts. The result was about 40-70 percent increase in rentals.

The series of graphs here shows that while year-on-year inflation tapered off in Peshawar in the last quarter of FY14, it resumed its northward movement in Islamabad after a temporary dip. The reason behind this persistent movement is the non-food inflation, the biggest component of which is house rentals.

Recent anecdotal evidence suggests that rentals have also been increased, especially in Islamabad, due to the influx of affluent refugees from the KP; notably Peshawar and the surrounding areas. Market sources reveal that many affluent Pashtun families have been shifting to Islamabad; some are looking for business prospects in the wake of economic slowdown in the KP; others seek to avoid being harassed by militants who have reportedly been seeking ransom and extortion monies in the conflict-ridden province.

Now that national CPI in August slipped to its lowest in many months, a corresponding decline may be visible in many cities across the country. However, with the disruption in food supply chain, thanks to blocked national highways, August inflation may be higher in Lahore, Islamabad and other cities in the countrys north. But here, too, Islamabad will likely take the biggest hit, since the city is he venue for the ongoing political drama. Higher food along with the persistent higher non-food inflation will be a double whammy for Isloo-ites. This column will update its readers when the SBP releases its August Inflation Monitor.

FY14: solid year for E&P sector

September 03, 2014

BR Research

Usually, things start gaining pace during the last quarter where firms become more ambitious to accomplish their year-end targets. And the fourth quarter of FY14 was the same for the oil and gas Exploration and Production (E&P) sector.

The 4Q FY14 was jovial for the oil and gas E&P companies where the earnings of the three main E&P companies--which hold around 98 percent of market capitalisation (OGDC, PPL, POL)--climbed by 88 percent year on year. Overall, earnings jumped by 31 percent year on year for FY14.

Three main factors contributed to this industry proxys bottom line. The most important of them all is higher net revenues. The cumulative sales of the representative group were up by 16.7 percent year on year in FY14 as the trend of higher crude oil production continued throughout the year. Where gas production continued to lose its luster, a 10-12 percent surge in crude oil production came from some of the key fields in Nashpa and Tal blocks. This coupled with better gas wellhead prices and rupee depreciation lifted the sectors top line.

The other two contributors to the sectors earnings were the restricted exploration expenses and a boost from the other income. Fewer dry wells drilled and increased interest income from PIBs and TFCs lifted the sectors bottom line. Net margins of the same spurred from 40 percent in FY13 to 45 percent in FY14. With a good ending to FY14, FY15 is high on expectations. New discoveries, coupled with wells that are yielding decent hydrocarbons and completion of major development projects are surely good signs going deeper into FY15.

Gloomy August for mutual funds

September 03, 2014

BR Research

August 2014 has simply been nailed down as a tormenting month in the countrys history. Inflaming political frenzy ended up taking a heavy toll on the economy. The stock market, particularly, lost more than 1,700 points alone last month. Accordingly, for investors taking indirect exposure in equity market through mutual funds, the situation turned out to be even more daunting.

Lets first talk about the saddest story of equity funds. What could be worse than 21 out of 23 equity funds splashing in red and that, too, with losses being greater than the benchmark (KSE-100 index)? Needless to say, the daunting crisis of 2008--which also intensified in August--strikes a chilling reminder in investors minds every time the stock market witnesses a free fall.

This time again, equity mutual funds were seen facing redemption pressure from cautious

investors, thus putting added downward pressure on returns, according to equity fund managers. However, the intensity of redemption pressure can only be ascertained once the data on assets under management is made available.

As for other funds having a sizeable equity allocation--particularly asset allocation funds, balanced funds, index tracker funds and funds of funds schemes--the situation was not any good (see illustration).

On the flipside, blessed were the investors with exposure in fixed income funds (income, aggressive and money market funds) as their returns inched up a tad. However, a deeper look into the latest portfolio composition of top performing funds for July 2014 tells a different story. Recall that not long ago; lucrative yields on PIBs had diverted investors interest away from T-Bills, with PIBs becoming the talk of the town.

However, the recent uneasiness on the political front prompted the fund managers to take a shorter-term approach, thus giving a boost to their holding of T-Bills yet again. The market is now dreading a downward pressure on PIB yields. In such a case, a shorter-term strategy, which focuses on T-Bills, is likely to become the retreat for fund managers. Another saviour for aggressive and income funds proved out to be the recovery on a few non-performing TFCs that yielded substantial gains.

Going ahead, the fate of equity funds remains cloudy until the political deadlock continues; further redemptions can be anticipated, thus prompting fund managers to stay in cash. As for fixed income funds, prevailing crisis may keep T-Bills in the limelight.

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Monthly comparison of conventional Mutual Funds

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(%)	Aug-14	Jul-14
Aggressive Fixed Income (annualised return)	5.84	5.74
Asset Allocation (absolute return)	-3.19	1.49
Balanced (absolute return)	-4.88	2.34
Commodities (absolute return)	0.11	-0.13
Equity (absolute return)	-6.10	2.92
Fund of Funds (absolute return)	-7.23	3.20
Income (annualised return)	9.50	8.87
Index Tracker (absolute return)	-5.81	2.58
Money Market (annualised return)	8.43	7.94

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LUCK: hitting it high

September 03, 2014

BR Research

With local cement sales reaching record heights in FY14, there is mostly positive news coming from the sector. Registering record earnings, Lucky Cements (KSE: LUCK) annual results testify to the positive developments for the sector through the year.

Aside from local sales and unlike sectoral aggregates, LUCK has also been able to post growth in export volumes, which registered an increase of 8.6 percent year on year. Recall that total cement export volumes from Pakistan had declined by almost three percent in FY14. More importantly, the company has been able to increase its market share to 30.6 percent in FY14 from 27.3 percent the year before.

The increase in revenues comes at the back of an increase in volumes and net retention. Further, the hike in cement prices during the year has also been at play here. On the other hand, per ton cost of sales was higher as well on account of the increases in gas tariff and price of packing material.

According to Taha Amin, Analyst at Shajar Capital, the positive impact of a seven percent year-on-year decline in coal prices was partially offset by the 25 percent increase in gas tariffs. The most notable impact is that of other income, which has risen by a staggering 317 percent over previous year. Amin notes that this accrues from LUCKs revenue earnings from electricity sale to Hyderabad Electric Supply Company (HESCO) and from excess cash balance deposited with banks.

Throughout the year, LUCKs EPS continued along an increasing trajectory: from Rs7.87 at the end of the first quarter, it stood at Rs9.77 at the end of 4Q FY14. Finance costs have shown a considerable decline with substantial clearing of debt by the company.

Going forward, the recent filing of an application against dumping of cement in South Africa can be of serious concern for LUCK, given its export volumes to the country.

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LUCK - key financials

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Rs (mn)	FY14	FY13	Chg
Net sales	43,083	37,810	13.9%
Cost of sales	(24,393)	(21,054)	15.9%
Gross margin	43.4%	44.3%	-
Finance costs	(34)	(76)	-54.9%
Other income	978	234	317.0%
Profit before taxation	14,456	11,746	23.1%
Profit after taxation	11,344	9,749	16.4%
Net margin	26.3%	25.7%	-
EPS - Rs	35.08	30.15	16.4%

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Crime News

11 suspects held in Kohat

KOHAT: The police arrested 11 suspected persons, including seven foreigners, and seized arms from them here on Monday, sources said.

The sources said that acting on a tip-off, the police raided a house in Jangalkhel area in Kohat Town and arrested 11 suspected persons. Their identity could not be ascertained as they were shifted to an undisclosed location for interrogation. The police also recovered arms, including two guns, two pistols, several cartridges and three kilograms of hashish, from them.

2 drug-traffickers arrested in Mardan

MARDAN: The police arrested two drug-traffickers and seized drugs from them here on Monday, police said. The in-charge of the Toru Police Station Amjad Khan told reporters that acting on a tip-off, the police barricaded the Ring Road and pulled over a car (LXW-0195).

The police recovered three kilograms of heroin from the secret apartments of the car and arrested Mohammad Sajjad Ali Shah and Irfanullah, residents of Swabi district. He said the police also recovered a pistol and 18 cartridges from the accused, adding that investigation was underway after registering the case against them.

Suspected militant arrested in Charsadda

CHARSADDA: The security forces raided a shop in Tangi bazaar and arrested a suspected militant on Monday, the sources said.

Eye-witnesses said that the security forces raided a mobile phone shop in Tangi Bazaar and arrested a suspected militant, Qari Hizbullah, and shifted him to an undisclosed location. When contacted, a police official said that the police were not informed about the raid.

Human smuggler arrested in Lahore

LAHORE: FIA, Anti-Human Trafficking Circle (AHTC) Monday claimed to have arrested a most wanted human smuggler.

Spokesman for the agency said that accused Kahlil Ahmad's name was placed on serial No-42 of Red Book of FIA. He said that accused had minted millions of rupees from innocent citizens on the pretext of sending them abroad.

Kahlil, resident of Islamabad, and there were three cases registered against him on the charges of human smuggling. Accused was arrested from Lahore on Monday.

Additional Director FIA, AHTC, Basharat Shehzad appreciated the performance of his team members and said that **FIA** was very vigilant and it was launching **crackdown** on **human smuggler**.

Miscellaneous News

Repercussions: Ripple effect of the demonstrations

By Farooq Baloch

Published: September 3, 2014

KARACHI:

After a slow start early in 2014, the real estate market was expected to pick up some activity in the second half. However, the ongoing political unrest in the federal capital seems to have dented investors' confidence, resulting in a decline in property prices in Islamabad – and to some extent in Lahore.

“Generally, our traffic skyrockets right after Ramazan but it didn't happen this year,” said Zeeshan Ali Khan, co-founder and CEO of Pakistan's largest real estate portal Zameen.com.

Imran Khan-led PTI and Tahirul Qadri's PAT have held sit-ins in Islamabad as they demand the resignation of the prime minister. The demonstrations, which have virtually paralysed Islamabad, are now into their third week.

Speaking to *The Express Tribune* in a recent interview, the CEO explained that the activity in the property market remained slow in the first half of 2014 but it was expected to pick up after Eid.

“Overseas Pakistanis, returning home for Eid, are a huge catalyst for the property sector; the expatriates, who account for roughly 40% of the real estate transactions, generally fuel the activity in the market.”

However, this year market slowed down further because of the recent political uncertainty in the country, said Khan, noting a significant decrease in the property prices during the month of the August – especially in Islamabad.

The search trends for Islamabad, a preferred choice over Lahore from investment perspective, were down 10% between July-August, according to statistics compiled by the Lahore-based property portal. Every single platform including Google search and referral traffic, such as the one from Facebook showed a similar trend, he said.

According to Zameen.com, 1-kanal (500 square yards) plot prices in Islamabad's various popular areas fell between July and August. In F-11, 1-kanal plot prices fell from Rs48.2 million in July to Rs48.1 million at the end of August, down 5.3%. Likewise prices in DHA, E-11, F-10 and B-17 were down 1.9%, 0.64%, 8.7% and 0.87% respectively.

What further endorses this trend is the feedback Khan got from the network of his partners — the real estate agents in Lahore and Islamabad. Some of the agents had to return the advance

payments, six payments in one case, to the clients because the transactions couldn't complete, he said. "People want some kind of stability before they could invest money."

Khan added that though Islamabad has incurred the most loss, Lahore suffered some repercussions as a peak decline can be witnessed right after the Model Town tragedy. "However the market in Lahore has to some extent recovered."

According to the data, for search trends, compiled by Zameen.com, genuine buyers [home seekers] remained active in the market even in August whereas investors mostly remained dormant. Zameen.com recorded a 9.7% drop in the number of investors browsing for plots in Islamabad. Similarly, Lahore, too, saw a drop of 2.9%.

Interestingly, Karachi remained unaffected from the entire political turmoil and saw a 21.5% rise in the interest of investors, noted zameen.com CEO. "There is a possibility that investors diverted attention to Karachi because of the political unrest in the Punjab," Khan said.

While the rising political instability affected the real estate market, the decline in prices, according to Khan, was in part a correction to the extraordinary price increase the sector witnessed in 2013.

The market saw enormous activity around the election time and the prices increased significantly, the CEO said.

"Some investors gained up to an average 50% return on their investment by the end of 2013 because the sentiments were very positive," he said.

According to Khan, the PML-N government is generally viewed as highly pro-business, one of the reasons why market performed so well in 2013.

With a pro-business government in power, Khan said, investor sentiment was very positive. Moreover, after assuming power, the PML-N government announced an array of projects, which further helped in rejuvenating the market, according to Khan. "In September 2013, there were talks of a \$12-billion "New Islamabad" project and in May 2014, the LDA City Lahore project was announced."

Even if the situation continues to worsen on the political front, its impact on the real estate sector will be short-lived, Khan says. "In general, our real estate market is very resilient, mainly because it is cash-based and not mortgage-based. After all, it is one of the biggest sectors where people invest."

Published in The Express Tribune, September 3rd, 2014.

Travel alert: An inauspicious August for tourism

By Shahram Haq

Published: September 3, 2014

LAHORE:

Whatever recovery of sorts Pakistan's tourism industry had recorded, the previous month has done a good job in casting a dark shadow over it.

The ongoing political standoff in Islamabad featuring Imran Khan-led PTI and Tahirul Qadri's PAT against the government has caused quite a bit of damage to the economy. Rupee has depreciated, foreign exchange reserves have slid and the KSE-100 index has seen several days of drastic decrease.

Similarly, the tourism industry has also been adversely affected. Major tourist destinations including Murree, its adjacent spots, Kaghan, Naran, Kashmir and Swat have seen a dip in visitors who tend to go through Islamabad to reach the northern areas.

Among these, Murree, Nathia Gali and Ayubia are the most visited spots because of their accessibility and better infrastructure compared to the rest.

Summer is considered the peak season for local hotels and vendors to earn money. But, unfortunately, this August has not been a favourable one for them. Normally, the sector earns huge profits in summers to sustain for the off seasons.

"Our hotels are usually fully occupied during mid-August and bookings are made in advance, but this political turmoil has proven disastrous for us," said Hotel One Murree Regional Manager Ali Zeeshan.

There are about 1000 medium- and small-scale hotels and motels along the Murree belt which go up till Abbottabad. The occupancy rates there fell sharply in August.

The hotel chains are claiming around 70-80% low occupancy compared to the previous year. "We have recorded 70% difference this August. We normally have 90% occupancy by August but this year we closed it at 20%," Zeeshan said.

"People from central, southern Punjab and even from Karachi and other parts of Sindh who usually visit these areas either cancelled or postponed their trips as the government blocked the highway, Grand Trunk Road and the Motorway."

"Those coming from Sindh usually prefer staying overnight in Lahore or Islamabad before arriving here. Many people book rented cars from hotels or other agencies but sales volume was very low there too," he said.

“Obviously such leisure trips require money, but since there is a lack of cash flow in the economy, people have postponed their trips,” said Travel Hut Managing Director Wahid Mukhtar.

“Embassies have also advised their citizens to avoid travelling. Hikers, who visited the region, have now headed towards India and Nepal. School and college tours have diminished too. For local tourists, visiting Naran Kaghan areas is also risky as many petrol pumps are closed in the area,” Mukhtar pointed out.

“Seeing the situation, hotels and guest houses closed for business in August, as they saw minimal or no profit coming their way.

“Due to the impediments set on the roads, the area has suffered acute shortage of food items and basic commodities too. Though the supply has been restored, there had been a temporarily hike in prices, which added to the woes of the industry,” said Zeeshan.

Published in The Express Tribune, September 3rd, 2014.

Promises to IMF in doubt as protests sap economy

By Reuters

Published: September 2, 2014

ISLAMABAD: Anti-government protests that have gripped Islamabad since mid-August could throw off course economic reforms Pakistan promised to deliver in return for an IMF bailout, senior officials said, raising the risk of a sovereign rating downgrade.

The International Monetary Fund (IMF) saved Pakistan from possible default last September by agreeing to lend \$6.6 billion over three years, conditional on reforms such as a long-standing pledge to privatise loss-making state companies.

There is no suggestion that the assistance, which is disbursed in tranches, is about to dry up.

“The programme is not in jeopardy at the moment,” said a top economic adviser with direct knowledge of talks with the Fund.

“The IMF folk think that if we can wrap this crisis up in a week or so, things will remain on course and normal. But if it goes on any longer, then, yes, we will be in trouble.”

Commerce Minister Khurram Dastgir Khan voiced concern that an IMF team had already cancelled a visit because of the protests that turned violent last week as Prime Minister Nawaz Sharif refused to resign.

He said more than a year of efforts to fix the economy had “gone up in smoke”.

“The government has very painstakingly been building a house of international confidence, and the foundation of this was the IMF package and abiding by our reforms’ promises,” the minister told Reuters.

“But ... our struggles of 14 months have gone up in smoke in a matter of 14 days. We are pushed to a point where we have to go back to the drawing board.”

For now, credit ratings agency Standard & Poor’s is watching events unfold in Islamabad, where followers of Tahirul Qadri and Imran Khan camped out for two weeks before advancing on government buildings.

S&P currently has a B- sovereign rating for Pakistan, which was thrown the IMF lifeline to bring down inflation, reduce its fiscal deficit and tackle a crippling energy crisis. Robert Zhong, Hong Kong-based sovereign analyst at S&P, said structural reform may largely continue despite the political turmoil, but added: “If there are signs these programmes will be dislocated, we could review the rating.”

At Moody’s, Singapore-based sovereign analyst Anushka Shah echoed that view, saying the “political developments would have implications for Pakistan’s creditworthiness if they resulted in a derailment of the structural reform process”.

Investor confidence melts away

Investors have taken fright over the agitation against Sharif, who won a decisive victory in May 2013 elections, the first democratic transition in the country’s history.

Since Imran Khan announced on August 5 that his supporters would besiege the capital, the benchmark 100-share Karachi Stock Exchange index has fallen more than 7 per cent, but recovered some of that on Tuesday, and the rupee has lost 3.4 per cent against the dollar.

Two foreign heads of government have cancelled visits to Pakistan due to the protests, and Sharif himself has called off a trip to Turkey.

The worry now is that they could ruin a visit this month by President Xi Jinping of China.

“These people should realise they have disrupted the journey to progress,” Sharif said at the weekend. “We want to set up many energy plants and electricity projects in Pakistan in partnership with Chinese corporations. That may also be disrupted.”

Commerce Minister Khan said the bidding process for an energy park of 10 coal power plants with a total capacity of 6,600 MW has been postponed because investors are unwilling to commit to the country in the current political climate.

“This is a government that has been trying to improve investor confidence,” he said. “But if the government’s fate itself is under question, then of course this confidence will be affected.”

Meanwhile, development spending in poverty-stricken areas of the country has been throttled by the turmoil because employees of executing agencies are not turning up for work.

According to a senior official at the Planning Commission, Rs 70 billion was earmarked for development spending in July to August, but just 40 per cent of that was spent.

“People are living in abject poverty ... without education and health and roads and water, but Imran Khan wants power at the centre,” the official said.

“These protests have totally botched up our priorities.”

Surprising statistics: Inflation falls to 7% in August

By Shahbaz Rana

Published: September 2, 2014

ISLAMABAD:

The rapid increase in prices of essential commodities has slowed down to what they were in the post-election period, as inflation fell to 7% on a year-on-year (YoY) basis in August, increasing prospects of a reduced discount rate in the upcoming monetary policy announcement.

Inflation measured by the Consumer Price Index (CPI) – an indicator that captures prices of 481 commodities every month – rose to 6.99% in August on a YoY basis, according to the Pakistan Bureau of Statistics (PBS) on Monday. It was the lowest since July last year.

In June 2013, when the PML-N government came into power, the CPI-based inflation had been recorded at 5.9% – jumping to 8.3% within one month. Since then it remained above the 7.5% mark.

The latest reduction has taken the analysts by surprise as they were expecting inflation to clock in at 8.2%. The downward slide was recorded both in the prices of food and non-food items, according to the PBS data. The food inflation slipped to 5.6% while non-food inflation decreased to 8.1%.

In July this year, the overall index rose to 7.9% on a year-on-year basis and there was an almost one percentage point reduction in a single month that highlighted prospects of reduction in the key discount rate. The State Bank of Pakistan (SBP) is expected to announce monetary policy for next two months. In the last monetary policy announcement, the board of the SBP had kept the discount rate unchanged at 10%.

However, according to analysts, SBP may retain the discount rate in a bid to use the monetary policy as a tool to build foreign currency reserves after the recent slide in the level of reserves.

According to the PBS, the rate of increase in prices of perishable food items slowed down to 6.2% year-on-year in August. The prices of non-perishable food items also slowed down to 4.7% last month. Clothing and footwear prices remained at 9.2%.

The highest increase was in the category of alcoholic beverages and tobacco groups as the prices soared by 22.6%.

In food, the price of potatoes increased by 113.8% in August in comparison to the corresponding period of previous year, suggesting measures to curtail the rates were unsuccessful. The federal government has allowed duty-free import of 300,000 metric tons of potato to check the prices in the domestic market. Pulse moong rates increased about 21.5% and there was a 22.8% increase in prices of cigarettes due to increase in taxes from July this year.

The fuel- and food-adjusted inflation also slowed down to 7.8% year-on-year in August, a reduction of 0.4% in a single month. The slowdown in the pace suggests that the inherent risks of double-digit inflation are abating. Independent experts give more importance to core inflation, excluding food and energy, which are susceptible to seasonal price shocks.

The average inflation during the first two months (July-August) of the fiscal year remained at 7.44% as compared to the same period of the previous fiscal.

For the new fiscal year, the government has set the inflation target at 8% as any significant curtailment is not possible due to rationalisation of subsidies, monetary overhang and rising demand, according to the Annual Plan for 2014-15.

Published in The Express Tribune, September 2nd, 2014.

Caught red-handed: FIA detains six for travelling on forged documents

By Asad Kharal

Published: September 3, 2014

LAHORE:

The Federal Investigation Agency on Monday foiled an attempt by six people to travel abroad on forged documents and claimed to have arrested a man wanted for human trafficking.

FIA officials said the names of the six people were present on the blacklist.

Speaking to *The Express Tribune*, FIA Punjab Director Usman Anwar said Khalil Ahmed was arrested by FIA Anti-Human Trafficking Circle in Lahore. He said Ahmed was a proclaimed offender in three cases and a court absconder in three cases.

Separately, FIA Lahore immigration officials claimed to have arrested six people trying to travel abroad on forged documents.

Their names had been placed on the blacklist as they had been involved in several cases and were suspected of carrying out suspicious activities.

They said Saqib Rafiq, a passenger, was intercepted while trying to travel to Saudi Arabia on flight SV 729. They said Nauman Sanauallah, another passenger, was intercepted while trying to travel to Saudi Arabia on flight PK 760. They said the men had been sent to FIA's Anti-Human Trafficking Circle, Lahore.

They said Altaf Khan, a resident of Toba Tek Singh, was trying to travel to Uganda on flight EK 623 when he was intercepted and off-loaded. They said Qaiser, a resident of Gujrat, was trying to travel to Malaysia on flight EK 625 when he was intercepted and off-loaded. They said the men had been sent to FIA Anti-Human Trafficking Circle, Lahore.

FIA Punjab Director Usman Anwar said another two passengers had been detained after immigration officials inspected their documents and found them.

Anwar said Muhammad Afzal, a passenger, had arrived at Sialkot from Saudi Arabia on EK 620. Anwar said he was travelling on a forged passport.

Anwar said Abdul Qayyum, another passenger, had arrived from Dubai and was detained by immigration officials for possessing a forged Spanish residency card. Anwer said both men had been sent to FIA Anti-Human Trafficking Circle Gujranwala.

Published in The Express Tribune, September 3rd, 2014.

Mother commits suicide after father takes away child

By Our Correspondent

Published: September 3, 2014

FAISALABAD:

A woman committed suicide late on Monday night after her former husband abducted their son in Bhowana.

Police said Pathani Bibi, a resident of Ward 8 Bhowana, married Muhammad Aslam three years ago. They said Aslam had divorced his wife. "Pathani Bibi and their son then started living with her parents. On Monday, Aslam visited their house and demanded the custody of their child. When Pathani Bibi refused, he seized the child and took it with him," police said.

They said Pathani Bibi was depressed at the loss of her child and took poisonous pills late on Monday night. "She fainted and was taken to a hospital where she died," police said. Bhowana Station House Officer (SHO) said that police had taken the body to a hospital for autopsy. "We are investigating the death. Police will arrest Aslam if he is found guilty of snatching the child. He has not been taken into custody yet", the SHO said.

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Street Crimes: Cash, mobile phone snatched

By APP

Published: September 3, 2014

MULTAN: Three men were deprived of cash and a mobile phone by robbers in three incidents on Tuesday. According to police, five robbers held Aftab on gunpoint and snatched Rs250,000 in Saddar. Three unidentified gunmen snatched Rs248,000 from Ramazan near Cattle Market in Shah Shams area. Asad Ali of Peer Colony was going to market when two gunmen riding a motorcycle snatched Rs7,000 and a mobile phone from him.

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Varsity heads appointment: Secretariat siege hampers process

By Riazul Haq

Published: September 3, 2014

ISLAMABAD:

The ongoing siege of the Pakistan Secretariat by protesters has delayed the process of appointment of three federal universities' heads.

A search committee has finalised nine names after interviewing some 30 candidates last week. The committee was to forward the names to President Mamnoon Hussain, who is also the chancellor of the federal universities for appointment of three heads.

The ongoing protests by Pakistan Awami Tehreek (PAT) and Pakistan Tehreek-e-Insaf (PTI) on the Constitution Avenue, however, delayed the dispatch.

The seven-member panel was tasked with interviewing candidates for vice-chancellors for Quaid-i-Azam University (QAU) and Allama Iqbal Open University (AIOU) and a rector for the International Islamic University (IIUI). The interviews were held on August 28-30 at the Ministry of Federal Education and Professional Training.

“The interviews were completed on Saturday and the summary was supposed to be forwarded to the president on Monday. But blockade of the secretariat by the protesters has hampered the process,” a ministry official told *The Express Tribune* on Tuesday.

The panel in its second last meeting set 75 marks for each candidates and shortlisted the candidates after examining their academic and administrative experiences, achievements and other professional credentials.

Call letters for interview were dispatched to 30 candidates shortlisted from among 369 applicants.

The committee held three meetings last month at the ministry to shortlist candidates and set the interview criterion.

The search committee is headed by Federal Education Minister Balighur Rehman and comprises the education secretary, the Higher Education Commission (HEC) Chairman Dr Mukhtar Ahmad, former federal secretary Dr U.A.G Issani, former State Bank governor and economist Dr Ishrat Hussain, Comsats Rector Junaid Zaidi and Khyber-Pakhtunkhwa Public Service Commission member Dr Sara Safdar. Hussain did not attend the interviews session.

The official said that the summary will be dispatched to the president as soon as the protesters end the blockade.

Several members included in the process of interview, when contacted, refused to share the names of the shortlisted candidates.

The appointment of heads of three varsities has been pending for more than six months.

Earlier, the HEC had shortlisted candidates before the selection process was shifted to the ministry and started afresh.

Former Quaid-i-Azam University (QAU) vice-chancellor Dr Masoom Yasinzai was appointed IIUI acting rector in February. Yasinzai had been holding the additional charge of IIUI rector for the last two years.

Allama Iqbal Open University (AIOU) Vice-Chancellor Dr Nazir Ahmed Sangi retired in March 2014 and Dr Asghar Ali Chishti has been given the acting charge of Vice-Chancellor ever since.

Similarly, senior QAU faculty member Dr Etizaz Ahmad has been filling in VC slot on acting charge since Yasinzai retired in February.

Published in The Express Tribune, September 3rd, 2014.

Extended vacations: Most schools, colleges to open today

By Our Correspondent

Published: September 3, 2014

ISLAMABAD:

The Capital Administration and Development Division has announced that schools and colleges in Islamabad will open on Wednesday, 22 days after the end of summer vacations.

The schools and colleges of Islamabad Capital Territory were supposed to open after the end of summer vacations on August 11, but following the long march and sit-ins by two political parties, the vacations were extended four times.

Besides, security officials were given control of around 60 education institutions to use as barracks.

The CADD Additional Secretary Qaiser Majeed last week wrote letter to district government vacate the educational institutes to start the academic activities and resultantly 32 schools got vacated.

As many as 27 schools and colleges that are still accommodating security officials, however, will remain closed.

Earlier, CADD announced that students of the schools, which are still housing security officials, would be accommodated in vacated education institutes. The schools that would remain closed include Islamabad Model School for Boys (IMSB), I-10/2, Street 13, IMCB, I-10/1, Street 17, Islamabad Model College for Girls (IMCG), F-10/2, Islamabad College for Women, F-10/3, IMCG, G-9/2, IMCB, G-9/4, IMCB, G-9/4, IMCB, G-9/2, IMCG, G-9/3, ICG, F-6/2, IMCG, F-6/2, IMCB, PM Staff Colony, IMCB, F-7/3, IMCG (PG), F-7/3, IMCB, F-8/4, IMSB, F-8/3, IMCG, G-6/4, IMCG, G-6/1-3, IMCB, F-11/3, IMCB, G-10/4, IMCB G-10/3, and IMCB H-9.

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Better safe: Anti-dengue measures to be stepped up in September

By Our Correspondent

Published: September 3, 2014

LAHORE:

This year, 13 people in the Punjab have been diagnosed with dengue fever – five from Lahore and two from Rawalpindi, Adviser to Chief Minister on Health Khwaja Salman Rafique said on Tuesday.

He said as part of case response strategy, dengue surveillance teams were spraying anti-dengue larvaecide in houses wherever dengue patients were reported. He said the technical advisory committee had advised against fogging because adult dengue mosquito population was quite small. He said excessive use of chemicals was hazardous to people's health.

He was addressing media representatives after presiding over a meeting of the cabinet committee on dengue at 90-The Mall on Tuesday.

The meeting reviewed steps taken by departments to control dengue fever in the province. Punjab Assembly Members Nawaz Chauhan, Shaikh Ijaz Ahmed, Kiran Dar, Lubna Faisal,

Health Secretary Jawad Rafique Malik, Health Services DG Zahid Pervaiz, secretaries and additional secretaries of relevant departments, district coordination officers of Lahore, Faisalabad and Gujranwala, the Punjab Information Technology Board director general, Solid Waste Management Company officials, and WASA and Special Branch and health EDOs from Rawalpindi, Lahore, Multan, Faisalabad, Sheikhpura and Gujranwala attended the meeting. Senior officers of the Health Department, Higher Education Department, School Education Department, Cooperatives Department, Forests and Fisheries Department, Auqaf Department, Agriculture Department, Irrigation Department, Local Government Department, Environment Department and Social Welfare Department briefed participants of the meeting about surveillance and awareness measures they had taken in this regard.

District government officials discussed their progress in implementing dengue regulations.

General Health Vector Borne Disease Additional Director Islam Zafar said there were 2,629 confirmed dengue fever cases in the province in 2013, this year there were only 13. He discussed dengue surveillance, vector surveillance and larvaeciding measures taken by the Health Department. He said they had already completed indoor spraying in schools and colleges before they began after summer vacations.

Rafique expressed his satisfaction over the efforts being made by government departments. He said in view of rains during September, all departments must perform their duties regarding anti-dengue measures vigorously. He urged educational authorities to arrange awareness seminars for students. He also directed the Auqaf Department to ensure that prayer leaders in mosques raised awareness about precautionary measures and curbing dengue fever before Friday prayers.

Rafique stressed the need for community participation in controlling dengue fever. He said senior officers should not only monitor anti-dengue activities conducted by their staff, but should also participate in such efforts so that lower staff could be motivated. He also directed them to improve their dengue surveillance.

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Proper forum: Plea to restrain COAS from interfering in politics dismissed

By Our Correspondent

Published: September 3, 2014

LAHORE:

Lahore High Court on Tuesday dismissed a petition seeking directions to restrain the chief of army staff from interfering in politics and playing the ‘arbitrator’ between quarrelling political parties.

Justice Mansoor Ali Shah ruled that the Supreme Court was hearing a similar petition and directed the petitioners to approach the Supreme Court.

Wukala Mahaz for the Protection of the Constitution – a lawyers’ association – filed the petition through Advocate Dr Abdul Basit.

The petitioner’s counsel said in its July 31, 2009, order the Supreme Court had ruled that the army had no role in politics under the Constitution. He said to act as arbitrator between the government and protesting parties was an unconstitutional step for the army chief.

The petitioner requested the court to restrain the COAS from playing the role of arbitrator and direct him to comply with the July 31 judgment. It also requested that the federal government be directed to resolve the crisis through dialogue.

The petitioner said the scope and interpretation of Article-245 of the Constitution needed to be reviewed to see whether the armed forces, once called in to secure civilian spaces, could direct disarmament of civilian forces.

He referred to a press release issued by the Inter Services Public Relations a few days ago. He said the statements issued by ISPR violated Article-245 of the Constitution.

He said these announcements created the impression that an army take over was round the corner, leading to uncertainty in the country.

A deputy attorney general said the Supreme Court was already hearing a similar matter in the Supreme Court. The court dismissed the petition.

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Reducing cost: Ring Road project under review

By Rameez Khan

Published: September 3, 2014

LAHORE:

The Lahore Ring Road Authority (LRRA) is considering dropping several auxiliary projects of Lahore Ring Road to reduce the construction cost of Southern Loop, *The Express Tribune* has learnt.

Southern Loop 1 from the Defence Housing Authority (where Package 17 of Northern Loop ends) to Ferozpur Road will be 9.35-kilometre-long. Southern Loop Package 2 is from Gajju Mata on Ferozpur Road to Adda Plot. It is 13-Km-long. Southern Loop Package 3 from Adda Plot to Multan Road (Maraka) is eight kilometres long.

LRRA officials said changes in the project design would slash the cost of constructing Southern Loop.

Officials, who spoke to *The Express Tribune* on condition of anonymity, said China Estate, the construction company, had been trying to get the contract from the LRRA to construct Southern Loop.

China Estate officials met the Lahore commissioner a couple of months ago who is also LRRA chairman. The company offered to construct three loops of Lahore Ring Road for Rs29 billion, they said.

The lowest bid received from a local company (in September 2013) was Rs42 billion.

An LRRA official said China Estate would have to formally bid for the project. He said the decision to call for fresh bids had not been taken yet.

He said the LRRA did not have the authority to award the contract to China Estate. He said the mode of construction, too, was yet to be decided. To reduce the cost of the project, he said the LRRA was considering removing the 30-metre metro corridor.

The official said the authority had also halted the plan to construct service lanes. He said the LRRA had cancelled plans to construct various offices of the authority along Ring Road. It will also not install an Intelligent Transportation System (ITS). He said the LRRA was also considering removing interchanges from less populated areas. Electronic tolling will also be deferred.

The official said the LRRA had earlier decided to construct commercial zones alongside the Southern Loop.

The earlier estimated cost of Rs42 billion included the ITS, a metro corridor and service lanes.

The cost of acquisition land stands at Rs17 billion, down from Rs25 billion.

LRRA Finance Director Shehzad Aziz Khan said the authority had been considering various options to reduce the cost of the project. He said LRRA officials hoped to meet the chief minister soon. He said commercial areas had been given to the LDA as LRRA did not have the right to develop such facilities. He said he was unaware about China Estate offers.

China Estate Contracts Director Omer Daniyal refused to comment.

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Wattoo praises army for protecting democracy

By Our Correspondent

Published: September 3, 2014

LAHORE:

Pakistan Peoples Party (PPP) Punjab president Manzoor Ahmed Wattoo praised the army on Tuesday for its unrelenting commitment to preserving the Constitution and democracy.

He said actions spoke louder than words and the army's support for the continuation of the democratic process was heartening to note. He said the army's leadership was devoted to pursuing its responsibilities within the ambit of the Constitution. He said it was imperative to probe allegations of electoral malpractices to pacify protesting political parties and placate the public.

Wattoo said leaders across the political spectrum had asked for the allegations to be probed and it had become a national demand. He said it was necessary for the judicial commission to conduct the probe impartially to pacify agitating parties. He said parliamentary leaders should guarantee that Prime Minister Nawaz Sharif would not interfere in the probe and Pakistan Tehreek-i-Insaf (PTI) chairman Imran Khan should honour the results by accepting them.

He said blame for the events of the past days squarely rested with the government's poor handling of the situation. Wattoo said this should not be allowed to jeopardise democracy. He said the PPP had always stood for the supremacy of the Constitution and the continuation of democracy in Pakistan.

Wattoo said these principles were non-negotiable and the party had never compromised on these principles. He said the history of the party was replete with struggling for the rights of the public. Wattoo said the party was ever-ready to uphold and defend their rights and would never be daunted by rendering sacrifices for it.

He said the party had always strived to uphold the legacy of its leaders by empowering the public to become the final arbitrators.

Published in The Express Tribune, September 3rd, 2014.

Pest attack: Fruit fly threat looms large

By APP

Published: September 3, 2014

MUZAFFARGARH: Agriculture Officer Mehr Aabid Hussain has warned the public to take extra care of their orchards to save them from the fruit fly attack.

Talking to growers, Hussain said that fruit fly was a serious threat to fruits, especially guava. “The average female lays 10 to 15 eggs in a fruit. Sometimes, it can lay 50 to 200 eggs. These eggs mature into flies within 10 days,” he said. He said that mango, guava and orange production could suffer considerable damage due to the fruit fly attack.

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OPEN MARKET FOREX RATES

Updated at: 3/9/2014 6:14 AM (PST)

Currency	Buying	Selling
Australian Dollar	95.15	95.4
Bahrain Dinar	270.85	271.1
Canadian Dollar	94.3	94.55
China Yuan	16.4	16.55
Danish Krone	17.85	18
Euro	133.5	133.75
Hong Kong Dollar	13.05	13.15
Indian Rupee	1.67	1.69
Japanese Yen	0.972	1
Kuwaiti Dinar	358.55	358.8
Malaysian Ringgit	32	32.25
NewZealand \$	85.05	85.3
Norwegians Krone	16.3	16.45
Omani Riyal	265.15	265.4
Qatari Riyal	27.8	28.05
Saudi Riyal	27.1	27.35
Singapore Dollar	81	81.25
Swedish Korona	14.45	14.6
Swiss Franc	110.8	111.05
Thai Bhat	3.16	3.18
U.A.E Dirham	27.7	27.95
UK Pound Sterling	168.5	168.75
US Dollar	102.25	102.5





INTER BANK RATES

Updated at: 3/9/2014 7:14 AM (PST)

Currency	Bank Buying TT Clean	Bank Selling TT & OD
Australian Dollar	95.35	95.54
Canadian Dollar	93.9	94.08
Danish Krone	17.98	18.02
Euro	134	134.26
Hong Kong Dollar	13.16	13.19
Japanese Yen	0.9794	0.9813
Saudi Riyal	27.35	27.45
Singapore Dollar	81.64	81.8
Swedish Korona	14.56	14.59
Swiss Franc	111.09	111.3
U.A.E Dirham	27.77	27.82
UK Pound Sterling	169.7	170.64
US Dollar	102	102.2

Bullion Rates (Gold Prices) in Pakistan Rupee (PKR)

As on Wed, Sep 03 2014, 03:15 GMT

Metal	Symbol	PKR for 10 Gm	PKR for 1 Tola	PKR for 1 Ounce	
Gold 24K	XAU	41,613	48,486	129,434	
Palladium	XPD	29,010	33,801	90,231	
Platinum	XPT	46,318	53,968	144,067	
Silver	XAG	631	736	1,964	

Gold Rates in other Major Currencies

Currency	Symbol	10 Gm	1 Tola	1 Ounce	
 Australian Dollar	AUD	439	512	1,366	
 Canadian Dollar	CAD	445	519	1,385	
 Euro	EUR	310	362	965	
 Japanese Yen	JPY	42,875	49,957	133,360	
 U.A.E Dirham	AED	1,497	1,744	4,657	
 UK Pound Sterling	GBP	247	288	770	
 US Dollar	USD	408	475	1,268	

* These rates are taken from International Market so there may be some fluctuation from Local Market.

Gold Rates & Silver Rate from major cities of Pakistan

A year by year reference of the daily Silver Price in Pakistan and history of Gold Rates in Pakistan

Sep 02, 2014

Following table shows gold rates per Tola in Pakistan in Pakistani Rupess (PKR) in 24 carat per 10 Grams, 22 carat per 10 grams and silver rates per 10 grams in Pakistan.

City	24k per 10gm	24k per Tola	22k Per 10gm	21k Per 10gm	Silver
Karachi	41,614	48,550	38,146	36,412	651
Lahore	41,614	48,550	38,146	36,412	651
Multan	41,614	48,550	38,146	36,412	651
Faisalabad	41,614	48,550	38,146	36,412	651
Rawalpindi	41,614	48,550	38,146	36,412	651
Hyderabad	41,614	48,550	38,146	36,412	651
Gujranwala	41,614	48,550	38,146	36,412	651
Peshawar	41,614	48,550	38,146	36,412	651
Quetta	41,614	48,550	38,146	36,412	651
Islamabad	41,614	48,550	38,146	36,412	651
Sargodha	41,614	48,550	38,146	36,412	651

Source: Karachi Saraf.

Last 30 days Gold Price Per Tola in Pakistani Rupees

Gold rates for previous 30 days per Tola. For history of Gold price in Pakistan can be viewed below in 24k gold purity.

Date	24k per 10 Grams	24 carat per Tola	22k Per 10 Grams	Silver 10 Grams
Sep 01, 2014	Rs. 41871	Rs. 48850	Rs. 38382	Rs. 651.42
Aug 30, 2014	Rs. 41871	Rs. 48850	Rs. 38382	Rs. 651.42
Aug 29, 2014	Rs. 41828	Rs. 48800	Rs. 38342	Rs. 651.42
Aug 27, 2014	Rs. 41828	Rs. 48800	Rs. 38342	Rs. 642.85
Aug 26, 2014	Rs. 41914	Rs. 48900	Rs. 38421	Rs. 642.85
Aug 25, 2014	Rs. 42000	Rs. 49000	Rs. 38500	Rs. 642.85
Aug 23, 2014	Rs. 41785	Rs. 48750	Rs. 38303	Rs. 642.85
Aug 22, 2014	Rs. 41742	Rs. 48700	Rs. 38264	Rs. 642.85
Aug 21, 2014	Rs. 41614	Rs. 48550	Rs. 38146	Rs. 642.85
Aug 20, 2014	Rs. 41914	Rs. 48900	Rs. 38421	Rs. 642.85
Aug 19, 2014	Rs. 41957	Rs. 48950	Rs. 38460	Rs. 642.85
Aug 16, 2014	Rs. 42000	Rs. 49000	Rs. 38500	Rs. 642.85
Aug 13, 2014	Rs. 42085	Rs. 49100	Rs. 38578	Rs. 651.42
Aug 12, 2014	Rs. 42000	Rs. 49000	Rs. 38500	Rs. 651.42
Aug 11, 2014	Rs. 41871	Rs. 48850	Rs. 38382	Rs. 651.42
Aug 08, 2014	Rs. 42000	Rs. 49000	Rs. 38500	Rs. 651.42
Aug 04, 2014	Rs. 41485	Rs. 48400	Rs. 38028	Rs. 642.85