

PAK LAW PUBLICATION

NEWS

UPDATES

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Top Stories

Bhasha Dam, other projects: Nakao pledges ADB support

September 17, 2014

Minister for Finance Senator Mohammad Ishaq Dar on Tuesday said that the government would need the support of the Asian Development Bank (ADB) on Diamer Bhasha Dam. The Finance minister was briefing the visiting ADB President Takehiko Nakao who called on the Minister here Tuesday. Nakao told Dar that ADB would extend all possible help in relation to mega development projects.

--- According to Dar, political situation has delayed three important transactions

Dar said that the World Bank is going to hold a Business Opportunity Conference in Washington on October 8 and "we are going to discuss Diamer Bhasha Dam Project in the conference because it has vital importance for generating energy as well as water conservation".

"We also want to proceed with the projects of TAPI and CASA 1000 for fulfilling the energy needs of the country in the near future," Dar told the ADB President. The Minister while greeting President ADB, said: "We welcome our esteemed guest on his first visit to Pakistan and appreciate our long standing and trust-worthy relation with our development partner." The Minister also thanked President ADB for condolences extended by him on the deaths and losses of infrastructure caused by the ongoing floods.

Briefing President ADB on the economic condition of the country, the Finance Minister said, "we have been following a pro-development macro-economic agenda and improvements can be seen in revenue collection (16.44%), decrease in budget deficit (5.7%), growth in foreign remittances (13.7%), growth in large-scale manufacturing (4.2%) and the increase in the disbursement of agricultural credit (15.91%).

"Our government has also increased the spending on the social safety net, the allocation has increased from a mere Rs 40 billion to Rs 118 billion in the last fourteen months of our tenure. We ensured that no cuts were made in the Public Sector Development program allocations."

The Minister said that the government could have added \$2.4 billion to country's foreign exchange reserves but the present political situation had delayed three of its important transactions; issue of Sukuk, divestment of OGDCL shares and the next IMF release. "But we would solve the issue amicably as we have already constituted a committee on electoral reforms," he added.

Chairman National Disaster Management Authority (NDMA), Major-General M. Saeed Aleem, also gave a brief presentation to the ADB President on the damages wrought by floods in Punjab, AJK and Gilgit-Baltistan. He said it is his first trip to Pakistan though he knew about the Gandhara civilisation in the area from his school days. He further said that he has great

sympathies for the flood affectees and would like to assist in their rehabilitation process.

He said, "ADB helped the people in the Philippines affected by the typhoon Yolanda and in 2005, we also helped the people affected by the earth quake." He further said, "we are happy to know that the Government of Pakistan has immediately started the relief work in the flood hit areas". Nakao said that though they could lend only \$1 billion to any country for the development projects, yet they would continue supporting Pakistan in projects like renewable energy, Jamshuro and projects of regional connectivity.

"We would like Pakistan to mobilise its domestic resources for development. Pakistan has a vast potential, it could turn itself into a success story in Asia. "We also support TAPI which is an important project for Pakistan. Diamer Bhasha is also an important project for managing water resources in Pakistan and we would help to the extent possible. As far as the rehabilitation of IDPs is concerned we would gladly extend our expertise for the reconstruction work," the ADB President remarked.

The Finance Minister thanked Nakao for his visit and appreciated his resolve to help the flood affected people and IDPs. The meeting was attended by Governor, State Bank of Pakistan, Secretary, Petroleum and Natural Resources, Secretary National Food Security and Research, Secretary Finance, Secretary Water and Power, Secretary Planning, Development and Reform, Secretary Communication, Secretary Economic Affairs Division, Chairman WAPDA, Chairman Federal Board of Revenue, Chairman National Highway Authority, from the Asian Development Bank team Naoya Jinda, Chief Advisor to the President ADB, Klaus Gerhaeusser, Director General, Central West Asia Department, ADB, Werner Liepach, Country Director, ADB Pakistan Resident Mission, Saad Paracha, Country Programs Officer, ADB Pakistan Resident Mission.

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Remittances, revenue collection up despite Imran's call: minister

September 17, 2014

AAMIR SAEED

Minister for Information and Broad-casting Senator Pervaiz Rashid has said that foreign remittances and revenue collection have gone up despite Imran Khan's call for civil disobedience. Addressing a press conference on Tuesday, the minister said PTI Chief Imran Khan was levelling baseless allegations against the government on a daily basis, but he [Imran] can't prove them in courts."

He said the latest allegation was that 17 bodies of those who died in clashes with police on the Constitution Avenue last month had been hidden by the Pakistan Institute of Medical Sciences (PIMS). Rashid said that Tahirul Qadri got registered an FIR on Monday in which the number of deaths was mentioned. He asked Imran to identify the bodies that were allegedly concealed by the PIMS administration.

The Information Minister said Imran also alleged that 2013 elections were rigged and that ballot papers were printed at Urdu Bazaar, Lahore. He added the printers against whom Imran levelled allegations had moved the court. Imran was also making allegations against former Chief Justice of Pakistan, former Army Chief and a Brigadier of Military Intelligence and claimed that a speech by Nawaz Sharif on the election day changed the election results, he said.

The minister said the government's negotiations team was asking the PTI team to include these allegations in Terms of Reference of the proposed Judicial Commission that would investigate vote-rigging allegations but PTI was not ready to do so. He regretted that on the one hand Imran condemned those who attacked the Parliament House and PTV Headquarters, but on the other hand he himself led "gangsters" to get them released from police.

According to him, the governments are formed on the basis of mandate of the people and not on the criteria as to who can gather more people at a place. He questioned why Imran concealed his London meeting with Tahirul Qadri and also his meetings with him in Pakistan.

To a question, the minister said the government wanted to handle a political issue politically and was avoiding the use of other means to expose real face of Imran before people of Pakistan. He said the government was aware of the 'London conspiracy' but even then it respected appeals of the civil society and allowed the 'long march' to reach Islamabad.

He also said that two initial demands of Imran were accepted by the government before 'long march'. These pertained to constitution of a judicial commission to probe allegations of rigging and setting up of parliamentary committee on electoral reforms. Similarly, Tahirul Qadri left Lahore with only one demand to get an FIR registered against the Prime Minister. Although two FIRs have now been registered against the Prime Minister, the two leaders are not ready to leave sit-ins, according to the minister.

Pakistan Muslim League-Nawaz (PML-N) Senator said that no independent organisation or media source confirmed Imran Khan's rigging allegations. He said that Imran was just trying to malign the elections because if he had any proofs he would have submitted them to courts. He said Imran had levelled allegations against former Chief of Army Staff General Ashfaq Pervez Kayani, former Chief Justice of Pakistan Iftikhar Muhammad Chaudhry and former judge of Supreme Court Justice Khalilur Rehman Ramday. He said that Imran had also levelled allegations against some journalists. "Imran Khan should prove his allegations against journalists or should take them back immediately," stressed the federal minister. Information Minister said he would defend journalists being Minister for Information and Broadcasting.

"We had abolished secret fund immediately after coming into power," he said. "PML-N ended the culture of awarding plots," he added. "Why does Imran Khan not respond to Javed Hashmi's allegations? Why does he not issue a show cause notice to his party's president," asked Pervaiz Rashid. He said that sit-ins in Islamabad had inflicted a huge loss on the country's economy and education sector.

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Creative productivity: Cambodia, Pakistan rank lowest

September 17, 2014

ZAHEER ABBASI

The Asian Development Creative Productivity Index (CPI) has ranked Pakistan at 23 out of a total of 24 countries in terms of creative productivity, with a low level of human capital as well as inadequate electricity and infrastructure. The report compiled by intelligence unit of ADB has ranked Pakistan only above Cambodia with inputs lagging behind in the knowledge-skill base.

Japan and South Korea occupy the top two positions overall in Asia, implying they are the most efficient of all the economies at turning creative inputs into outputs while in contrast, Pakistan and Cambodia are ranked the lowest in the sample. Additionally, a lack of competition, particularly from abroad provides little incentive for domestic firms to innovate. The low scores on outputs, particularly with respect to scientific outputs and creative-industry goods, are accordingly low. Although, the country scores better for the strength of university-industry collaboration and the enrolment ratio of tertiary students in science, it has no universities in the worlds' top 500 and ranks poorly for the average years of education, as well as on indicators of secondary schooling.

The report characterised Pakistan as a pool of poorly educated workers and a small well-educated elite as the government has prioritised tertiary education at the expense of primary and secondary schooling, owing both to capacity constraints and because investment in tertiary education is more popular among Pakistan's urban elites. The country's infrastructure remains poor due to decades of underinvestment. Pakistan's severely inadequate electricity supplies are of particular concern and pose a large threat to businesses and, more generally, productivity.

In terms of overall output, the economy ranks near the bottom of the index, at 22nd. As with several other economies, it lags behind in terms of the number of scientific publications and patents. Although it outperforms economies with higher levels of inputs, such as South Korea, in the area of scientific publications, there is scope for improvement given the country's relatively high enrolment ratio of tertiary students in science. Only 112 patent applications were filed by residents and Pakistanis abroad in 2012, down from 139 in 2011, while only 26 patents were granted in 2012.

Elsewhere, the country is ranked above only Sri Lanka for the number of films and books published, indicating that more investment is needed to foster Pakistan's creative industries. Cambodia and Pakistan, with much room for improvement, are ranked the lowest in the CPI. Although Cambodia scores relatively well for firms dynamics, including relatively flexible labour market, it lags behind other economies in the CPI in most other indicators. Pakistan is ranked poorly in CPI.

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Lawmakers thrown off plane: Casting the first stone?

September 17, 2014

Angry airline passengers have forced two lawmakers off a plane for delaying its departure by almost two hours, sparking a passionate debate about the country's so-called 'VIP culture' after footage was posted online. The Monday night Pakistan International Airlines (PIA) flight from Karachi to the capital Islamabad was delayed by a technical fault for 90 minutes, and by a further 25 minutes as it waited for two politicians including former interior minister Rehman Malik to arrive, a government official said.

Senior government and military figures enjoy a host of lavish privileges, from plots of land to heavy police escorts that disrupt traffic. They are often able to keep flights that are ready to depart waiting on the tarmac for their arrival. But irate passengers on the PIA plane decided to take matters into their own hands this time - aiming a string of invective toward Ramesh Kumar Vankwani, a minority Hindu member of the ruling PML-N party, and later at the country's former interior minister Rehman Malik.

In one of the videos (<http://goo.gl/Y7tVqX>), apparently shot on mobile phone, the passengers can be seen waiting at the door of the plane for Malik. As he walks down the jetway, a man shouts: "Malik saheb (Sir) you should go back. You should apologise to these passengers. You should be ashamed of yourself! "150 passengers have been put out because of you."

Another man can be heard saying: "We've taken it for 68 years. Are we going to take it another 68?" referring to the country's age. The embarrassed politician later turned back. Vankwani left the flight after passengers threatened to beat him with shoes. Many Pakistanis on Twitter hailed the event as a rare example of ordinary people standing up to the powerful - with some connecting it to the protest movement against government corruption led by opposition leader Imran Khan. "What a delight to watch the video. Atlast someone stood up & everyone joined. Salute to all those who raised there voice NotoVipCulture" tweeted user Frasat Mahmood.

Others criticised the abusive language and threats of violence. Shujaat Azeem, an aide to Prime Minister Nawaz Sharif, said two airport officials were being suspended over the incident. Malik, however, said on Twitter he had not been late and blamed the other politician. "Why am I being linked with PML-N minister.i saw the noise with the minister and decided not to go on the flight," he said.

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PIA suspends staff

September 17, 2014

Two employees of national carrier Pakistan International Airlines (PIA) have been suspended over the delayed take-off of an Islamabad-bound plane. PIA spokesperson Mashood Tajwar confirmed that shift manager Nadeem Abro and terminal manager Shehzad have been suspended due to the delayed take-off of PK-370. "After the initial delay which was due to technical reasons, the plane was delayed for a further 15 to 20 minutes," Tajwar said. "They have been suspended for this unnecessary delay."

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New return form: taxpayers bound to declare agriculture tax paid to provinces

September 17, 2014

SOHAIL SARFRAZ

Taxpayers would be bound to declare agriculture income tax paid to the provinces in the new income tax return form issued by Federal Board of Revenue (FBR) for individuals and Association of Persons (AoPs) for Tax Year 2014. In this regard, the Federal Board of Revenue (FBR) has issued SRO.819(I)/2014 here on Tuesday to issue the new income tax return form.

The FBR has made it mandatory for the taxpayers to declare 'Agriculture Income Tax Paid' under the new income tax return form issued for individuals and Association of Persons (AoPs) to grasp issue of Agricultural Income Tax paid in respective provinces and comparison of agricultural incomes declared in the provinces and income disclosed in the annual income tax return to the Federal Government. Under the new income tax return form, the return of total income/statement of final taxation under Income Tax Ordinance 2001 (IT-2) for individuals/AoPs deriving income under the head business and any other head has been issued. It has specified the Agriculture Income and Agriculture Income Tax Paid'.

Experts said that through the Finance Act, 2013 a proviso has been added to sub-section (1) of Section 111 of the Income Tax Ordinance, 2001 providing that where a taxpayer explains the nature and source of the amount credited or the investment made, money or valuable article owned or funds from which the expenditure was made, by way of agricultural income, such explanation shall be accepted only to the extent of agricultural income worked back on the basis of agricultural income tax paid subject to furnishing of proof of payment of agriculture tax under the relevant provincial law.

The following errors/omissions shall render a Return invalid & make the taxpayer a non-filer & liable to penalty under section 182(1): Return on which NTN or CNIC is missing or incorrect or invalid; return on which mandatory fields marked by * are empty; return which is not signed by the Taxpayer or Representative (as defined in section 172 of the Income Tax Ordinance, 2001) of

the Taxpayer; return which is not filed in the prescribed Form and return which is not filed in the prescribed mode.

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30 militants killed in fighting: Army repels attack from Afghanistan

September 17, 2014

Military said on Tuesday it killed 31 militants in air strikes and ground clashes along its restive border with Afghanistan, as three soldiers also died in the fighting. The air strikes took place in the Tirah Valley of the Khyber tribal district, "killing 20 terrorists and destroying three of their hideouts and two ammunition dumps", according to a statement.

A security official told AFP that jet fighters bombed the Tordara Koki Khel area of the Khyber district, where the Taliban and another banned militant group, Lashkar-e-Islam, have taken refuge. Militants launched a separate cross-border attack at a military post in the North Waziristan tribal district, officials said.

The army in June began a major offensive in North Waziristan aimed at clearing the area of Taliban and other insurgent groups. A statement said troops repulsed the early morning attack at the Dandi Kuch post in the Spinwam area of the district. "11 terrorists were killed and one apprehended. The dead bodies of three terrorists are with security forces," it said, adding three paramilitary troops were also killed.

Pakistan and Afghanistan frequently accuse each other of supporting cross-border attacks by militants. The death tolls and identities of those killed could not be independently verified. Residents have said many civilians have died in air strikes. Pakistan's army says it has killed more than a thousand militants and lost 86 soldiers since the start of the operation, though the numbers cannot be independently verified as journalists do not have regular access to the combat zone.

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Judges not allowed to conduct by-election

September 17, 2014

WASIM IQBAL

The judiciary has declined the request of Election Commission of Pakistan (ECP) to allow district and sessions judges to conduct by-election in NA-149 (Multan II) constituency after the resignation of Makhdoom Javed Hashmi. An official of ECP said it would be for the first time since 2008 general elections that it has issued appointment notification of Regional Election Commissioner Multan as DRO, District Election Commissioner Bahawalpur as RO and Assistant

Commissioner (city) Multan, District Education Officer (Secondary) Multan and Election Officer Multan as AROs.

All political parties except Pakistan Tehreek-e-Insaf (PTI) have initiated the process of selection of suitable candidates for by-election contest. Sources said that PTI has yet to decide whether or not it is beneficial to contest election as parliamentarians have submitted their resignations in the National Assembly.

October 16 by-election on the vacant seat of Makhdoom Javed Hashmi will be held under bureaucracy as the ECP has appointed non-judicial officers as District Returning Officers (DRO), Returning Officers (RO) and Assistant Returning Officers (AROs) for the purpose of holding bye-election there. The official maintained that the decision has been taken after refusal of Lahore High Court to allow district and sessions judges to hold election in Multan, referring to a judicial policy. The official maintained that the ECP has held 70 by-elections after May 11, 2013 general elections across the country under judiciary but this time the LHC declined the request of ECP for the appointment of judges as ROs and DROs.

In the judicial policy 2009, it is clearly stated that in future, judges would not act as returning officers in elections, as this might not augur well for the judiciary. By-election in PP-162 (Sheikhupura-1) is scheduled to be held on September 22 under district and sessions judges Sheikhupura. On September 8, the by-election on vacant seat of PK-68 (D.I.Khan-V) was held under judges as well.

"By-elections after 2008 and 2013 general elections were held under judges but it will be for the first time that bureaucracy is acting as ROs and DROs," he added. In case any contesting candidate challenges the decision of ECP in the court of law, the ECP will present a written reply of LHC in its defence, the official said.

An election expert contended that during the by-election, the returning officers should not be from the administration but from the judiciary because a returning officer from bureaucracy may be more susceptible to pressure from politicians which would mar the electoral process. National Assembly Speaker Ayaz Sadiq accepted Hashmi's resignation with effect from August 18.

The much politicised issue of Makhdoom Javed Hashmi's resignation as PTI's member of the National Assembly forced the ECP to announce a schedule for the by-election on the seat within the time limit for the electoral process. Javed Hashmi, the estranged leader of Pakistan Tehreek-i-Insaf, was elected from NA-149, Multan in general elections 2008 on the ticket of PML-N and again won in 2013 as a PTI candidate. Earlier, Malik Liaqat Ali won the seat on a ticket of PPP in 2002 general elections. According to the schedule, a public notice will be issued by the returning officer on September 17 and nomination papers for the by-election will be filed on September 22 and 23. Scrutiny of the papers will be held on September 24 and 25. The last date for filing of appeals against acceptance or rejection of nomination papers is September 27.

The tribunal will dispose of appeals on September 29 and the last date for withdrawal of candidature is September 30. The revised list of candidates will be published on October 1 and polling will be held on October 16. Article 224 (4) of the Constitution states when, except by dissolution of the National Assembly or a provincial assembly, a seat in any such assembly has become vacant, not later than 120 days before the term of the assembly is due to expire, an election to fill the seat shall be held within 60 days from the occurrence of the vacancy.

THE RUPEE: all-round gains

September 17, 2014

The rupee managed to recover modestly against the dollar and euro on the currency market on Tuesday, dealers said on Monday. The rupee picked up 17-paisa in relation to the dollar for buying at Rs 102.78 and it also gained 16-paisa for selling at Rs 102.82, they said.

INTERBANK MARKET RATES: OPEN MARKET RATES: The rupee also picked up 35-paisa against the dollar for buying and selling at Rs 102.40 and Rs 102.60 respectively, they said. The rupee followed same trend versus the euro, rising by 25-paisa for buying and selling at Rs 132.50 and Rs 132.75, they said.

In the second Asian trade, the dollar eased on Tuesday with investors reluctant to do much as they waited for fresh guidance on interest rates from the Federal Reserve, while the Australian dollar held above a six-month trough. The dollar index slipped 0.1 percent to 84.193, largely consolidating in a slim 84.035-84.519 range since its rally to a 14-month peak on Sept. 9 ran out of steam.

The dollar was available at Rs 61.02 in terms of the Indian rupee, the greenback was at 3.2250 versus the Malaysian ringgit and the US currency was at 6.1483 in relation to 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: 05.50-07.00 percent (Previous 05.50-07.00 percent).

=====
 Open Bid Rs.102.40
 Open Offer Rs.102.60
 =====

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

=====
 Bid Rate Rs.102.78
 Offer Rate Rs.102.82
 =====

RUPEE IN LAHORE: The Pak rupee-dollar parity stayed unchanged amid sluggish trading trend on the local currency market on Tuesday.

According to the currency dealers, the dollar commenced trading at its day earlier closing of Rs 102.65 and Rs 102.90 as its buying and selling rates, respectively. The dollar did not observe any change in its rates, as opening rates continued to prevail throughout the day, the dealers said.

Similarly, the rupee remained unchanged against the British pound. The pound was purchased and sold at its overnight closing of Rs 166.50 and Rs 166.75, respectively, they added.

RUPEE IN ISLAMABAD AND RAWALPINDI: The rupee remained firm against the dollar on the open

currency markets of Islamabad and Rawalpindi here on Tuesday.

The dollar opened at Rs 101 (buying) and Rs 101.10 (selling) against same overnight rate. It did not observe further change in the second session and closed at Rs 101 (buying) and Rs 101.10 (selling) against.

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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PAT responds to ANP-BNP questions

September 17, 2014

KHUDAYAR MOHLA

Submitting a reply in the Supreme Court in response to three questions of Awami National Party (ANP) and Balochistan National Party (BNP), Dr Tahirul Qadri-led party Pakistan Awami Tehreek (PAT) on Tuesday turned down parliamentarians' apprehensions that marchers were misrepresenting army support for their sit-ins in the Red Zone of Islamabad.

Representing the ANP and the BNP on September 10 before Supreme Court in the case, senior parliamentarian Raza Rabbani expressed apprehensions over the sit-ins raising three questions. Filing a reply through Barrister Ali Zafar the PAT said that anyone who was misrepresenting army's support was committing a "political sin", demanding that the ANP and the BNP should withdraw such "wanton assertion" that those parties had attributed to the PAT or its leaders.

"These are hypothetical and academic questions, and it is well established that the Hon'ble Courts do not deal with such theoretical queries or delve in such speculative matters - subject to this the response to all the three questions is given below," the reply stated.

"ANP and BNP are unnecessarily trying to get the name of Pakistan Army involved in a debate and a discussion before the apex court - Pakistan Army is involved in very serious and sensitive matter at present which include defence of the borders, the Operation Zarb-e-Azab, maintaining law and order and it is helping save the lives of millions during the current floods," Ali Zafar said. The reply further said that it was the right of every person to raise a demand including the demand for resignation of any office bearer including prime minister or the chief minister of a province or any minister(s) in any federal government or provincial governments.

The PAT submitted that the question of the ANP and BNP regarding Prime Minister Mian Nawaz Sharif's resignation through the use of force was a political issue and should be resolved through a dialogue between political parties. "It is strange that on the one hand the ANP and the BNP are saying that the apex court should not delve into political questions, yet, on the other hand the above question and the other two are of political nature," the PAT said.

Citing the relevant provisions in the reply, the PAT submitted that the resignations of the prime

minister and chief minister were duly provided in the Constitution in Article 91(6) and 130(6), adding that nothing was "unconstitutional" in demanding the resignation of the prime minister or the chief Minister.

According to the PAT, the Punjab Police, which performs under the ultimate control and authority of the chief minister Punjab, opened indiscriminate and barbaric fire upon innocent protesters and ruthlessly killed 14, injured hundreds of men, women and children in broad daylight in front of media cameras and yet not even an FIR has been registered against the accused because the dead and the injured were poor and the accused are powerful people.

The reply added: "It is in fact the Government which is using violence and force upon the participants of the dharna and has now resorted to illegal arrests of people who are exercising their fundamental rights". However, the PAT welcomed the government's decision to ask army chief General Raheel Sharif to mediate because they wanted the issues to be resolved, adding that the debate between the government cabinet members over semantics (whether it is "facilitation", "mediation" or "arbitration") caused harm to this possibility. "In view of the aforesaid it is most respectfully submitted that the Constitution Petition No 74 of 2014 may kindly be disposed of accordingly without any further orders," the PAT requested the Supreme Court.

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Musharraf addressed nation as President: prosecution witness tells special court

September 17, 2014

KHUDAYAR MOHLA

The last prosecution witness submitted before a Special Court trying former army chief and President Pervez Musharraf in high treason case that Federal Investigation Agency (FIA) probe team had reached a conclusion that no summary of the then Prime Minister, Shaukat Aziz, through which he advised Pervez Musharraf to impose emergency on November 3, 2007, existed.

Defence counsel Dr Farogh Nasim cross-examined the Additional Director General of the FIA Khalid Qureshi, the head of investigation team in a high treason case in front of a three-member Special Court of Justice Faisal Arab on Tuesday. Qureshi however replied that it was correct to say that Musharraf addressed the nation on November 3, 2007 as President of Pakistan. Qureshi that it was incorrect to say that the FIA probe team had intentionally concealed information relating to an advice or any letter written by Aziz to Musharraf in relation to imposition of emergency in the country.

Qureshi apprised the court that the record of any summary with advice that the prime minister sent to the presidency was always kept with the Prime Minister's Secretariat. "It is incorrect to say that investigation was initiated against former army chief and President Pervez Musharraf without following or understanding the relevant provisions of the law," Qureshi said during his

cross-examination.

He further said that in accordance with the relevant provisions of the law, DG FIA could exercise powers of Police in probing a matter, adding that nobody had sent draft of the investigation but it was the JIT of the FIA that finalised the report in the matter on November 16 last year. Citing a verdict of July 31 by the apex court in the emergency matter, Qureshi said that Supreme Court had unequivocally declared that Shaukat Aziz had nothing to do with emergency saying he had not seen any copy of advice or summary sent by him to Musharraf for imposition of emergency. Later, the court adjourned the hearing of case till September 17 (today).

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New provinces need of the hour: Altaf

September 17, 2014

Muttahida Qaumi Movement chief Altaf Hussain has said the formation of new provinces was need of the hour. In a statement issued on Tuesday, Altaf Hussain squashed arguments that establishment of new provinces would weaken the federation and clarified that it would strengthen it. He said the MQM had waged a practical struggle for the promotion of brotherhood in Sindh. He, however, lamented that nationalist parties never considered the Urdu-speaking people as sons of Sindh.

"Whenever there is a discussion on creation of new provinces in Pakistan, Sindhi nationalists start hurling threats," he alleged.

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Prime Minister visits flood-hit Muzarffargarh

September 17, 2014

Prime Minister Nawaz Sharif on Tuesday said government would continue to provide assistance to the flood affected people for enabling them stand on their own feet. "I can feel the pain and suffering you people are going through and government will not leave you alone in these testing times," he said while addressing a gathering of flood affected people at a relief camp at Government Girls High School here at Khursheedabad.

He said that the government will perform its duty with impeccable sense of responsibility to provide relief to the people and to alleviate their sufferings. PM Nawaz Sharif said that the government and the whole nation share the grief and sufferings of the affected people. Earlier, PM visited all the tents set up for the flood affected people. They informed the PM that the floods destroyed their homes and crops. The PM sympathised with them and promised to extend

all-out support and maximum relief. Later, DCO Hafiz Shoukat Ali gave a detailed briefing to the PM about rescue and relief operation in district Muzaffargarh.

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Court stays execution of murder convict

September 17, 2014

A court on Tuesday postponed for almost a month the hanging of a murderer in what would have been the country's first civilian execution for six years, lawyers said. Shoaib Sarwar, who was convicted in 1998, was set to be hanged in Rawalpindi's Adiyala jail on Thursday following orders issued by another court last week, despite outrage among rights groups.

Pakistan has had a de facto moratorium on civilian hangings since 2008. Only one person has been executed since then, a soldier convicted by a court martial and hanged in November 2012. "We are relieved to have managed to avert this impending injustice through a stay order," said Maryam Haq, a lawyer from the non-profit group Justice Project Pakistan.

Prosecution branch officials confirmed the staying of the execution until October 13. Haq said her organisation had argued that the execution should be stayed on the basis that Sarwar had been in prison for over 18 years - longer than a life sentence - therefore execution would mean he was being punished twice for the same crime.

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Embattled French government scrapes through confidence vote

September 17, 2014

France's crisis-hit government on Tuesday narrowly won a crunch parliamentary vote of confidence in its economic reform path, in a rare respite for the deeply unpopular President Francois Hollande. French deputies voted 269 to 244 in favour of the government's policies, after an impassioned speech by Prime Minister Manuel Valls, who vowed to press ahead with controversial spending cuts and tax breaks for companies.

"We are going to continue this path until the end of the five-year term, until the end of the parliamentary term, because the French people want us to roll up our sleeves and for us to be up to the challenge, for them and for France," said Valls to loud cheers.

"There will be no U-turn, no change in direction, no zig-zagging," pledged Valls, defending his controversial Responsibility Pact, with 40 billion euros (\$52 billion) in tax breaks for companies, funded by 50 billion euros in public spending cuts. "Nothing must let us deviate from our commitment to save 50 billion euros within three years," Valls told a raucous parliamentary

session in a 46-minute speech that received a standing ovation from most members of his Socialist Party.

However, the vote was closer than a similar exercise after he was appointed in April, when the government won 306 votes. Attention now turns to a rare news conference by the embattled Hollande later this week, whose popularity is at rock-bottom amid record high unemployment and stagnant growth.

""A great country"" - Valls called the vote weeks ago following an emergency cabinet reshuffle designed to flush out dissenters. The prime minister urged unity, particularly in the face of the threat posed by the far-right National Front, which made huge strides in recent local elections and which he has warned is "at the gates of power".

Departing from his prepared speech, he cried: "I""ve had enough of this permanent criticism of France and its ability to exert influence in the world. "France is a great country. France deserves our respect because France is respected in the world and if we, public officials, cannot defend France, who else is going to defend it at this time?"

However, despite the appeals for unity, a hard-core rump on the left flank of the Socialist Party - around 30 MPs according to party sources - abstained from voting in protest at what they see as a pro-business lurch to the right. Leading Socialist rebel MP Christian Paul said those abstaining were registering a protest at "a prime minister who refuses to change a policy which the majority of French people think is not working and not fair."

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Ebola fight will cost \$1.0 billion: UN

September 17, 2014

Nearly \$1.0 billion dollars is needed to fight the Ebola outbreak raging in west Africa, the United Nations said Tuesday, warning that 20,000 could be infected by year end. UN humanitarian chief Valerie Amos said there was a "huge funding challenge". "If not dealt with effectively now, Ebola could become a major humanitarian crisis in countries currently affected," she told reporters in Geneva.

The capacity of Guinea, Sierra Leone and Liberia to provide even the most basic necessities was, she warned, "on the brink of collapse." US President Barack Obama was set Tuesday to announce US efforts to "turn the tide" in the Ebola epidemic, with plans to order 3,000 US military personnel to west Africa. US advisors will also train up to 500 health care providers per week in Liberia, according to the plan Obama was set to unveil in Atlanta. The United Nations said the response to the crisis will require \$987.8 million (763 million euros), with about half needed for the worst-hit country, Liberia. Its announcement comes amid mounting global alarm over the worst-ever Ebola epidemic, which by Friday had claimed 2,461 lives out of 4,985 cases, according to fresh numbers from the World Health Organisation.

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Hindu hardliners storm Indian university after IHK flood appeal

September 17, 2014

Hard-line Hindu nationalists went on the rampage at a university in central India over an aid appeal for victims of devastating floods in held Kashmir, the vice chancellor said Tuesday. The mob of young men stormed the Vikram University campus in Ujjain city on Monday, breaking windows, throwing furniture and trying to smash ceiling fans with wooden sticks, footage aired on national television showed.

Jawaharlal Kaul said the attack occurred after the university issued an appeal to help any Kashmiri students affected by the floods that have claimed several hundred lives and devastated of occupied Srinagar. "There was an appeal issued by us for helping Kashmiri boys who are studying here...there was an appeal by the state government as well," the vice-chancellor told the NDTV network. "They (the attackers) said they were from the Vishwa Hindu Parishad and Bajrang Dal," said Kaul, referring to right-wing militant outfits linked to India's ruling Bharatiya Janata Party. Hindu nationalist Prime Minister Narendra Modi stormed to power in May over his centre-left rivals, sparking fears among religious minorities of a rise of hard-line Hindu grassroots groups in officially secular but Hindu-majority India.

Kaul said he had appealed through a local newspaper in Madhya Pradesh state for help to aid students whose families were thought caught in held Kashmir's worst floods in a century. "Particularly the landlords (of the students) were requested by me not to ask for rent for a couple of months until the situation is over," Kaul said. The mob stormed Kaul's office, demanding an explanation for wanting to help Kashmiri students, before the violence broke out, he said.

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Three Nato soldiers killed in Kabul suicide bombing

September 17, 2014

A Taliban suicide bomber rammed an explosives-laden car into a Nato convoy in Kabul on Tuesday, triggering a massive blast that killed two Americans and one Polish soldier as well as wounding at least 13 civilians. Nato troops gave first-aid to bloodstained comrades beside the wrecked remains of a military vehicle that was thrown to the side of the road, while city residents carried injured Afghans to hospital.

The attack was mounted during morning rush-hour traffic outside the Supreme Court and near the heavily-fortified US embassy, on a route used by Nato convoys every day. A defence official in Washington confirmed two Americans had died but did not specify if they were soldiers or civilians, while an army spokesman in Warsaw said one Polish soldier had been killed.

Equities gain ground

September 17, 2014

Sentiment at the Karachi share market stayed bullish led by investors' interest in select stocks Tuesday. The benchmark KSE-100 index gained 110 points to close at 30,180 points compared to 30,070 points Monday. Commenting on the market situation, Ahsan Mehanti, Director at Arif Habib Securities, said stocks continued to witness a positive trend led by select banking, cement and oil stocks on strong earnings outlook.

Rising local cement prices, new gas discovery of PPL & MARI in Sindh, higher urea offtake in August 2014 and expectations for higher turnout for IPO Engro Powergen next week played a catalytic role in the bullish activity at KSE, he added.

Falling FDI at 37pc in July-August and reports for the delay in \$550 million of the IMF 5th tranche release due to prevailing political crises impacted the sentiment, he said. The market, during the intraday trading, fluctuated in green and red zones as KSE-100 index touched 30,277 points highest and 30,017 points lowest level. Followed by positive activity, volume at the ready counter increased by 47 percent compared to previous session and the overall 195 million shares were traded Tuesday against 133 million shares Monday.

With an increase of Rs 12 billion, market capitalisation reached Rs 7.032 trillion up from Rs 7.020 trillion. Trading took place in 406 companies, of which 190 closed in green zone, 194 in the red while 22 companies remained unchanged. Samar Iqbal, analyst at Topline Securities, said led by cements, the market comfortably gained 110 points to settle at 30,180 points level. Volumes increased to 195 million shares, while the value remained at \$91 million.

News of increase in local cement prices coupled with DGKC's better than expected June results brought cement stocks in the limelight, while renewed interest was also seen in banking stocks, especially FABL, NBP, HBL and MCB, she added. Among top 10 volume leaders, eight companies recorded a positive trend. Banking sector was the limelight of the day and Faysal Bank emerged the volume leader with 23.3 million shares, gaining Re 1 to close at Rs 18.62. Askari Bank stood second, up Re 0.24 to close at Rs 21.68 on 19.4 million shares. Lafarge Pak ranked third with 17 million shares, gaining Re 0.32 to Rs 16.10. With a trading volume of 15 million shares, Maple Leaf Cement lost Re 0.34 to Rs 28.48.

D.G.K Cement moved up by Rs 2.03 to Rs 82.54 on 12 million shares. Some 11.3 million shares of Pak Electron were traded and the scrip closed at Rs 29.70, down Re 0.76. National Bank increased by Rs 1.75 to Rs 60.52 on 6.6 million shares, and B.O.Punjab inched up by Re 0.08 to Rs 8.10 on 4.2 million shares. With a trading volume of 4.2 million shares, K-Electric gained Re 0.14 to close at Rs 8.45 while Bank Al-Falah closed at Rs 28.81, up Re 0.05 on 3.6 million shares.

Unilever Foods and Bata (Pak) were the top gainers with Rs 340.00 and Rs 97.00 to close at Rs 8,850.00 and Rs 3,150.00, respectively. Rafhan Maize and Philip Morris Pak were the top losers with Rs 161.11 and Rs 36.09 to close at Rs 10,400.00 and Rs 728.91, respectively. Analysts said

'LUCK' witnessed euphoric buying on Tuesday following the board's approval of equity investment amounting to Rs 27 billion for a 660MW coal-based power project in Karachi. The decision of the company not to announce a rights issue created a positive sentiment in the sector.

In the oil & gas sector, Pakistan Petroleum attracted investor interest after its second discovery in Sindh of 18.6mmcf/d gas and 31bpd condensate, they added. "We expect the market to remain volatile due to the ongoing political tensions," they said.

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Ukraine ratifies landmark EU pact, offers rebels self-rule

September 17, 2014

Ukrainian lawmakers on Tuesday ratified a landmark EU pact and adopted laws granting self-rule to the east in crucial votes that will shape the future of the splintered former Soviet state. But Russia signalled it had no intention of backing down in the most serious East-West stand-off since the Cold War, announcing it plans to boost its troop presence in annexed Crimea.

The European and Ukrainian parliaments held simultaneous votes to approve the political and economic association agreement whose rejection by the former government triggered the country's worst crisis since independence in 1991. Lawmakers in Kiev also voted to grant self-rule in eastern regions under the control of pro-Russian rebels and offer amnesty to fighters under a peace plan drawn up 11 days ago to halt the bloody five-month conflict. Insurgent leaders reacted cautiously to the moves, although they insist they want nothing less than full independence.

Poroshenko said the adoption of the 1,200-page EU deal was Ukraine's first step towards membership of the 28-nation bloc. The pact underscores Ukraine's strong westward push just as Poroshenko heads to Washington for crunch talks with US President Barack Obama on Thursday. "Tell me, who will now dare to shut Ukraine's doors to Europe?" Poroshenko said before the unanimous vote by all 355 MPs present.

EU leaders hailed it as a "blueprint for Ukraine's transformation into a modern and prosperous European democracy". Washington also praised the pact, with State Department deputy spokeswoman Marie Harf saying Ukraine had made history "in the face of great challenges". But the historic occasion was muted by a decision to delay until 2016 the implementation of a free trade deal, an apparent concession to the Kremlin.

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LSE index gains 63.78 points

September 17, 2014

Equities on Tuesday staged recovery on the Lahore Stock Exchange and registered gains amid improved trading turnover. The LSE-25 index gained 63.78 points to close at 5494.42 against 5430.64 of Monday while transaction volume was increased to 969,100 shares compared with day earlier volume of 552,100 shares.

The market was opened on a healthy note and kept on rising following fresh buying in banking and pharmaceutical sectors' shares like MCB Bank, National Bank, Faysal Bank, Allied Bank, Bank of Punjab, Bank Al-Habib Highnoon Laboratories, Glaxo Smith Kline and ICI Pakistan while Nishat Mills, D.G. Khan Cement and NetSol Technologies also helped market sentiments.

However, PSO, Gul Ahmed Textile Mills, Engro Fertilizer, Fatima Fertilizer, Pak Elektron, PTCL, Pakistan Reinsurance, Dewan Farooq Motors and Silk Bank remained under selling pressure. The advancing stocks were ahead of the declining ones, as out of a total of 92 active issues, 26 companies posted gains, 13 suffered losses while 53 companies stayed glued to their previous closing.

Highnoon Laboratories gained Rs 9.81, Glaxo Smith Kline was improved by Rs 5.03, while ICI Pakistan and Nishat Mills were up by Rs 3.43 and Rs 2.11, respectively. PSO lost Rs 8.10, Gul Ahmed Textile Mills was declined by Rs 1.02 while Engro Corporation and Fauji Fertilizer were down by 77-paisa and 50-paisa, respectively. Bank of Punjab was the market leader whose 216,000 shares changed hands followed by PIC with 100,000 shares.

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ISE index sheds 39.81 points

September 17, 2014

Bears returned in the driving seat at the Islamabad Stock Exchange (ISE) on Tuesday, where losers outclassed gainers amid decrease in index. ISE Ten Index showed a decrease of 39.81 points as the ISE Ten Index moved from 4,671.91 to 4,632.10 points. The overall turnover amounted to 47,000 shares as compared to previous volume of 9,000 shares.

Total 152 companies participated in buying and selling activity. Majority of stocks (73) closed in negative territory, 79 closed in positive territory, whereas no company remained pegged to its overnight levels. The volume of Maple Leaf Cement was 25,000 shares. The volume of PICIC Investment Fund was 10,000 shares. The volume of Hub Power was 7,000 shares.

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Business and Economy: *Pakistan*

'Aalishan Pakistan Life Style exhibition' concludes successfully

September 17, 2014

The 'Aalishan Pakistan Life Style exhibition', held in New Dehli, successfully concluded on Monday. More than 15,000 people visited during the four-day exhibition and besides on spot sales, Pakistani businessmen/ traders have also got a large number of orders.

The 'Aalishan Pakistan Life Style exhibition' which was started on September 11 at Pragati Maidan New Delhi, ended on Monday with the huge success, where 150 companies have arranged 360 stalls. The exhibition was inaugurated by High Commissioner Abdul Basit. The exhibition, arranged by Chief Executive TDAP S M Muneer, was attended by Zakria Usman, President Federation of Pakistan Chamber of Commerce & Industry; Shoukat Ahmed, Senior Vice President; S M Naseer, Regional Chairman and Vice President, Mazhar Nasir, Aamir Abdullah Zaki President Karachi Chamber, Younus Bashir Chairman SITE Association, Zubair Tufail, Tanveer Shaikh, Manazir A Nasir and Syed Yawar Ali who went to India specially for this purpose.

These people also made former president of Federation of Indian Chamber of Commerce Industry, Confederation of Indian Industry and Saarc. In these meetings the various options were discussed upon for enhancing the trade and an MoU was also signed between the Federation and both the countries.

Pakistani High Commission also extended its complete co-operation in arranging the exhibition. During the visit Federation of Indian Chamber and Confederation of Indian Industries have arranged dinners and receptions in honour of Pakistani delegation and exhibitors.

According to TDAP Chief S M Muneer, the businessmen of both the countries agreed that since language and way of living are common and in this scenario the increase in trade would help the people of both the countries. He said using of land, port and air routes would increase the trade from US \$2.7 Billion to manifolds. Secretary TDAP Rabia Javeri informed that fashion and musical show arranged a day earlier was participated by Indian film director Mahesh Bhatt and Pakistani Models.-PR

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Rs 33.54 billion LDA budget approved

September 17, 2014

Lahore Development Authority (LDA)'s Governing Body has on Tuesday approved Rs 33.54 billion of annual budget of the Authority and its subordinate agencies, WASA and TEPA, for the Fiscal Year 2014-15. Total resources of LDA, WASA and TEPA have been estimated as Rs 33.54 billion out of which Rs 22 billion have been earmarked for development works.

LDA Vice Chairman Khawaja Ahmad Hassan chaired the budget meeting of LDA, which was attended by members of provincial Assembly, including Bao Muhammad Akhtar from Lahore, Arif Khan Sandheela from Sheikupura and Rana Muhammad Arshad from Nankan Sahib, LDA Director General Ahad Khan Cheema, WASA Managing Director Chaudhry Naseer Ahmad, LDA Additional Director General (HQ) Amina Munir, Chief Engineer TEPA Saif Ur Rehman, LDA Chief Engineer Asrar Saeed, LDA Director Finance Zaheer Asghar Rana, and representatives of the provincial local government, housing, P&D and finance departments as well as of Commissioner Lahore Division.

Total resources of LDA (UD Wing) during the Fiscal Year 2014-15 have been estimated at Rs 13.32 billion against the expected expenditures of Rs 13.21 billion. This amount will also include development expenditure of Rs 11.19 billion. An amount of Rs 1.93 billion will be spent for development works in LDA housing Schemes. An expenditure of Rs 1.67 billion will be incurred on running development schemes. A total of Rs 4.16 billion has been allocated for kicking off new projects in the provincial metropolis, including Rs 2.94 billion for total funding of new projects and Rs 1.16 billion for LDA's contribution in Public Private Participation (PPP) projects.

Construction of 'Missing links of Structure Plan Roads' will cost Rs 700 million. Improvement and rehabilitation of the carriage way Southern Bypass from Thokar Niaz Baig to Ameer Chowk, Lahore, will be carried out at a cost of Rs 140 million. Project for construction of signal free corridors on Jail Road, Shahrah-e-Quaid-e-Azam and Main Boulevard, Gulberg, will be executed with a sum of Rs 1.5 billion. Construction of pedestrian bridges at signal free corridors will cost Rs 150 million. A sum of Rs 150 million will be spent on construction of two lane dual carriage way from Ferozepur Road to Jinnah Flyover along railway track. An amount of Rs 200 million has been earmarked for priority works in the new budget.

For development schemes under PPP mode, a sum of Rs 1.16 billion has been allocated. An amount of Rs 500 million has been reserved as LDA's share for construction of Hussain Chowk Flyover on cost sharing basis, Rs 360 million for Defence Road flyover, Rs 100 million for Sharaqpur bypass, Rs 100 million for Kalashah Kaku Expressway and another Rs 100 for southern bypass. Other development schemes will cost Rs 1.38 billion. A sum of Rs 1.22 billion will be spent on dualization of road from LOS to Multan Road. Restoration of LDA Plaza, on Egerton Road, up to 6th floor will cost Rs 240 million.

TEPA will have a total of Rs 6.16 billion at its disposal whereas its expenditure has been estimated as Rs 5.43 billion, including development works costing Rs 5.16 billion. Link connecting Motorway at Shahpur Kanjra to Raiwind Road and Khayaban-e-Jinnah will be constructed at a cost of Rs 1.22 billion. Construction of Kasur bypass connecting Ferozepur Road to Depalpur Road will be executed with a sum of Rs 890 million. Construction of Kasur

Sports Complex will cost Rs 270 million. Construction of hockey stadiums at Sheikhpura as well as at Nanka Sahib will cost Rs 147 million each. A total of Rs 6.3 million will be spent on other ongoing projects.

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'Safe City Project to be launched this week'

September 17, 2014

Safe City Project will be launched this week to eradicate crimes with the help of latest and modern technologies, said Dr Suhail Habib Tajak, City Police Officer (CPO) on Tuesday. While addressing the members of Faisalabad Chamber of Commerce and Industry (FCCI), he explained the police structure, its performance and future strategies to improve the over all law and order situation within the available resources.

He appreciated the co-operation of local business community for the maintenance of law and order. He said that City police will provide various electrical and digital gadgets at subsidised rates particularly to check the incidents of vehicle theft under Safe City Project. With these appliances, the stolen or snatched vehicle would not go beyond the distance of one Kilometre, he added.

Similarly specially designed cards would be fitted with motorcycles without which two-wheeler could not start. He said that we are also trying to get expensive trackers to regulate and monitor the movement of inter-district vehicular traffic. He said that a comprehensive and well integrated system of CCTV would be installed and all-out efforts would be made to keep them functional round the clock through efficient monitoring. Initially these CCTV cameras would be installed at nine entry and exit points of the city. He said that we are also trying to purchase "Drone Cameras" for the monitoring of public protest and to identify the culprits involved in subversive activities.

Regarding traffic police, he said that there is enough room for improvement in this sector. He said that traffic signals are being linked with solar panels which would help signals to continue to function even during loadshedding of electricity. He said that a radio channel (Chenab Nama) is being launched for the education of drivers and car owners. Rates of various items would be aired from this channel, in addition to providing information of any blockage in the flow of vehicular traffic.

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Creative productivity: Cambodia, Pakistan rank lowest

September 17, 2014

ZAHEER ABBASI

The Asian Development Creative Productivity Index (CPI) has ranked Pakistan at 23 out of a total of 24 countries in terms of creative productivity, with a low level of human capital as well as inadequate electricity and infrastructure. The report compiled by intelligence unit of ADB has ranked Pakistan only above Cambodia with inputs lagging behind in the knowledge-skill base.

Japan and South Korea occupy the top two positions overall in Asia, implying they are the most efficient of all the economies at turning creative inputs into outputs while in contrast, Pakistan and Cambodia are ranked the lowest in the sample. Additionally, a lack of competition, particularly from abroad provides little incentive for domestic firms to innovate. The low scores on outputs, particularly with respect to scientific outputs and creative-industry goods, are accordingly low. Although, the country scores better for the strength of university-industry collaboration and the enrolment ratio of tertiary students in science, it has no universities in the worlds" top 500 and ranks poorly for the average years of education, as well as on indicators of secondary schooling.

The report characterised Pakistan as a pool of poorly educated workers and a small well-educated elite as the government has prioritised tertiary education at the expense of primary and secondary schooling, owing both to capacity constraints and because investment in tertiary education is more popular among Pakistan"s urban elites. The country"s infrastructure remains poor due to decades of underinvestment. Pakistan"s severely inadequate electricity supplies are of particular concern and pose a large threat to businesses and, more generally, productivity.

In terms of overall output, the economy ranks near the bottom of the index, at 22nd. As with several other economies, it lags behind in terms of the number of scientific publications and patents. Although it outperforms economies with higher levels of inputs, such as South Korea, in the area of scientific publications, there is scope for improvement given the country"s relatively high enrolment ratio of tertiary students in science. Only 112 patent applications were filed by residents and Pakistanis abroad in 2012, down from 139 in 2011, while only 26 patents were granted in 2012.

Elsewhere, the country is ranked above only Sri Lanka for the number of films and books published, indicating that more investment is needed to foster Pakistan"s creative industries. Cambodia and Pakistan, with much room for improvement, are ranked the lowest in the CPI. Although Cambodia scores relatively well for firms dynamics, including relatively flexible labour market, it lags behind other economies in the CPI in most other indicators. Pakistan is ranked poorly in CPI.

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Various markets, trade groups support PIAF-Founder Alliance

September 17, 2014

As many as 15 city markets, trade groups and industrial areas have so far announced their support for PIAF-Founders Alliance.

According to the Alliance's spokesman, President of All Pakistan Paper Merchants Association (APPMA) Mian Amjad Hussain, President Anjuman e Tajran Urdu Bazar Khalid Pervez, President Anjuman-e-Tajran Steel Sheet Market Anjum Butt, President Anjuman-e- Tajran Steel Sheet Market Shaheed Ganj Muhammad Ashfaq, President Anjuman-e-Tajran Sirai Sultan Raja Fayyaz, President Marble Markets Ferozepur Road Chaudhry Mehboob Ali Sirki, President Anjuman-e-Tajran Ashrafia Complex Akbar Rasheed, President Anjuman-e-Tajran Anarkali Ashraf Bhatti, President Anjuman-e-Tajran Hall Road Babar Mehmood, Shabbir Labha, President Anjuman-e-Tajran Hide Market Khawaja Khalid Siddiq, General Secretary Khawaja Sajjad, Chairman Textile Processing & Printing Association Sheikh Muhammad Ayub and Chairman Lahore Township Industries Association Chaudhry Zaheer Bhutta in a meeting with the Alliance leaders Sheikh Muhammad Arshad and Sheikh Muhammad Asif, announced to support to the PIAF-Founders Alliance in the LCCI elections being held on September 22 and 23.

They said that PIAF-Founders Alliance is moving in right direction and sincerely working for the cause of business community. They said that Alliance get various issues of business community solved from the platform of the Lahore Chamber of Commerce & Industry. They said that only PIAF-Founders Alliance could move ahead for betterment of business community therefore, they have decided to support the Alliance candidates. Earlier, traders of Hafeez Center gave a reception while traders of Liberty Market hosted a dinner in honour of the PIAF-Founders Alliance candidates for Associate Class. Alliance candidates for Corporate Class have also accelerated their door-to-door campaign and getting massive response from the industrial sector.

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Sit-ins, floods hit economy badly: HCCI

September 17, 2014

National economy, Business community and Common citizens have suffered huge losses due to sit-ins across the country and floods in Punjab province. Chairman Sub-Committee on Media and Publication, Hyderabad Chamber of Commerce and Industry (HCCI), Qayum Nusrat said this while talking with *Business Recorder* here on Tuesday.

Business Community in Sindh province has suffered huge losses because they have huge stocks of products in their godowns which could not have sent to other provinces especially Punjab where more than 60 per cent of products are consumed. A large number of factory owners are

worried about their huge products' stock because expiry date is approaching very near, he stated.

Besides this, factory owners have been compelled to end one shift out of three shifts because of decline in sale. There are motorcycle manufacturing units in Hyderabad and majority of them have reduced working hours by closing one shift. Expressing serious concerns over the rise of unemployment, he said that sit-ins are not being held only in Islamabad but also in other cities of the country which are hindering the business activities.

Because of overall situation, the economy is suffering severe losses of billion rupees in term of taxes and transactions across the country. He said that the government should play an effective role in resolving the issue of sit-ins especially by dialogue as the environment of uncertainty could be ended.

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PIBT expected to complete by mid 2016: Asim Siddiqui

September 17, 2014

After one-year delay, Pakistan International Bulk Terminal (PIBT) is expected to complete by mid 2016 to handle dirty cargo up to 12 million tons annually, said MD Marine Group of Companies Asim Siddiqui, here on Tuesday. "Cost of the PIBT has however grew by \$50 million plus with delay in completion but its scope of work has also changed to benefit all the upcoming power production plants," he exclusively told *Business Recorder*.

With the PIBT cost escalation, now total investment of the project will stand at around \$250 million from \$185 million, he said, adding the delay helped improve scope of the sole dirty cargo handling terminal to envisage coal demand of upcoming power generation projects.

"The government has asked Pakistan Railways to prepare a feasibility report on linking the PIBT to main railroad to ease the coal supplies to upcountry, mainly for the proposed power projects in Punjab," he told newsmen during his visit to Karachi Press Club. "The government has already planned to acquire scores of locomotives of 4000 horsepower each from China to pull the dirty cargo supplies on a link railroad. The government also plans to establish the link track exclusively for freight trains along the main line," he added.

"At present Pakistan Railways operates cargo trains with locomotives of around 3000 horsepower which are incapable to drag huge load," he observed, saying that the development in railways sector will benefit the local businesses. According to the PIBT, the terminal will handle dirty cargo including cement, coal and clinker etc. The cargo terminal is being set up at Port Qasim. "With upcoming power projects in the country, there will be a big need for coal supplies," said Aasim.

About development of Gwadar seaport and economic corridor linking Pakistan and China through land routes, he observed that China has earmarked around \$2.5 to \$3 billion per year for development of the corridor in its annual budget. "China will surely go for investment to develop

the corridor since it benefits to Chinese strategic and financial interests," he said, adding that the much needed corridor will scale down at least 6500 kilometre of cargo transportation distance for China. He pointed out that Gwadar port has now a big appeal for Chinese to transport its goods to its mainland from Pakistan through land routes.

He told the newsmen that the China's annual containerised cargo transportation stands at 22500 million whereas Pakistan can only handle 2.5 million of such freight. China continues to wait for its investment to pour in the economic corridor project, he said.

He said that the corridor will also help Pakistan to grab some four percent of China's total import and export cargo transportation share annually. China has allocated funds for economic corridor for next seven years and it is part of its investment plan in Pakistan, Aasim said.

"China is also building a 700 megawatts power generation plant in Pakistan, besides construction a motorway from Karachi to Lahore in collaboration with Pakistani government," he added. To a question, he said the continuing political instability may delay the Chinese investment in this connection but cannot stop from building the entire economic, power and roads projects. He, however, stressed for political harmony in the country to help the development take place without further delay. MD Marine Group of Companies hoped the development of economic corridor will also largely help generate jobs and business opportunities in the country. Besides, he estimated the cargo transportation will grow by four times from existing levels.

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Activity at Karachi & Qasim ports

September 17, 2014

The Karachi Port handled 106,222 tonnes of cargo comprising 90,982 tonnes of import cargo and 15,240 tonnes of export cargo including 1,147 loaded and empty containers during the last 24 hours ending at 0700 hours on Tuesday. The total import cargo of 90,982 tonnes comprised of 8,580 tonnes of containerised cargo; 623 tonnes of general cargo; 30,870 tonnes of bulk cargo: 18,434 tonnes of coal; 6,562 tonnes of wheat; 3,044 tonnes of soyabean meal; 2,830 tonnes of rape seed and 50,909 tonnes of oil/liquid cargo.

The total export cargo of 15,240 tonnes comprised of 9,793 tonnes of containerised cargo and 10 tonnes of general cargo and 5,437 tonnes of oil/liquid cargo. As many as 1,147 containers comprising 583 containers import and 564 containers export were handled during the last 24 hours on Tuesday.

The breakup of imported containers shows 306 of 20's and 94 of 40's loaded while 81 of 20's and 4 of 40's empty containers, whereas that of exported containers shows 312 of 20's and 51 of 40's loaded containers while 126 of 20's and 12 of 40's empty containers were handled during the business hours.

There were four ships namely AS Carelia, MT Karachi, MT Quetta and Ikan Siakap carrying containers, oil tankers and coal respectively sailed out to sea during the reported period. There were five vessels viz. MOL Dignity, KMTC Mumbai, Captain Costas, Ashahda and Han Yi

carrying containers, oil tanker and general cargo respectively currently at the berths.

There was one ship namely Tradewind carrying oil tanker sailed out to sea on Tuesday, while three ships namely MOL Dignity, Captain Costas and Ashahda carrying containers and oil tanker respectively are expected to sail on Wednesday. There are six vessels viz. Posen, Cosco Kawasaki, SC Hong Kong, Ikan Jenahar, Sinar Kutai and RM Dynasty carrying containers, chemical, DAP, cement and wheat respectively due arrive on Wednesday.

PORT QASIM

A cargo volume of 82,072 tonnes comprising 70,435 tonnes of import cargo and 11,637 tonnes of export cargo inclusive 2,330 loaded and empty containers (TEUs) was handled at Port Qasim during the last 24 hours on Tuesday.

The total import cargo of 70,435 tonnes includes 13,077 tonnes of coal; 2,796 tonnes of rape seed; 10,000 tonnes of chemical; 903 tonnes of general cargo and 43,659 tonnes of containerised cargo. The total export cargo of 11,637 tonnes includes 6,366 tonnes of cement and 5,271 tonnes of containerised cargo. There were three ships namely CV MSC Atlanta, MV Mega Lohari and BBC Pilbara with containers, rape seed and general cargo sailed out sea on Tuesday morning, while another ship namely MV Stolt Viking with chemical is expected to sail on the same day afternoon.

A total number of seven vessels viz. CV MSC Atlanta, CV Safmarine Ngami, MV Ikan Salmon, BBC Pilbara, MV Mega Lohari, MV Stolt Viking and MT Ever Mighty currently occupied berths to load/offload containers, cement, general cargo, rape seed, chemical and coal respectively during the last 24 hours.

As many as six ships namely Posen, Al Sabya, MT Lito, Mandrain Ocean, Amsel and RBD Anema-e-Core with containers, rape seed, wheat, iron ore and furnace oil are currently at the outer anchorage of Port Qasim. There were five vessels carrying containers, cement, general cargo and chemical took berths at Qasim International Containers Terminal, Multi Purpose Terminal and Engro Vopak Terminal respectively on Monday. There are four ships namely CV Al Sabya, CV Posen, MT Lito and RBD Anema-e-Core with containers, wheat and furnace oil due to arrive on Tuesday.

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PIA aircraft being used for cannibalisation

September 17, 2014

IQBAL MIRZA

It should be a matter of concern for the Pakistan International Airlines (PIA's) management that out of a total fleet of 37 aircraft, at-least 10 aircraft are inoperable and being used for cannibalisation. The running of airline with many aircraft grounded for maintenance, which in turn result in massive flight delays for national and international destinations.

The situation has worsened flight punctuality to the extent that in the month of August, the

management operated 2,453 flights and out of them only 1,086 were on schedule while 1,367 flights were delayed, hence the punctuality ratio was just 44.3 percent. It has been learnt that six planes are parked for want of engines, spares, and other maintenance issues for past few months and the management is not clear when these planes will be ready for flying.

According to details, a Boeing 747 was grounded on July 12 due to shortage of two engines while it was planned to be ready by August 15. 'But, the engineering department revised its date of delivery. Now it would be available on September 20 after over two months as it is still awaiting spares,' said a source associated with the airline.

Similar is the case with a Boeing 777 that was grounded on August 6 for routine check and it was planned to be ready by August 22. 'The management revised its delivery date to September 11, because they could not arrange its spares and fumigation,' added the source. An Airbus A 310 was grounded on July 31 for a routine check and it was to be ready by August 27, but the management revised its delivery date to September 10. 'Another Airbus was grounded on August 13 for both engines short and the management did not give a delivery date as they are not clear when it will be ready for flying,' added the source.

Two ATRs were grounded on April 6 and June 17, respectively, for annual check and shortage of engines and were planned to be ready by April 30 and June 21, respectively. 'Since they are still awaiting spares, the management had to revise delivery date for one ATR as September 15 while the other was not given any date and will be delivered when ready,' added the source.

Meanwhile, the source added, there were six aircraft that were inactive and were being used for cannibalisation and they were: Boeing 747 AP-BFV, Airbus A 310 AP-BEC, 3 Boeing 737 AP-BFT, AP-BCF & AP-BCD, Airbus A 310 AP-BDZ. 'Besides these inactive aircraft, four planes are dormant and they too are being used for cannibalisation. They are a Boeing 747 AP-BGG, 3 Airbus A310 AP-BGQ, AP-BGS, and A-BEB. This shows that 16 aircraft are at the moment not in the fleet, which means the airline is being managed with just half of its fleet,' added the source.

The source said that was the key reason the airline was having massive flight delays for national and international destinations. 'The management, instead of making these aircraft ready for flying, is happy to pay penalties for flight delays and attracting criticism for being inefficient. They should immediately address this shortage of fleet and arrange maximum aircraft for flying in order to deal with the flight delays,' suggested the source.

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NAB EBM authorises eight inquiries

September 17, 2014

The Executive Board Meeting (EBM) of the National Accountability Bureau (NAB) was held on Tuesday, which was presided over by Chairman NAB Qamar Zaman Chaudhry. During the meeting, the EBM authorised eight inquiries. First inquiry was authorised against Mustafa Kamal, ex-MD PTV for his alleged involvement in fraudulent and misleading purchase of TV Sets from the market and certain other allegations which caused huge loss to the national

exchequer.

Second inquiry was authorised against Basharat Hussain Bashir, Director General (DG) Alternate Energy Development Board (AEDB), Ex-Acting CEO AEDB and others for corruption, corrupt practices and misuse of authority. The accused DG withdrew his salary of Rs 3.5 million for his consultancy period for two years without the approval of Board.

Third inquiry was authorised against Habib Ahmed, Chief Executive, Al-Hamra Hills & Al-Hamra Avenue (Pvt) Ltd, Eden Builders and others for cheating public at large by investing Rs 1258.758 million public money for the purchase of 700 plots and seven farm houses. Fourth inquiry was authorised against Farooq Rehmatullah, Ex-Director General (DG), Civil Aviation Authority (CAA), Pervez Bashir, Regional Director North CAA and others for sub-leasing 8.18 acres of prime CAA's land to private persons at throwaway prices and other corrupt practices.

Fifth inquiry was authorised against four Managing Directors (MDs) of Pakistan Machine Tool Factory (PMTF) including Dr Ashraf Butt, Aslam Mushtaq Zaidi, Muhammad Saleem Rajput and Wasiuddin. In this case the management of PMTF in violation of Companies Ordinance, 1984 and the Rules of CPF Trust failed to deposit the contributions and deductions made under CP Funds in the account of PMTF Employees Provident Fund Trust since 2008 till date amounting to more than Rs 108 million.

Sixth inquiry was authorised against Dr Nazir Mughal, Vice Chancellor (VC) University of Sindh Jamshoro and others for corruption, corrupt practices, embezzlement of government funds and illegal appointment of 300 people in the University. Seventh inquiry was authorised against Ahsan Ullah Mehsud, Ex Senior Member Board of Revenue (SMBR) and officials of Board of Revenue Department, Government of Khyber Pakhtunkhwa (KPK) for their alleged involvement in the appointments and promotions of Revenue staff of KPK. In a case against the management of Khalifa Gul Nawaz Teaching Hospital, Bannu, the Board re-authorised an inquiry. In this case the accused persons are alleged for purchasing medical equipment and medicines at exorbitant rates and with short expiry period.

The Executive Board authorised two Complaint Verifications (CV). First CV was authorised against Gazala Gola, Ex-Minister, Women Development Government of Balochistan and others. Second CV was authorised against Officers and officials of Ministry of Petroleum and others.

The EBM also closed four inquiries due to lack of incriminating evidence. These include, first against Syed Muhammad Tarique, Managing Director (MD), Korangi Fisheries Harbour Authority and others, second against Mansoor Alam, Chairman Friends of Literacy and Mass Education (FLAME) NGO and others, third against owners and management of Pakistan Paper Corporation (PPC) and Chemical Ltd Charsadda and others. In PPC case Peshawar High Court has already given a judgement. The Board decided to close the inquiry at NAB and recommended to refer the case to the Industries Department KPK with directives to ensure implementation of PHC order. Fourth inquiry was closed against Dr Abdul Rauf, Director Education and Officers / officials of Directorate of Education, FATA.

On the recommendations of NAB's High Level Committee to decide old pending cases of politicians, the Board also decided to close two cases of accumulation of assets beyond known sources of income for lack of incriminating evidence. First against Rasheed Akbar Niwani, Ex MNA Bhakkar and second against Khawaja Riaz Mehmood, Ex-MPA Lahore.

At the end Chairman NAB directed all concerned to complete the Investigations and Inquiries in the given time period and said that no extension shall be granted.-PR

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Company News: *Pakistan*

Jubilee General Insurance

September 17, 2014

Operating since 1953, Jubilee General (formerly known as New Jubilee Insurance Company Limited) is positioned as the second largest player (on the basis on premiums written) in the non-life insurance sector of Pakistan. The company is also listed on Karachi and Lahore Stock Exchanges. The company is backed by Aga Khan Fund for Economic Development and Hashoo Group. The company has a paid-up capital of Rs 1.56 billion and an asset base of Rs 14.96 billion.

Credit Rating The IFS (Insurers Financial Strength) rating of Jubilee General has been affirmed at 'AA+' with stable outlook by JCR-VIS and PACRA, thus reflecting the sound financial standing of the company.

Market Share In the private non-life insurance sector, nearly 70 percent of the industry share is held with top five insurers; namely EFU General, Jubilee General, Adamjee Insurance, IGI Insurance and United Insurance. Jubilee General captures a market share of 19 percent, thus ranking as the second largest private sector non-life insurer on the basis of premiums written, according to the latest statistics published by Insurance Association of Pakistan (IAP).

Investment Portfolio The investment managers of Jubilee General seem to have a soft spot for mutual funds and equities. In its investment portfolio, equities and mutual funds hold a combined share of 89 percent (as of December 2013). Mutual funds, alone, contribute nearly 65 percent in the investment portfolio of Jubilee General, of which mostly are money market funds. Besides, investment in risk-free government securities holds a small share of nine percent while the remaining one percent is invested in Term Finance Certificates (TFCs).

Insurance Portfolio Jubilee General provides a range of insurance services including fire and property, marine, aviation and transport, motor, liability, accident and health amongst others. Motor segment is the key segment in the insurance portfolio of the company, contributing the biggest share to the aggregate net premiums. During six months ended June 2014, motor segment contributed 25 percent to the aggregate net premiums, followed by accident and health (23 percent), fire and property damage (19 percent), marine, aviation and transport (16 percent), others (16 percent) and liability (one percent).

Financial Performance--1H CY14 During six months ended June 2014, the company continued its upward drive, with its bottom line boasting a decent growth of 11 percent year on year. Growing premiums and burgeoning investment income remained the primary drivers of boosting the bottom line growth during the period under review.

Net premiums surged by 10 percent year on year, while claims grew in tandem with growth in top line. Hence claims ratio (net claims to net premiums) stayed flat at 60 percent. However, underwriting profit slipped by 27 percent year on year as a result of soaring expenses. This is evident as the combined ratio, which takes into account claims, management expenses and

commissions, shot up by 200 bps, thus clocking in at 95 percent.

Investment income, the crucial element of driving the bottom line growth, stayed in good shape, rising by 20 percent year on year during the aforementioned period. In 1H CY14, investment income framed 22 percent of top line (1H CY13: 20 percent). Healthy growth in dividend income and gain on sale of non-trading investment led to strong investment income during the period.

What's ahead? With the economy on the mend and regulatory changes taking place in the insurance industry, the insurers in Pakistan are stepping forward gradually. Moving into takaful window operations and micro-insurance segment has provided insurers with an avenue to expand their insurance portfolios, thus boosting their outreach rapidly.

Mind you, insurance industry in Pakistan has faced tough times in yesteryears as the industry stood at a stagnant position with little hope for betterment. The efforts put in by the regulator warrants a pat on its back for coming up with practical solutions to encounter the issues faced by insurers. One hopes that the insurers take these developments as an opportunity to radically transform the image of Pakistan's insurance industry; thus enabling it to stand at par with its regional counterparts.

Sound financial standing of Jubilee General along with sound market share will enable the company to worm in the evolving segments mainly Takaful and micro-insurance. Besides, harmonizing with the technology and development of alternative distribution channels will lay a heart start to tap the untapped segment of the market by providing easy and user friendly insurance services to its customers.

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Jubilee General Insurance

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Rs (mn)	2008	2009	2010	2011	2012	2013
Gross premiums	3,526	4,031	4,285	5,180	6,008	6,569
Net premiums	2,186	2,298	2,451	2,764	3,085	3,526
Net claims	1,332	1,421	1,678	1,699	1,910	2,156
Underwriting results	108	114	-64	154	154	223
Investment income	366	674	587	748	783	979
Profit before tax	-179	772	547	893	946	1,220
Profit after tax	-267	656	450	797	827	1,045

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Source: Company accounts

Key Performance Indicators

	2011	2012	2013	2008	2009	2010
Claims ratio	61%	62%	68%	61%	62%	61%
Combined ratio	95%	95%	103%	94%	95%	94%
Investment ratio	17%	29%	24%	27%	25%	28%
Profit margin	-12%	29%	18%	29%	27%	30%

Taxation: *Pakistan*

FTO's findings may be examined in light of Ombudsman Reform Act: FBR tells field formations

September 17, 2014

Before filing any review or representation before President against the Federal Tax Ombudsman (FTO) order, Federal Board of Revenue (FBR) has instructed its field formations that FTO's findings may be examined in the light of Federal Ombudsman Institutional Reform Act, 2013 and earlier orders passed by the President.

Sources told *Business Recorder* here on Tuesday that the FBR has issued instructions to Chief Collectors of Customs of South, Central, North, Enforcement of Karachi, Lahore and Islamabad on the issue of implementation of findings/recommendations of the FTO and adoption of procedure to file review before the FTO or representation before the President against the order passed by FTO.

When contacted, tax expert Waheed Shahzad Butt told this correspondent that earlier FBR in consultation with FTO through instructions had barred its field formations from filing fresh representations before the President against the FTO's orders in cases where previously filed representations have not been accepted by the President, but this is not practically happening and observed in the field.

Tax lawyer further added that said instructions needs to be followed by the field formations before filing of representations before the President against the orders of the FTO. Usually, head of formation raised some out of context jurisdictional questions, either during the course of investigation before the FTO and thereafter in representation before the President under section 32 of the FTO Ordinance, which is not only badly effects the process of implementation but also waste the precious resources of exchequer.

To avoid futile litigation and wastage of public resources in shape of taxpayer's money, it is the need of the hour to avoid unnecessary futile litigation on the settled issues at the forum of President in case of findings/recommendations issued by the FTO: lawyer added.

Referring to an earlier letter to the Chief-CIR and Chief Export, the FBR said that the contents of the findings may be examined in the light of Federal Ombudsman Institutional Reform Act, 2013/relevant law and compliance report, in duplicate, on the findings/recommendations may be sent to the Member (Legal) within the stipulated time. If the LTU/RTO/MCC/Directorate General intends to file a review or representation, it should be sent well within time, along with a certificate signed by the head of the formation clarifying whether or not any representation on the identical issue has been rejected by the President of Pakistan: the FBR instructions added.

As per FTO findings/recommendations, the complaint was filed in terms of Section 10(1) of the

FTO Ordinance, 2000 alleging delay in settlement of refund claims on export to Afghanistan. Documents of pending refund claims were sent for confirmation of export. After confirmation of genuineness of documents and verification of exports, the refund due shall be sanctioned, the departmental representative assured.

In the past, several cases of fraudulent refunds against exports to Afghanistan were detected. Therefore, Regional Tax Office (RTO) is required to exercise extreme caution while processing the refund claims, and should examine the claims very carefully, especially with reference to genuineness of exports and the input claimed, genuine existence of suppliers, proper compliance of Section 73 (without rotation of funds back to the buyers), withholding of Sales Tax etc. It may also be verified whether they have deposited proper amount of Income Tax payable against the claimed exports."

According to the findings of the FTO, it appears that delay in verification process is causing inordinate delay in refund which is tantamount to maladministration in terms of Section 2(3)(ii) of the Ordinance. It is a paramount responsibility of the dept to put in place a well laid out system for timely verification of genuineness of exports in order to avoid delay in settlement of refund claims, the FTO order added.

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Taxation: *World*

New global plans unveiled to crack down on corporate tax avoidance

September 17, 2014

Plans for a major rewriting of international tax rules unveiled on Tuesday could eliminate structures that have allowed companies like Google Inc and Amazon.com Inc to shave billions of dollars off their tax bills. The Organisation for Economic Co-operation and Development (OECD) announced a series of measures that, if implemented by members, could stop companies from employing many commonly-used practices to shift profits into tax havens.

Corporate tax avoidance has become a hot political topic following media coverage and parliamentary investigations into the arrangements many big companies use to cut their tax bills. Amazon and Google say they pay all the taxes they should. Analysts say competitive pressures force companies to seek to minimise all costs, including tax.

Last year, the Group of 20 leading economies asked the OECD to develop an action plan to tackle the problem. Big US technology companies could be those most affected by the OECD's plans but others could also be impacted including pharmaceuticals and branded consumer goods, as well as many European companies.

The draft proposals announced have been agreed by all G20 members and OECD members, which include most major industrialised countries, the OECD said in a statement. But the measures form part of a larger '(tax) base erosion and profit shifting' programme that will conclude next year. Only then will countries look at enshrining the results of the programme in law.

For more than 50 years, the OECD's work on international taxation has been focused on ensuring companies are not taxed twice on the same profits. The fear was that this would hamper trade and limit global growth. Over the years, the OECD has formulated a standardised model tax treaty which allows countries to split taxation rights and avoid double taxation, partly by providing reliefs from measures intended to stop tax avoidance, like withholding taxes.

But companies have been using such treaties to ensure profits are not taxed anywhere. For example, search giant Google takes advantage of tax treaties to channel more than \$8 billion in untaxed profits out of Europe and Asia each year and into a subsidiary that is tax resident in Bermuda, which has no income tax. Google Executive Chairman Eric Schmidt has said changes to tax rules that increased its tax bill would hit innovation. The OECD's proposals would make amendments to its model treaty so that cross-border transactions would not benefit from the reliefs in tax treaties if a principal reason for engaging in the transactions was to avoid tax.

"We are putting an end to double non-taxation," OECD head of tax Pascal Saint-Amans said in a call with journalists. The think tank, which also advises members on economic policy, also wants curbs on how much profit companies can report in centralised inter-company lending and

purchasing arms, which are often based in tax havens. Where such subsidiaries generate large profits on the back of intra-company trade, the OECD said the profits should be shared across the group.

This could hit UK telecoms provider Vodafone Group Plc , which has a Luxembourg subsidiary that buys telephone equipment for the group. Vodafone Procurement Company's 200 staff generated profits of over 400 million euros (518.52 million US dollar) last year, making it one of the group's smallest but most profitable divisions. An unusual Luxembourg tax rule allowed the subsidiary to pay no tax on that profit.

Vodafone said businesses across Europe already benefited from savings achieved by the Luxembourg operation and that it did not expect a significant impact on its business from the OECD measures. The OECD has also proposed changes in the rules on tax residence that allow US tech giants to generate billions of dollars in sales in many countries but not have those revenues assessed for tax by those countries' tax authorities.

A long-standing rule that allows a company to operate a warehouse in a country without creating a tax residence there should be reconsidered, the OECD said. This would potentially impact internet retailer Amazon as the warehouse exclusion allowed Amazon to channel 15 billion euros last year in European sales to a subsidiary in Luxembourg, where it can build up profits tax free.

A raft of companies which sell online including Apple Inc's iTunes service, software provider Adobe Systems Inc and e-commerce group eBay Inc could also be forced to report revenues in the countries where they are generated, if the OECD's proposal that having a 'significant digital presence' in a country would also create a tax residence. A Reuters investigation last year found that three quarters of the 50 biggest US technology companies channelled revenues from European sales into low tax jurisdictions like Ireland and Switzerland, rather than reporting them nationally. The companies all say they comply with tax rules in all the countries where they operate.

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Embattled French government scrapes through confidence vote

September 17, 2014

France's crisis-hit government on Tuesday narrowly won a crunch parliamentary vote of confidence in its economic reform path, in a rare respite for the deeply unpopular President Francois Hollande. French deputies voted 269 to 244 in favour of the government's policies, after an impassioned speech by Prime Minister Manuel Valls, who vowed to press ahead with controversial spending cuts and tax breaks for companies.

"We are going to continue this path until the end of the five-year term, until the end of the parliamentary term, because the French people want us to roll up our sleeves and for us to be up to the challenge, for them and for France," said Valls to loud cheers.

"There will be no U-turn, no change in direction, no zig-zagging," pledged Valls, defending his controversial Responsibility Pact, with 40 billion euros (\$52 billion) in tax breaks for companies, funded by 50 billion euros in public spending cuts. "Nothing must let us deviate from our commitment to save 50 billion euros within three years," Valls told a raucous parliamentary session in a 46-minute speech that received a standing ovation from most members of his Socialist Party.

However, the vote was closer than a similar exercise after he was appointed in April, when the government won 306 votes. Attention now turns to a rare news conference by the embattled Hollande later this week, whose popularity is at rock-bottom amid record high unemployment and stagnant growth.

"A great country" - Valls called the vote weeks ago following an emergency cabinet reshuffle designed to flush out dissenters. The prime minister urged unity, particularly in the face of the threat posed by the far-right National Front, which made huge strides in recent local elections and which he has warned is "at the gates of power".

Departing from his prepared speech, he cried: "I've had enough of this permanent criticism of France and its ability to exert influence in the world. France is a great country. France deserves our respect because France is respected in the world and if we, public officials, cannot defend France, who else is going to defend it at this time?"

However, despite the appeals for unity, a hard-core rump on the left flank of the Socialist Party - around 30 MPs according to party sources - abstained from voting in protest at what they see as a pro-business lurch to the right. Leading Socialist rebel MP Christian Paul said those abstaining were registering a protest at "a prime minister who refuses to change a policy which the majority of French people think is not working and not fair."

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Cotton and Textiles: *Pakistan*

Cotton market: Prices drop further on improved arrivals

September 17, 2014

Significant improvement was seen in arrivals of seed cotton, caused panic selling, pushing rates further down on the cotton market on Tuesday, dealers said. The official spot rate fell by Rs 100 to Rs 5,550, they added. In the session, over 15,000 bales of cotton changed hands between Rs 5600 and Rs 5750, they said. In Sindh, rates slipped by Rs 100 to Rs 2400 and Rs 2550, in Punjab prices were at Rs 2300 and Rs 2500, they said.

Cotton analyst, Naseem Usman said that buying pressure eased by mills and spinners as reports started reaching that flow of flood water may not damage the standing crop, it is a positive development but the sellers who were hoping for better returns as a result of damage of crop from floods, selling their stuff at the cheap rates. But now it looks that prices may not show more weakness, other brokers said.

Reuters adds: cotton futures dropped more than 3 percent on Monday, the most in more than four months, as optimism over the US government's monthly crop report turned to gloom about global oversupply and waning demand from China, the world's No 1 cotton buyer. Coming off an eight-week high, the most-active December cotton contract on ICE Futures US closed down 2.16 cents, or 3.2 percent, at 65.84 cents a lb, its largest daily drop since early May, on healthy turnover.

The following deals reported: 400 bales of cotton from Shahpur Chakar sold at Rs 5625-5650, 1800 bales from Sanghar at Rs 5600-5650, 2000 bales from Mirpurkhas at Rs 5600-5700, 400 bales from Hala at Rs 5650, 200 bales from Moro at Rs 5650, 1200 bales from Tando Adam at Rs 5625-5700, 2000 bales from Shahdadpur at Rs 5625-5700, 1000 bales from Khairpur at Rs 5675-5700, 1000 bales from Upper Sindh at Rs 5650-5700, 400 bales from Gaggo Mandi at Rs 5650, 200 bales from Burewala at Rs 5650, 200 bales from Mian Chano at Rs 5650, 1000 bales from Vehari at Rs 5650-5700, 200 bales from Pak Pattan at Rs 5675, 200 bales from Gojra at Rs 5675, 200 bales from Pir Mehal at Rs 5675, 200 bales from Bahawalnagar at Rs 5700, 200 bales from Haroonabad at Rs 5700, 300 bales from Chinute at Rs 5700-5725 and 2300 bales from Khanewal at Rs 5700-5750, 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-Karachion	15.09.2014							

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37,324 Kgs 5,550 150 5,700 5,800 -100

 Equivalent

 40 Kgs 5,948 160 6,108 6,215 -107
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Textile City project reviewed

September 17, 2014

The 57th Board of Directors meeting of Pakistan Textile City Limited was held in Karachi, which was chaired by Dr Mirza Ikhtiar Baig, Chairman Pakistan Textile City. Meeting was also attended by Senior Joint Secretary, Ministry of Textile Arshad Farooq Fahim, Deputy Secretary, Ministry of Textile, Muhammad Salahuddin, Directors Shah Miftah ul Azim of NIB Bank, Shiekh Aftab Ahmad, SVP Saudi Pak Industrial and Agriculture Investment, Shabir Anwar Kazi, DG (P&D) Port Qasim Authority and CEO Pakistan Textile City Muhammad Hanif Kasbati.

The Board reviewed the progress for the development of the infrastructure of the project at Port Qasim and expressed their satisfaction on the progress of water and power works. The Board deliberated the launching of the project in October or November 2014 by the Prime Minister Nawaz Sharif and advised to plan road shows in Pakistan and abroad to attract foreign investment in the project.

The marketing team and CEO Textile City would also give presentations to APTMA, PDMEA and other value added textile associations before the launching of the project. The Board directed management to expedite Special Economic Zone (SEZ) status for Textile City project on war footing basis. The Board appreciated personal efforts of the Chairman Dr Mirza Ikhtiar Baig for removing hurdles of the project of vital national importance which will provide over 80,000 jobs in Karachi and would also generate additional exports and revenues for the national exchequer.-
 PR

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Agriculture and Allied: *Pakistan*

Naeem Butt elected chairman PFMA KP

September 17, 2014

Mohammad Naeem Butt has been elected unanimously as provincial chairman, Pakistan Flour Mills Association (PFMA), Khyber Pakhtunkhwa. This was announced in a meeting of the executive committee of PFMA, Khyber Pakhtunkhwa held here with chairman, Anis Ashraf in the chair.

Similarly, six vice chairmen including Haji Sartaj Ali Khan (Peshawar), Haji Momin Khan (Mardan), Haji Ghani-ur-Rehman Khattak (D.I. Khan), Haji Mohammad Arif (Malakand), Amjad Shinwari (Kohat) and Malik Khurram Suleman (Hazara) were also elected unopposed. The outgoing chairman, Haji Anis Ashraf has congratulated the unopposed chairman and vice chairmen and expressed the hope that the newly elected office bearers of the association will continue their efforts for the development of the industry.

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Cotton, rice & sugarcane: damages to cash crops to severely hit exports, claims PMKM

September 17, 2014

Pakistan Muttahida Kissan Mahaz (PMKM) claimed cotton crop over 1,600,000 acres of land, rice over 1,400,000 acres and sugarcane crop over approximately 4,500,000 acres of land has been damaged because of the ongoing flood creating apprehensions about severely impacting the exports of Pakistan.

PMKM Chief Ayub Khan Mayo in a statement issued here on Tuesday claimed that cotton was sown over an area of 5,813,000 acres of land in the province, out of which 23 percent had been destroyed; river over 4,743,000 acres damaged crop over 27 percent and sugarcane by 23 percent out of the total area of 1,720,000 acres of land under its cultivation.

He said maize crop figures were not available as it was in the progress of sowing. However, he said that damage to those cash crops would also hit exports of Pakistan rather Pakistan might had to import sugar and cotton to meet the domestic requirements putting additional pressure on the finance of the country.

PMKM Chairman also expressed the fear that as flood water was heading towards Sindh it might double the damage caused to different crops till date. He also criticised the National Disaster Management Authority (NDMA) and commissioner for issuing just political statements. He drew the attention of the government towards the loss caused by the flood and urged to declare flood-

affected districts as calamity-hit and waive off Abiana and small agricultural loans of the growers. He also demanded of the government for an immediate compensation to losses suffered by the growers because of flood.

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Daily trading report of PMEX

September 17, 2014

On Tuesday at Pakistan Mercantile Exchange (PMEX) value traded was recorded at PKR 3.014 billion as compared to PKR 2.649 billion registered on Monday, up by 13.77 percent. The number of lots traded was 9,979 and PMEX Commodity Index closed at 2,979. Major business was contributed by crude oil amounting to PKR 2.036 billion - up 20 percent, followed by gold amounting to PKR 943 million - up 6 percent and silver at PKR 35 million.

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Floods devastation: government urged to declare districts calamity hit

September 17, 2014

Kisan Board Pakistan (KBP) urges the government to declare flood-affected districts as calamity hit and waive off abiana and small agricultural loans of the growers. The Board also demanded of the government for an immediate compensation to losses suffered by the growers because of flood.

These demands were raised at a meeting of KBP Presidents from all districts of the central Punjab chaired by the Central KBP President Sardar Zafar Hussein Khan. The meeting was attended by the KBP Punjab President, Secretary-General and district presidents. The meeting was convened to review the flood situation and losses suffered by the growers. The meeting expressed its solidarity with the farmers of the flood-hit areas.

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Climate changes, water, agriculture management vital to mitigate floods devastation

September 17, 2014

Nexus among climate changes, water and agriculture managements are vital to mitigate devastating floods, hunger and natural calamities. It was echoed by speakers at an international seminar titled: global changes and Pakistan perspective with theme climate, water and agriculture nexus: a futuristic approach to fight huger arranged by Agro Climatology Lab, Department of Agronomy University of Agriculture Faisalabad.

Chairing the inaugural session, Punjab Education and Law Minister Rana Mashhod Ahmad Khan on Tuesday said that the Punjab Government was taking all possible steps in relief and rehabilitation work for floods affected people. He was of the view that the country was running through difficult times as the floods had played havoc with the lives of people and agricultural productivity. He urged all the political parties to play their due role to steer the affected people out of crises. He called for enhanced efforts on the part of scientists, policymakers and others to tackle climate changes. The changes are spreading massive devastation in the form of floods, drought etc, he said, adding that climate changes affect agriculture sector which is the backbone of our economy.

He pinned hope on UAF scientists to draw up a comprehensive roadmap in order to deal with climate changes issue. He congratulated the UAF for becoming first-ever Pakistani educational institution ranked among top 100 varsities of the globe. He said that the day will come when the UAF would emerge among top 10 universities world-wide under the leadership of Vice Chancellor.

The scientists of Punjab Agricultural Universities Ludhiana, India admit that they are the getting benefit from the UAF in research for making tremendous contributions to agriculture sector, he added. Earlier, UAF Vice Chancellor Professor Dr Iqrar Ahmad Khan lauded the steps being taken on the part of provincial government in the relief and rehabilitation work of flood victims. He said that the mechanism on the bases of scientific methods was the need of the hour to tackle the natural calamities. He said that the University has launched a massive relief and rehabilitation campaign for flood victims. He said that in the first phase, edible and other daily use items would be disbursed among the affected people. He said that in the second phase, agricultural inputs including seed, fertilizer, pesticides; and implements would be given to the victims in order to rehabilitate their lands for earning their livelihood.

He said that in 2010 massive floods, UAF staff and students helped the victims in Athara Hazari Tehsil, District Jhang, where agricultural inputs, implements, school text books and bags were distributed. These initiatives helped the farming community to land on their feet and to increase agricultural production.

Dr Toshio Koike from University of Tokyo, Japan said that Global Earth Observation System of Systems (GEOSS) was meant to making efforts jointly on scientific bases in order to mitigate the

impact of climate changes. He said his country is using weather prediction, climate assessment, and seasonal model that help face the different challenges confronting the country. He said that inter-disciplinarily and trans-disciplinarily approaches must be promoted for the sustainable development.

Federal Parliamentary Secretary on Economic Affairs Rana Muhammad Afzal said called for stepped up efforts to fight the climate changes. He was of view that the increasing climate changes are posing threat to the human beings. He said that all possible steps are being taken for the relief of flood affected people.

Professor Dr Ashfaq Ahmad Chatha said natural resources are being suffered by the climate changes. He said integrated approaches about the water, climate and agriculture will help mitigate the sufferings. He called for developing the flood and rainwater harvesting mechanism to avert the losses. He said that they are producing tangible researches for fighting the challenges of climate changes. He said the country was becoming the one of worst victims of climate changes that needs intensified and co-ordinated efforts.

Dr Fahad Rasool said climate changes and melting glaciers are the area of concerns for which we have to expedite our efforts. He said that Pakistan was blessed with tremendous natural resources. We have to utilise these resources rationally to face the future challenges. Dr Ghulam Rasool, Chief Meteorologist, Pakistan, Dr Maheswor Shreshta from Tokyo University, Dean Agri Engineering Professor Dr Allah Buksh, Professor Dr Muhammad Ashfaq, and Professor Dr Muhammad Jahanzeb Chema addressed the technical session.

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Government urged to hold local bodies election, invest in dams

September 17, 2014

The government must invest in dams and construct large water reservoirs to save Water and avoid devastating floods into the country, and put all their energies and resources towards the rescue, relief and rehabilitation process of the flood victims.

The government must hold local body elections to transfer power and resources to the people at the grass root level. The government must also stop arresting people attending the anti-government sit-in at Islamabad on political grounds for the strengthening of the democracy. These demands were made by the participants of a rally entitled "Democracy for Peace and Human Rights" to mark international day of democracy held in front of press club in Faisalabad. The rally was jointly staged by the Peace and Human Development (PHD), Association of Women for Awareness and Motivation (AWAM), Centre for Human Rights Education (CHRE) and Adara Samaji Behbood (ASB), and joined by people hailing from different communities and different socio-economic background. The participants were holding placards and banners inscribed with slogans in favour of democracy and in opposition to dictatorship.

Speaking on the occasion, the director of the AWAM, Nazia Sardar said, "The existing

constitutional, legal and administrative system for the conduct of elections is inadequate to meet internationally accepted standards of electoral freedom, fairness, neutrality and transparency. Therefore, comprehensive electoral reforms must be introduced to prevent the rigging and enhance the quality of future elections.

The director of the PHD Foundation, Suneel Malik said, "The ultimate goal of democracy is to preserve and promote dignity and fundamental rights of the individual, achieve social cohesion and justice and foster economic and social development to ensure social stability and wellbeing of people. Therefore, government must hold local body elections so that power could be passed on to the people at the grass root level and fruit of democracy could reach the common people."

A human rights activist, Naseem Anthony said, "The foundation-stone of participatory democracy should be laid by carving out new provinces including Hazara, Gilgit-Baltistan, South Punjab, and FATA on administrative basis that should deliver rights to the people at their doorstep."

A social activist, Irshad Parkash said, "Floods have not only caused damage to human life, but also resulted in harming precious agricultural land, infrastructure and wildlife habitat. The need of the hour is to have a pertinent flood forecasting and management strategy of water resources for minimising the ravaging effects of the floods and for the agricultural and economic future of Pakistan."

An educationist, Touhid Ahmed said, "In a democratic system, the people as a whole have equal rights on national resources. It is unfortunate that the real democracy could not take roots in our country during the past 67 years, and the successive governments have failed to pay attention to solving the basic problems of the public."

A social activist, Tahir Iqbal said, "We believe that solution to the current crises in Pakistan is possible in the continuation of a democratic system; therefore we will defend democracy, will welcome any change within democratic framework in accordance with the constitution, and will reject any extra-constitutional ways and means in the name of political change."

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Iranian rubber processing oil: bid to smuggle huge quantity foiled

September 17, 2014

MUHAMMAD ALI

Anti-Smuggling Wing of Custom Intelligence Karachi on Tuesday claimed to have foiled an attempt to smuggle huge quantity of Iranian origin rubber processing oil worth millions of rupees at Hub area. According to official sources, the action was taken on secret information, which revealed that a gang of unscrupulous elements was planning to bring Iranian origin rubber processing oil in the city via Hub route.

Reacting to the information, a team of customs intelligence department was constituted for surveillance and reconnaissance. This team during surveillance intercepted a truck carrying smuggled Iranian origin rubber processing oil. They said that the team had taken a driver, the truck and smuggled goods into custody from the spot and added that the value of the rubber processing oil and the truck was estimated at Rs 5.1 million.

When contacted, Muhammad Asif Marghoob Siddique, Director Customs Intelligence Karachi, confirmed the said seizure, saying that special arrangements had been made to avert the movement of Iranian smuggled products in the country. He said that customs intelligence had seized different goods like tiles, padlocks, chemicals, HSD oil worth Rs 39 million in September and added that the department had also foiled the attempt to evade duty and taxes by collecting additional duties and taxes to the tune of Rs 25 million on the consignments imported from Karachi Port and Air Freight Unit.

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Sohrab Goth Maweshi Mandi: 150 out of every 10,000 sacrificial animals found carrying infectious diseases

September 17, 2014

Out of every 10, 000 sacrificial animals, some 150 animals being brought to the cattle market (Mawashi Mandi) contain infectious diseases, it is learnt. Around 900 animals for various diseases including fever, cold, indigestion, stress and diarrhea have so far been treated since inception of the Asia's biggest cattle market.

"Free of cost medical facilities and medicines are being provided to the sacrificial animals at the cattle market to ensure that the animals remain healthy and do not spread diseases to other animals and humans," Rana Imran, Administrator Maweshi Mandi, told journalists.

Imran said 10 veterinary doctors along with para veterinary staff have been assigned by Sindh Livestock and Animal Husbandry Department, who are working round the clock in two shifts to ensure the animals' health. Dr Chandar Kumar, Team Leader of Veterinary Camp at Sohrab Goth Maweshi Mandi, while giving details said that there would be two shifts and in each shift, five veterinary doctors and five para veterinary staff are available out of them two doctors and two staff is carrying medical check-up of animals at the entrance of Maweshi Mandi.

Moreover, he said, two doctors and two staff are continuously visiting the blocks to inspect the animals and pre-empt any disease outbreak while one doctor and staff are available round the clock at the camp to treat the animals being brought there. He said that his team has so far treated around 900 animals for various mild diseases including fever, cold, indigestion, stress and diarrhea.

While responding to a question regarding fatal diseases like Congo Virus, Dr Zahid Hussain Panhwar said that this disease is not common and no animal brought to the Mandi has so far been

infected by the disease. "In fact, no case of Congo virus in sacrificial animals have been reported," he added. He said that the current weather in Karachi is very suitable for the sacrificial animals, which is evident from the fact that around one percent of the animals brought here in Mandi have been treated for only mild diseases so far.

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Daily trading report of PMEX

September 16, 2014

On Monday at Pakistan Mercantile Exchange (PMEX) value traded was PKR 2.65 billion. The number of lots traded was reported at 14,197 and PMEX Commodity Index closed at 2,972. Major business was contributed by crude oil amounting to PKR 1.7 billion followed by gold (PKR 892 million) and silver (PKR 55 million).

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Fuel and Energy: *Pakistan*

Buksh Foundation CEO nominated as FEL

September 17, 2014

The Chief Executive Officer of Buksh Foundation and Director Buksh Energy Pvt Ltd Fiza Farhan has been nominated as the "Future Energy Leader" at the World Energy Council, in recognition of her efforts for the growth of Renewable-Energy sector in Pakistan. Fiza is a passionate and devoted entrepreneur, who has successfully played a leading role as a specialist in the Renewable Energy sector.

She is actively promoting and advocating the development of sustainable energy resources and initiatives. Fiza appreciated her nomination by saying; "I am excited to be a part of the "Future Energy Leader" (FEL) Programme, which is designed to build on ideas and innovative potential of young leaders in the global energy sector. I look forward to make valuable contributions towards WEC's sustainable energy solutions for tomorrow, while sharing my knowledge and expanding my experience on a global scale."-PR

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LPG price increased by Rs 10 per kg

September 17, 2014

ABDUL RASHEED AZAD

The Liquefied Petroleum Gas (LPG) marketing companies on Tuesday increased the price of the commodity by Rs 10 per kg. The marketing companies within the last six days have increased the commodity price by Rs 25 per kg, taking it to Rs 160 per kg from Rs 135 in Islamabad and Rawalpindi.

According to Irfan Khokar, Chairman, All Pakistan LPG Distributors Association, the LPG marketing companies last week increased the prices of the commodity thrice; first by Rs 5 per kg, on Sunday by Rs 10 per kg and on Tuesday by Rs 10 per kg. After the current increase, the commodity prices in Lahore, Gujranwala, Gujrat, Faisalabad, Sialkot, Hyderabad and Sheikhpura touched Rs 125 per kg against Rs 115 per kg.

In Mirpur, Multan, Bahawalpur, DG Khan, Peshawar, Kohat and Bannu, it is available at Rs 125 per kg, while in Muree, Muzafrabad and Fata, the LPG prices have gone up to Rs 160 per kg. Meanwhile, the new price of LPG in Karachi would be Rs 115 per kg, while in Rawalpindi and Islamabad it would be Rs 160 per kg. The LPG Association, while rejecting the increase, has urged the government and Oil and Gas Regulatory Authority (Ogra) to take stern action against those marketing companies, which have increased the LPG prices without the prior approval of the authority. The association said that the marketing companies ignoring the directions of Ogra had increased the prices.

KP prepares comprehensive energy strategy: Khattak

September 17, 2014

KP Chief Minister Pervez Khattak has said that the provincial government has prepared a comprehensive strategy for production of energy from hydel potentials and reserves of oil and gas to arrest the prevailing energy crisis in the province and country.

He was talking to the visiting German Minister for trade and economics and head of Pakistan Afghanistan Mission, Dr Stephen Oswald, who called on him here in office in CM Secretariat on Tuesday and discussed matters of bilateral interest. Those present on the occasion were included Parliamentary Secretary for Planning & Development, Mian Khaliq-ur-Rehman, Additional Chief Secretary, Khalid Pervez, Principal Secretary to CM, Mohammad Ashfaq Khan, Secretary P&D and chairman, CM Complaints Cell, Haji Dilroz Khan. The chief minister said that for the implementation of the energy strategy, the provincial government would welcome foreign investment and technical assistance and will not only encourage the interested foreign investors, but besides provision of all required facilities would also guarantee their security.

The chief minister said that good governance, supremacy of law and generation of employment opportunities are their important targets. He said that due to terrorism and other political and economic difficulties for last several decades had left the province far behind in industrial development.

He said that standard of education is not up to mark and dropout ratio from schools is 82 per cent. Similarly, he said that several other sectors were also not paid attention in past. He said that their government has started the process of change and improvement in the system from making formal legislation.

The chief minister said that now security situation has been improved and foreign investors and tourists are enjoying complete protection. The people of the province in general and youth in particular are hospitable and hard workers, which give honour to their foreign guests.

Speaking on the occasion, the German minister while appreciating the agenda of the government for bringing transparency in official affairs, solid steps against corruption and reforms said that that progress and implementation on the development indicators given by the provincial government for foreign investment were encouraging and that is the reason that the government of Germany and their investors are ready for making investment in Khyber Pakhtunkhwa.

He said that Khyber Pakhtunkhwa has huge investment opportunities in hydel and alternative energy resources and German investors are keen to take benefits of these potentials. Talking about measures taken for bringing improvement in security situation, the chief minister said that beside abolition of political interference and other reforms have also been for bringing improvement in the performance of police. He said that for first time in the history separate effective departments of intelligence and investigation have been established in the province.

The chief minister said that long stay of Afghan refugees and displacement of people from tribal areas including North Waziristan has overburden the province and its economy had badly affected as the provincial government is providing additional food, health, education, residential and other civic facilities to millions of people.

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K-Electric earns Rs 12.88 billion net profit in fiscal year 2014

September 17, 2014

MUHAMMAD SHAFIA

With a healthy growth of 89 percent, net profit of K-Electric reached Rs 12.88 billion during the last fiscal year (FY14) as compared to Rs 6.82 billion earned in the previous year (FY13). As the power utility has earned a healthy profit, the company board after a gap of 19 years proposed a 15 percent dividend only for minority shareholders. However, the proposed cash dividend for minority shareholders is subject to waiver from all the majority shareholders (GoP, KESP, IFC and ADB).

According to K-E's financial report for the year ended 30 June 2014, earning per share has reached Rs 0.46 per share in FY14 up from Rs 0.26 per share in FY13. During the period under review, subsidy from the federal government reduced by 26 percent, as K-Electric received Rs 55.37 billions on account of tariff adjustment (subsidy) compared to Rs 76.61 billions received by the company in FY13.

The power utility continued to purchase electricity from the external sources, some Rs 82.9 billions were spent on account of purchase of electricity during FY14, while it spent some Rs 78.37 billion during the said period of FY13. On the other hand, the own generation of K-Electric continued to reduced every year.

The company consumed fuel and oil worth Rs 147.3 billions in period under review as compared to fuel and oil consumption worth Rs 146 billion during the corresponding period of last financial year. Sources said that despite payment of such a huge amount by the government to the company on the account of Fuel Adjustment Charges (FAC), the company is also claiming FAC from the consumers every quarter with the approval of National Electric Power Regulatory Authority (NEPRA).

They were of the view that the power utility had significantly enhanced its financial position during the last few years. They blamed the company that it improved its financial position through 'unfair means' including excessive billing to the consumers, bank charges, and demanding meter security deposit from existing consumers on the false plea that the connected load has exceeded or crossed the limit from the sanctioned load. They said that company should step-up to improve its technical capability with a view to strengthen its financial position.

Meanwhile, Mazhar Cahudhry, General Secretary KESC Shareholders, appreciated the decision of the present management of giving 15 percent dividend to the minority shareholders after a long span of 19 years. While elaborating, he said that there are around 15 thousand minority shareholders out of which two thousands are widows and orphans. He said that they appreciated the good gesture of the company to give dividend to only minority shareholders. He further said: "We hope that the major four shareholders will give waiver and consider this fact and will also support us in this regard."

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Engro Powergen up for listing

September 17, 2014

Engro Powergen Qadirpur Limited (EPQL) is up for listing at Karachi Stock Exchange (KSE). The provisional trading in the scrip will start from September 17, 2014 and end on October 24, 2014. According to InvestCap research report on Engro Powergen, the company has already divested 12.5 percent or 40.475 million shares of its paid-up capital through private placement at the rate of Rs 30.02 per share and its present offer is to divest further 12.5 percent of its paid-up capital to general public at the same price, ie, Rs 30.02 per share.

The date of public subscription will start from September 22nd to 24th, 2014 (both days inclusive). The profitability of Engro Powergen is continuously on rising trajectory since its Commercial Operational Date (COD) back in 2010 except for CY13 where the generation and resultantly the profitability halted due to plant shutdown in 2HCY13 on technical issues, the report said.

"Those plant issues are now completely resolved and the plant is fully operational therefore financial performance has significantly improved in 1HCY14," said Irfan Saeed, analyst at InvestCap. Furthermore, being a power generation company, it holds a strong payout history and we expect same healthy dividends going forward, he added.

Under the present offer, Engro Corp will divest its total holding of Engro Powergen Ltd which is 32 million shares while the other 8.475 million shares will be divested by Engro Powergen Ltd from its own holding. He said the company would be able to collect Rs 1.45 billion from total divestment (Pre-IPO 40.475mn+ IPO 8.475mn shares) and the same would be utilised to pay-off its liabilities and finance new projects eg LNG terminal.

The above utilisation expected to save the company's finance cost and will generate other income in case of investment in LNG terminal which will augment its bottom-line going forward, Irfan said. Input supply is expected to remain uninterrupted as the same has no industrial usage. Furthermore, due to lower cost and higher dispatch factor the company ranks higher in Nepra's dispatch merit order list, he maintained.

According to InvestCap, the company operates the plant through internal Operation and Maintenance (O&M) service providers while the other IPPs outsourced the same service. The risk associated with internal management is that the company can't pass on liquidated damages to third party in case the company fails to make sure the availability of the committed capacity, it

added.

The company is uniquely positioned when compared with existing listed IPPs as the same utilise low BTU gas (in case of unavailability of gas it can convert on HSD) as its primary raw material while the other IPPs used FO to generate electricity. However, the company is comparable on the basis of guaranteed returns, similar tariff components and similar type of indexation factors, the report said.

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Fuel and Energy: *World*

Oil gains on Opec production cut talk, Libya paring output

September 17, 2014

US crude futures rose by more than \$2 and Brent by more than \$1 on Tuesday on the prospect of an Opec production cut as well as on a weakening dollar and news that Libya had curbed output after rockets hit an area near a refinery. The dollar began selling off just ahead of a meeting of the US Federal Reserve, sending the euro to a near two-week high against the US currency, and boosting both Brent and US crude, brokers said.

A weakening dollar makes it cheaper for holders of other currencies to purchase crude oil contracts priced in dollars. "The weakening dollar is supporting both benchmarks," said John Kilduff, a partner at Again Capital LLC. November Brent rose \$1.17 to settle at \$99.05 a barrel. The October contract expired and went off the board on Monday at \$96.21.

Brent is down 11 percent in the third quarter, its biggest quarterly drop since the second quarter of 2012. It fell to a 26-month low on Monday, tumbling from above \$115 in June due to supply increases and data signalling sluggish demand growth. The front-month US October crude settled \$1.96 higher at \$94.88 a barrel. The October contract expires on September 22. Oil prices rose earlier in the day after Russia said that deploying troops in Crimea, which Russia annexed from Ukraine in March, was a top priority with Nato holding military exercises in Ukraine near its border with Poland.

Oil prices also got an early boost after Opec Secretary General Abdallah El-Badri told reporters he expected the group to lower its oil output target to 29.5 million barrels per day (bpd) from 30 million bpd when it meets next in late November. Crude futures got an additional jolt higher on Tuesday when Libya's state-run National Oil Corp said the El Sharara 340,000-bpd oil field has "slightly" reduced production after rockets hit an area near the Zawiya refinery. Fighting between rival armed groups resulted in rockets landing close to the refinery connected to the field.

"The talk of Opec reducing production has given us a boost and the Libya news is important because the market was expecting the recovery of that country's exports to continue," said Phil Flynn, analyst at Price Futures Group in Chicago. The recent steep drop in oil prices had prompted speculation that Opec would cut output to support prices, and Badri's comments marked the first official confirmation that such a move might occur. It would be the first cut by the cartel since 2008.

Crude prices may gain support if inventory reports show US commercial crude oil and gasoline stockpiles fell last week. Crude stocks are predicted to have fallen by 1.8 million barrels, according to Monday's Reuters survey of analysts ahead of weekly inventory reports from industry group American Petroleum Institute and the US government's Energy Information Administration.

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Total resumes \$2.5 billion Nigerian deepwater oil field sale

September 17, 2014

France's Total SA, Europe's second largest oil company, has put one of its offshore Nigerian oil fields up for sale again, the company said, after a 2012 deal with Sinopec Corp failed. Total has hired BNP Paribas to find buyers for its Usan deepwater oil field located in the Nigeria Oil Prospecting Lease (OML) 138, which could be worth about \$2.5 billion, according to sources familiar with the matter.

"We have selected an advisor to pursue the sale process of Usan," a spokeswoman for Total said. BNP Paribas declined to comment. Usan is not expected to be an easy sale for Total because deepwater exploration requires significant investment and the new owner's returns could be limited if Nigeria rises taxes on foreign investor profits as part of a long expected sector reform called the Petroleum Industry Bill (PIB).

Before deciding to sell the asset, which is about 100 km off the coast, Total was planning to drill several horizontal deepwater wells and build a deep offshore drilling rig. "Anything in Nigeria is a tough sell," said a London-based sector banker. "And anything with capex is even tougher these days. Very few players would be willing to acquire assets that have big investment commitments attached."

Total said in November 2012 it had sold its 20 percent interest in the field to China's Sinopec for about \$2.5 billion in cash. It is not known why the sale failed. The Nigerian National Petroleum Corporation (NNPC) is the OML 138 concession holder. Other partners include Chevron, ExxonMobil and Nexen, which is owned by Chinese state company CNOOC Ltd. Total is working on several asset disposals to meet a \$10 billion 2015 cash flow generation target. The French group is seeking to raise about \$2.5 billion through the sale of its

Super Glu maker Bostik, Reuters reported. A deal for the Usan field may have to involve a local company because Nigeria, Africa's top oil producer, is renewing efforts to recoup the benefits from its oil and gas sector. But few Nigerian players would have the money and ability to complete the necessary drilling and building works, several sector bankers said.

This means Total's hopes may lie again in the hands of Asian buyers like China's CNOOC, which already has an interest in the USAN field, or India's ONGC and Indian Oil. International oil & gas majors are not expected to show interest because most of them are under pressure from shareholders to cut capital expenditure and improve dividends. Most are seeking to leave Nigeria instead.

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Asian naphtha differential stays discounted

September 17, 2014

Asia's naphtha supply glut kept the open-spec grade price differential between second-half October and second-half November at a discount of \$3.50 a tonne on Monday. This is the fifth straight session that the benchmark price was at a discount versus a premium of an average of \$14 a tonne for the first six months of the year, Reuters data showed.

South Korea's Samsung Total came forward to buy full-range naphtha for second-half October arrival but price details were not available. Traders said the petrochemical firm may also have bought a first-half October cargo of similar grade on September 12. "Some of the South Korean buyers were still buying October cargoes although we should see purchases of first-half November cargoes. Nonetheless, spot demand for first-half November barrels seems hopeless," said a trader. Buyers were not in a hurry to make their purchases as supplies were abundant with repeatedly high volumes of cargoes coming in to Asia from Europe, the Mediterranean and the US

The weak fundamentals had weighed on Qatar's quarterly sales premiums. Tasweeq sealed fourth quarter deals for its plant condensate, full-range and gas-to-liquid (GTL) grades with Asian buyers at premiums in the mid-to-high teens a tonne to Middle East quotes on a free-on-board (FOB) basis. These were at least 40 percent lower compared to what it had fetched for supplies lifting in third quarter at premiums of low \$30s a tonne. Samsung Total did not renew a quarterly contract with Tasweeq since the third quarter as the latter started up a 150,000 barrels per day (bpd) condensate splitter in July.

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Markets

ISE-10 index stays bearish

Tuesday, 16 September 2014 18:32

Posted by Imaduddin

ISLAMABAD: The Islamabad Stock Exchange (ISE) on Tuesday witnessed bearish trend as the ISE-10 index was down by 4671.91 points to close at 4632.10 points.

A total of 47,000 shares were traded, which showed a negative growth of 38,000 shares, when compared with previous day's trading of 9,000 shares.

Out of 152 companies, share prices of 79 companies recorded increase while those of 73 companies decreased and no company remained stable in today's trading.

The share price of Sanofi- Aventis Pak. increased by Rs.31.09 while that of Bhanero Textile decreased by Rs.430.01 per share.

Maple Leaf Cement, PICIC Investment Fund, Hub Power remained the top trading companies with 25,000, 10,000 and 7,000 shares respectively.

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BR Research: *All*

HDR 2014: Are they listening?

September 17, 2014

BR Research

The 2014 UNDP Global Human Development Report is being launched in Islamabad today. And it seems the authors couldn't have chosen a more befitting theme in the context of Pakistan's ongoing political state of affairs.

Titled "Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience?" the 2014 UNDP report has two central themes. First, "that sustainably enhancing and protecting individual choices and capabilities and societal competences are essential". And second, that "human development strategies and policies must consciously aim to reduce vulnerability and build resilience".

While the report's first thesis is equally important, it is vulnerability and lack of resilience that is manifesting itself in the form of sit-ins at D-chowk, Islamabad, just a few blocks away from Serena Hotel where the report will be launched today.

The UNDP recommends that one important way to reduce vulnerability and to build resilience is stronger access to social protection and basic social services. Seemingly chiming in with some of the demands of the sit-in walas, the report says that the notion that only wealthy countries can afford social protection or universal basic services is a misconception. In fact, it says there is evidence to the contrary.

The report asserts that an initial spending of even a small percentage relative to the GDP can bring benefits that far outweigh the initial investment.

"Take South Africa's Child Support Grant, which cost 0.7 percent of GDP in 2008-2009 and reduced the child poverty rate from 43 percent to 34 percent. Or Brazil's Bolsa Família programme, which cost 0.3 percent of GDP in 2008-2009 and accounted for 20-25 percent of the reduction in inequality," the report said.

Giving examples of how high national income is not a prerequisite to take the first steps towards broad-based investment for basic social services, the UNDP cites a number of studies that show how investment in public services have preceded growth takeoffs in many countries.

Some countries such as China, Rwanda and Vietnam have achieved universal access to basic social services—education, health care, water supply and sanitation, and public safety—shows that it can be achieved in less than a decade.

"Sweden (in 1891) and Denmark (in 1892) enacted sickness insurance laws at a GDP per capita of \$1,724 and \$2,598, respectively. Norway enacted a mandatory workers compensation law in 1894 when its GDP per capita was \$1,764. The Republic of Korea had already made large gains

in education by the early 1960s, when its GDP per capita was less than \$1,500. Ghana initiated universal health coverage in 2004 when its income per capita was \$1,504. These countries started putting in place measures of social insurance when their GDP per capita was lower than India's and Pakistan's now [in adjusted terms]," the report said.

This column would argue that comparisons like these are over-simplistic, and appear to be based on a-historical and a-political analyses, and, therefore, should not be taken as the last word on whether and how social protection programmes can be rolled out. But, one related message stands out from the report.

The UNDP points out that there is a combination of causes, including elite rent-seeking, exclusionary policies and unaddressed social grievances, that contribute to intrastate conflict, internal strife and a general state of restlessness that makes it difficult to roll out basic services and social protection.

All these pro-conflict characteristics seem to have existed in Pakistan since time immemorial; yet no politician has ever taken the bold steps to set them right. Little wonder then, one month on, in rain and in sunshine, the protestors are in no mood to go away.

DGKC: investments ahead

September 17, 2014

BR Research

Starts are aligning for DG. With investments planned other than its own plant expansion, DG Khan Cement (KSE: DGKC) has managed to pull off a decent year, posting 12 percent increase in net earnings, along with a cash dividend of Rs3.5 per share.

While the increase in cement prices may have pushed the company's top line growth through the year, there seems to be a higher impact of input prices, with cost of sales going up by 11 percent year on year. This can be attributed to the increase in gas tariffs and electricity prices, despite stability in coal prices. In that regard, the installation of the Waste Heat Recovery plant at DGKC's Khairpur site comes as a welcome development.

All the same, a decrease in selling and distribution expenses eased the pressure on DGKC's operating margins at the back of declining exports to Afghanistan. Further, the other income component shows a 13 percent yearly increase, which may well explain the company's plans to invest further in sister companies of the Nishat Group.

Sizable investments have been announced by DGKC this year, with Rs18.13 million in the shares of Nishat Paper Products Company Limited, Rs2 billion in Nishat Dairy Private Limited, and Rs1 billion in Nishat Hotels and Properties Limited over the next three years. The last of these investments may well be towards the largest mall of Pakistan to be opened in Lahore.

Finally, the highest impact on net margins stems from a significant decline in finance cost, owing to repayment of debt obligations through the year. Fingers remain crossed for DGKC's plant expansion plans after having lost Lafarge's acquisition to Bestway Cement Limited.

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DGKC - key financials (consolidated)

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Rs (mn)	FY14	FY13	Chg
Sales	27,749	25,827	7.4%
Cost of sales	(18,196)	(16,401)	10.9%
Gross margin	34.4%	36.5%	-
Other income	1,619	1,435	12.9%
Operating margin	31.3%	31.5%	-
Finance cost	(746)	(1,106)	-32.5%
Net margin	21.7%	20.9%	-
EPS - Rs	13.7	12.4	10.1%

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Silver fibre in distress

September 17, 2014

BR Research

It is not just the yellow gold thats in vogue these days; its the white gold as well. According to figures released by the Pakistan Cotton Ginners Association (PCGA), between July 1 and September 1, 2014, cotton arrival to the factories increased by 2.1 percent to over 1.76 million bales compared to same period of last year.

Dwindling arrival of cotton bales has been observed in Sindh ginneries, which recorded a decline of 12 percent in cotton production whereas the Punjab cotton arrival shows 25.8 percent increase. This boost in production is attributed to the early (unripe) cotton picking by the farmers due to economic hardships: some farmers in dire need for liquidity tend to go for early harvest.

Of the ginned stock, over 12.6 million cotton bales were sold to domestic textile mills, whereas 56,875 bales were acquired by Sindh exporters. The Trading Corporation of Pakistan has not yet acquired cotton during the current cotton season.

Reportedly, there are about 231 ginning factories operating in Punjab and 175 in Sindh. Furthermore, the ginners are at the moment holding around 181,553 unsold cotton bales as against 220,430 bales a year earlier. Analysts opine that heavy rains have arrived in the cotton belts of Pakistan that would adversely affect the crop, diminishing cottons yield as well as its quality thus bringing the rates down as well.

Currently, the supply of silver fibre from Sindh has retained the prices at Rs5,600 to Rs5,800 per maund. However, prices of seed cotton in Punjab were at Rs2,550 and Rs2,650 due to floods. The price is further estimated to drop once the supply of phutti is increased.

On the other hand, the Punjab Agriculture Department has instructed the farmers that cotton-picking should be stopped in the course of heavy rains and only resumed after cotton becomes completely dry. All the required measures are being pleaded to protect cotton crop damage, so

that Punjab's production target of 10.5 million bales is achievable.

Talking to BR Research, a member of PCGA from Multan was of the view that the government should introduce minimum support price for cotton-seed every year as it does for the wheat. He claimed that cotton farmers are being affected due to low seed price. Moreover, low-voltage electricity distributed by power companies has severely marred the machinery and equipment of the ginners.

Thus, if this state of affairs persists, cotton growers may switch to alternative crops, leading to decreased cotton production. That may lead to greater cotton imports, consequently depleting the country's precious foreign exchange reserves.

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Cotton crop scenario (bales in 000)
=====Sep-13   Sep-14   chg
=====
Arrivals
-----
Punjab      644,357  810,316  25.8%
Sindh      1,081,496  951,966 -12.0%
Total      1,725,853 1,762,282  2.1%
-----
Sold to mills
-----
Punjab      550,810  728,387  32.2%
Sindh      884,959  795,467 -10.1%
Total     12,162,321 12,584,496  3.5%
-----
Exports
-----
Punjab      5,400    0 -100.0%
Sindh      64,254  56,875 -11.5%
Total      69,654  56,875 -18.3%
-----
Unsold bales
-----
Punjab      51,197  34,864 -31.9%
Sindh      20,370  11,477 -43.7%
Total      71,567  46,341 -35.2%
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1H CY14: a mixed affair for big-five insurers

September 17, 2014

BR Research

The first half this calendar year remained mishmash for top companies in the non-life insurance sector.

EFU General boasted the highest profitability growth of 50 percent year on year in 1H CY14, followed by IGI Insurance (32 percent) and Jubilee General (11 percent). On the flipside, Pakistan Reinsurance and Adamjee Insurance continued to be the laggards, with the bottom line going down 15 percent and 44 percent, respectively. PAKRI was done in by its suffering treaty business whereas Adamjee had to endure poor motor segment performance.

Overall, there was a slowdown in claims owing to improvement in the quality of insurance portfolios. Therefore, the big five were able to keep a check on their claims ratios, which helped some of them post underwriting results and bottom line growth.

Having the finest claims ratio of 47 percent (industry average: 57 percent), EFU General was impressive in 1H CY14. On the contrary, Adamjee was suffering from the highest claims ratio of 65 percent. That's why its financials continued to stay in ill health, despite witnessing the highest upsurge in top line during the period under review.

Contrary to the fact that investment income remains the key contributor to bottom line growth for insurers, investment ratio of the sample during the period slid to 24 percent (1H CY13: 31%). However, this decline is mainly attributable to the investment portfolios of Pakistan Reinsurance and Adamjee Insurance, both of which experienced a slowdown in their investment income.

Excluding the two laggards, investment income of the cluster soared by 22 percent year on year, taking the investment ratio up by a decent 200 basis points. It is interesting to note that IGI enjoys the highest investment ratio of 84 percent. With the industry's average investment ratio standing at 33 percent, IGI leads the pack with an investment ratio of 84 percent, as of June 2014.

Considering the recent developments that have taken place in the insurance sector--including allowance of Takaful window operations and the introduction of micro-insurance regulations--the next few years are going to be of great significance in determining the fate of these insurers. It will depend on how well these companies are able to land on their feet while also increasing their market shares in the growing insurance industry!

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Non-Life insurance sector* (combined P&L)

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Rs (mn)	1HCY14	1HCY13	Chg
Net premium	11144	10127	10%
Net claims	(6151)	(5701)	8%
Other expenses	(2507)	(2266)	11%
Net commission	(1135)	(1124)	1%
Underwriting results	1351	1036	30%
Investment income	2665	3149	-15%
Rental income	157	147	7%
General & admin expenses	(646)	(583)	11%
Profit before taxation	3814	4106	-7%
Profit after taxation	3108	3431	-9%

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Source: Respective KSE announcements

* Incl. Pak, Reinsurance, IGI Ins, Jubilee Gen, Adamjee, EFU Gen

=====

Individual claim ratio

=====1HCY14 1HCY13

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EFU General	-47%	-51%
PAKRI	-49%	-49%
Jubilee Gen.	-60%	-60%
IGI	-62%	-83%
Adamjee Ins.	-65%	-61%
Sample total	-57%	-61%

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Crime News

70 suspects held in Peshawar search operation

PESHAWAR: After an increase **target killings** in the provincial capital, more than **70 suspects** were **arrested** during a much-needed **search operation** in **Rashid Garhi, Yakatoot, Wazir Bagh** and other nearby localities on Monday.

The **Superintendent of Police (SP) City, Mustafa Tanveer**, said those **arrested** from the area included **Afghan nationals** living in **Pakistan** without any documents. The **police** also **raided** a public call office, which was **suspected** to be **selling illegal Afghan SIMs**. The **police** said a few **proclaimed offenders** were also **arrested** during the **search operation** and **weapons** as well as **drugs** were **recovered** from them.

A **search operation** was also conducted in **Kaga Wala** in the limits of the **Badaber Police Station** after a **police constable, Afrasiab**, was **killed** in an attack by the **militants** on the vehicle of a **station house officer**. The **police** said some **suspects** were **rounded up** during the action and were being interrogated.

On Sunday, **policeman** was **killed** when the car of the **SHO** was **attacked** in **Kaga Wala**. Also, the **prayer leader** of a mosque of **Frontier Constabulary, Javed Khan**, was **killed** while riding a **motorbike** in **Nasir Bagh**. **Militants** have started **targeting security officials** for the last few days in different parts of rural **Peshawar** and suburban localities.

Inspector General of Police (IGP) Nasir Khan Durrani on Monday said **terrorists** were carrying out attacks on the **police** in **Mattani** and **Badaber** areas from time to time. He directed the **SP Rural Peshawar** to enhance their vigilance on the **Frontier Road** and its adjoining area and flush out the miscreants by launching raids on their dens.

Rawalpindi: 17 criminals arrested; weapons seized

RAWALPINDI: The **Rawalpindi police** have **arrested 17 criminals** and **recovered drugs, weapons, and two hand grenades** in different **raids** from their possession on Monday.

According to the **police** spokesperson, the **Naseerabad police** **arrested an accused** and **recovered 1,200 grammes of charas** from his possession while the **Race Course police** **arrested a man** and **recovered 515 grammes of charas** from his custody.

The **Civil Line police** **nabbed an accused** and **recovered 340 grammes of charas** from his possession. The **New Town police** **arrested another accused** and **recovered pistol a 30-bore pistol** along with five rounds from his possession. Moreover, the **police** also **recovered a pistol of 30-bore** from another **accused**.

The **Airport police arrested** a man and **recovered** a **pistol of 30-bore** along with **four rounds** from him. The **Murree police arrested** a man and **recovered** a **pistol of 30-bore** along with **two rounds** from his possession. The **Gujar Khan police held** a man and **recovered** a **rifle of 12-bore** along with **five cartridges** from his possession.

The **Rawat Police arrested** an **accused** and **recovered** a **rifle of 12-bore** along **three rounds** from his possession. The **Jatli police held** a man and **recovered 38 rounds**, a **pistol of 30-bore** and **two hand grenades** from his possession. The **police have registered separate cases** against all of them and further **investigation** is underway.

Suspected target killer arrested in Karachi

KARACHI: A **suspect** believed to be involved in **target killings** and other **crimes** was **arrested** on Monday. **Special Investigation Unit SP Farooq Awan** said following a tip-off about the presence of **notorious criminals** at a hideout in **Pak Colony**, his team conducted a raid there.

Following a **brief shootout**, the **police arrested Syed Mujahid Ali**. A **pistol** was **seized** from his possession. During interrogation, Ali disclosed that he was a member of a group of **target killers**.

He confessed to **killing two men, Danish and Faraz**, in Brigade. He also **murdered** a man named **Mohammad Yasir** over the suspicion that his brother was working as an informer for **Rangers**. Ali had **targeted** a **vegetable vendor, Sultan**, in Brigade to spread **terror** in the area.

8 bandits held in Okara

OKARA: **Police Monday arrested eight robbers** and **recovered weapons** from their possession. On a tip-off, the **Sadr Renala Khurd police raided** a locality near **village 16/1L** and **arrested Kaleemullah Rajput, Tasleem Rajput, Waseem Rajput**, of **village 16/1L**, **Rashid Sheikh, Akmal Rajput, Noshi Masih**, of **village 23/2L**, **Parvez**, of **village 15/1L**, **Ashraf Mashi**, of **village 5/GD**. The **dacoits** were planning to loot the locals.

Peshawar: Child recovered, 4 kidnappers held

PESHAWAR: The **Gulbahar Police** on Monday **foiled** a bid to **kidnap** a **child** and **arrested four alleged kidnappers**. **Assistant Superintendent of Police (ASP) Gulbahar, Afzal Khan**, told media persons that the **police** was alerted after a child named **Naeem Shah** was **kidnapped**.

The **police intercepted** an **auto-rickshaw** on the **Canal Road** and **recovered Naeem Shah** and **arrested alleged kidnappers Salman, Imran, Bilal and Haider Ali**.

Miscellaneous News

Corporate results: DG Khan Cement's profit rises 8%

By Our Correspondent

Published: September 17, 2014

KARACHI:

DG Khan Cement – one of the top cement makers in Pakistan – has announced a net profit of Rs5.96 billion for the year ending on June 30, 2014, up 8% compared to Rs5.5 billion in the same period of the previous year.

Earnings per share (EPS) were recorded at Rs13.62 during fiscal year 2014 compared to an EPS of Rs12.56 registered during FY13.

The company also announced a final cash dividend of Rs3.50 per share along with the result.

The increase in earnings was primarily supported by lower distribution costs and financial charges, said the Global Research.

On a quarterly basis, earnings of the company surged 59% quarter on quarter to Rs2 billion or an EPS of Rs4.61 during the fourth quarter (April to June) of fiscal year 2014 because of a significant improvement in gross margins and a reduction in financial charges.

The revenues of the company increased 7% year on year to Rs26.54 billion in spite of a decline in off-take to 3.96 million tons during fiscal year 2014 as local cement prices increased by 12% year on year to Rs506 for a 50-kg bag.

On a quarter on quarter basis, revenues declined 4% to Rs6.93 million during the fourth quarter of fiscal year 2014 because of a 6% quarter on quarter decline in cement dispatches to 1.01 million tons.

Despite higher cement prices, margins of the company declined 2 percentage points (pps) to 35% year on year during fiscal year 2014 because of an increase in electricity and gas tariffs that were hiked by 60% and 17%, respectively.

On a quarterly basis, gross margins of the company recovered by 5 percentage points (pps) year on year to 42% during fourth quarter of 2014, with the increase likely resulting from higher cement prices and the installation of an 8.4MW waste heat recovery (WHR) plant at its Khairpur site.

Other income of the company increased by 12% year on year to Rs1.64 billion during fiscal year 2014 because of higher dividends received from the company's investment in Muslim Commercial Bank (MCB).

Financial charges of the company declined by 39% year on year to Rs609 million during fiscal year 2014 because of a 37% reduction in the company's debt to Rs6.1 billion as of March 30, 2014.

The company has also announced its intentions to invest an additional Rs2 billion in Nishat Dairy, Rs1 billion in Nishat Hotels and Rs18.1 million in Nishat Paper Products.

Published in The Express Tribune, September 17th, 2014.

Group exhibition: Art show featuring sculptures, miniatures starts

By Hassan Naqvi / Photo: Hassan Naqvi

Published: September 17, 2014

LAHORE: Group art show, Dear Reality, featuring sculptures and miniatures started at the Taseer Art Gallery on Monday.

Fourteen pieces by Shahzad Ali, Raza Bukhari and Idrees Hanif made using resin, fiberglass painted with mud, carpet, archival print, engraving on zinc plate, wood and mixed media are displayed.

Zaineb Siddiqui, curator at the Gallery, told *The Express Tribune* the title of the show hints at paradoxical implications.

“On one hand, it can be read as a whimsical address to a complex phenomenon as a living being; on the other, it highlights the dearness and preciousness of reality itself. The work on display talks about the duality of concepts that we engage with in everyday life, be it images from popular culture, homely ornate decorations or functional objects.”

Sculptor Shahzad Ali said, “Each structure has its foundation based on its past. The possibility of the former influencing the latter is rather undeniable. The strength of my work draws from a traditional ornamentation production house. An expertise, passed onto from father to son; it is an experience of space, modifying the substance for storage.”

Sculptor Idrees Hanif said he was interested in manipulating objects to evoke personal experience, fuse the relationship between art and life, reality and invention.

Raza Bukhari said his work spoke about the power of religion in the contemporary world and how it had been used and manipulated accordingly.

“The Islamic patterns used in my paintings symbolise Islam, and the unfinished and blurred ones represent the molded religion created by people, in the present society. I was brought up in Iran,” said Bukhari.

“In The Simpsons series, I have tried to use some irony, depicting reality in a lighter and funnier way. A harsh reality curtained behind these funny images.”

He said the pieces titled New Born was a diptych.

The two pieces differ in their material and talk about orientalism. I have experimented and explored different mediums like photo transfer, gouache on vasli, digital and archival prints, metal, and each one speaks its own language. Likewise, the triptych carpet series show the change of meaning just by the substitution of the material used,” he said.

The show will continue until September 19.

Public order: 29 PTI workers released

By Our Correspondent

Published: September 17, 2014

LAHORE:

A judicial magistrate from Model Town Courts on Tuesday released 29 Pakistan Tehreek-i-Insaf (PTI) activists accused of jeopardising public order after they furnished bonds worth Rs100,000 each.

The magistrate had granted arrest bails to 35 detained activists earlier. Out of the 64 activists, only 27 were able to submit their bonds. The rest were unable to furnish their bonds despite being granted bail. Those whose bonds had been submitted were sent to jail after court employees had prepared their robkars.

The PTI’s counsel had argued on Tuesday that the people were not involved in any illegal or unconstitutional activities. He said the police were intimidating them to stop them from staging a protest demonstration. The counsel said the government was harassing them.

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Harsh punishment: YDA wants FIRs against doctors in Vehari withdrawn

By Our Correspondent

Published: September 17, 2014

LAHORE:

Young Doctors' Association Punjab has asked the provincial government to withdraw a case against doctors accused of negligence in Vehari.

The case was registered after eight infants died due to lack of oxygen in incubators at the district headquarters hospital in Vehari.

YDA officials at a press conference at the Services Hospital on Tuesday said that what had happened was unfortunate but it was a result of system failure.

Registering a murder case against doctors for it was unfair, they said. YDA office bearers said, "We have written to the government several times about the terrible conditions we work under... the government does not take action... but when an incident like this takes place, doctors are made the scapegoat."

They said five teams of YDA doctors were working in flood-hit areas.

Published in The Express Tribune, September 17th, 2014.

Seasonal epidemic : Five dengue fever patients reported

By Our Correspondent

Published: September 17, 2014

LAHORE: Five people were diagnosed with dengue fever on Monday-Tuesday. The number of patients in Punjab this year is now 58. Four-year old Iqra tested positive for dengue fever at Shaikh Zayed Hospital, eight-year-old Omar was diagnosed with the fever at Children's Hospital Lahore, 35-year-old Asifa Bibi, one-year-old Aqeela and 22-year-old Shahbaz tested positive at the Holy Family Hospital Rawalpindi.

Published in The Express Tribune, September 17th, 2014.

Lording over: Case sought against ‘local Gulu Butt’

By Our Correspondent

Published: September 17, 2014

LAHORE: An additional district and sessions judge on Tuesday sought comments from the Nishtar Colony station house officer (SHO) by September 24 regarding a petition seeking the registration of a case against a local goon. Kashif, the petitioner, said Imtiaz had opened indiscriminate firing outside his house to intimidate the family as his brother was politically affiliated with the Pakistan Tehreek-i-Insaf (PTI) and represented minorities. He said he held a grudge against them since they sympathised with the PTI. Kashif said he suspected that Imtiaz was a Pakistan Muslim League-Nawaz (PML-N) member and accused him of ‘following in the footsteps of Gullu Butt.’ He said he had approached the SHO but he did not heed to his request. Kashif requested the court to direct the official to register a case against the SHO against the culprit.

Published in The Express Tribune, September 17th, 2014.

Rectifying measure: Three constables dismissed

By Our Correspondent

Published: September 17, 2014

LAHORE: Security Superintendent Malik Liaquat on Tuesday dismissed three constables for failing to report to duty over a long period. Liaquat dismissed Muhammad Iftikhar, Mubashir Ali and Qaiser Abbas during a meeting at his office. Seven other constables were present on the occasion. The SP instructed them to ensure that they report to work routinely. He directed them to discharge their duties competently. Liaquat directed them to leave no stone unturned to curb crime. He said zero tolerance would be shown towards officials guilty of lax behavior.

Published in The Express Tribune, September 17th, 2014.

PTI, PAT Petitions: Secy, DCO given two days to decide pleas

By Our Correspondent

Published: September 17, 2014

LAHORE:

Lahore High Court on Tuesday forwarded all applications by the Pakistan Awami Tehreek (PAT) and the Pakistan Tehreek i Insaf (PTI) to the Punjab home secretary and the district coordination officer and given them two days to decide them.

Justice James Joseph directed the secretary to submit a report at the next hearing.

Counsel for the petitioners said the government was taking the decision to detain PAT and PTI political activists seriously. He said most of those detained hailed from areas in Punjab that had been badly hit by the recent floods. He requested the court to direct the government to release them.

Counsel for the government opposed his arguments and said the petition had been moved in court without contacting the Home secretary and the Lahore district coordination officer and were therefore non-maintainable.

Separately, Justice Arshad Mehmood Tabbasum of the LHC sought comments from the inspector general on September 22 regarding a petition challenging the detention of PTI and PAT workers on political grounds.

A full bench of the court comprising Justice Mehmood Ahmad Bhatti, Justice Arshad Mehmood Tabbasum and Justice Chaudhry Masood Jahangir had earlier restrained the government from detaining PTI and PAT activists.

Published in The Express Tribune, September 17th, 2014.

Political impasse: ‘Government’s writ ceases to exist in Islamabad by nightfall’

By Our Correspondent

Published: September 17, 2014

LAHORE: Jamaat-i-Islami Ameer Sirajul Haq said on Tuesday that writ of the government prevailed in Islamabad only during the day as the capital happened to be in the grip of the Pakistan Awami Tehreek (PAT) and the Pakistan Tehreek i Insaf (PTI) sit-ins by nightfall.

He was speaking to journalists in Mansoor. Haq said the two parties and the government should forsake their egos to preserve national unity and safeguard democracy and the Constitution. He said past governments had always ignored matters of national importance till they became acute.

Haq said the onus for the current situation rested with the government's apathetic handling of the June 17 Model Town violence and allegations of electoral rigging in the last general elections. He said the jirga had succeeded in bringing stakeholders to the negotiation table. Haq said the government and the opposition had held 37 rounds of negotiations after the jirga was convened. He said all political parties had united to preserve democracy for the first time in the political history of Pakistan. Haq said the jirga had been convened with their consent.

He said it had succeeded in breaking the political deadlock. Haq said the jirga would continue till the crisis had been resolved. He said democracy and politics would be held captive if the recommendations of the jirga were disregarded. He said political crises would not emerge if every state institution worked in their ambit.

Haq said Western powers were conspiring to destabilise Pakistan. He said they wanted it to become like Iraq, Syria, Libya and Afghanistan.

Haq said the JJ's stance on the Kalabagh Dam was congruent with that of the nation. He said flood-control measures were taken across the world and Pakistan should follow suit too. Haq said the government had failed to prevent the public from recurring floods and had not constructed dams. He said this had resulted in havoc.

Haq said the party and the Al-Khidmat were striving to alleviate the problems confronting those affected.

Published in The Express Tribune, September 17th, 2014.

Together we can: University students can help govt in relief efforts

By Our Correspondent

Published: September 17, 2014

LAHORE: University students could be asked to volunteer in rehabilitation efforts and conducting surveys, Finance Secretary Jehanzeb Khan told participants at a meeting on Tuesday. He was addressing a three-member delegation of the World Health Organisation.

Health DG Dr Zahid Pervaiz said the Health Department had asked the WHO to provide emergency health kits, diarrhoea kits, water purification tablets, anti-snake venom, anti-rabies vaccine, primaquine tablets to treat malaria and rapid diagnostic kits to aid early diagnosis. The finance secretary urged the WHO to gather international and local NGOs on one platform for a rehabilitation campaign. Participants agreed to these proposals and decided to evolve a strategy to involve university students in the government's rehabilitation activities.

Published in The Express Tribune, September 17th, 2014.

Model town violence: Hearing of case against policemen adjourned

By Our Correspondent

Published: September 17, 2014

LAHORE:

An anti-terrorism court on Tuesday adjourned till September 24 the hearing of a case against three policemen accused of firing on protesters during the June 17 Model Town clashes.

The incident claimed the lives of 14 people. The hearing was adjourned as the counsels were absent. The police had submitted a challan against the accused in an earlier hearing. They include Sabzazar Station House Officer Amin Saleem, Elite Force Sub-Inspector Azhar Mehmood and another police official. They had been earlier sent on a judicial remand after the police had informed the court the investigation against them had concluded.

Published in The Express Tribune, September 17th, 2014.

OPEN MARKET FOREX RATES

Updated at: 17/9/2014 7:27 AM (PST)

Currency	Buying	Selling
Australian Dollar	92.1	92.35
Bahrain Dinar	270	270.25
Canadian Dollar	92.3	92.55
China Yuan	16.4	16.55
Danish Krone	17.45	17.6
Euro	132.5	132.75
Hong Kong Dollar	13.1	13.2
Indian Rupee	1.66	1.68
Japanese Yen	0.96	1.06
Kuwaiti Dinar	356	356.25
Malaysian Ringgit	31.6	31.85
NewZealand \$	83.25	83.5
Norwegians Krone	15.9	16.05
Omani Riyal	264.75	265
Qatari Riyal	27.5	27.75
Saudi Riyal	27.25	27.5
Singapore Dollar	80.75	81
Swedish Korona	14.2	14.35
Swiss Franc	109.1	109.35
Thai Bhat	3.15	3.17
U.A.E Dirham	27.85	28.1
UK Pound Sterling	165.5	165.75
US Dollar	102.6	102.85





INTER BANK RATES

Updated at: 17/9/2014 7:27 AM (PST)

Currency	Bank Buying TT Clean	Bank Selling TT & OD
Australian Dollar	92.56	92.74
Canadian Dollar	92.7	92.88
Danish Krone	17.82	17.86
Euro	132.68	132.93
Hong Kong Dollar	13.22	13.25
Japanese Yen	0.9566	0.9585
Saudi Riyal	27.33	27.38
Singapore Dollar	81.19	81.35
Swedish Korona	14.42	14.45
Swiss Franc	109.68	109.89
U.A.E Dirham	27.91	27.96
UK Pound Sterling	166.32	166.64
US Dollar	102.5	102.7

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

As on Wed, Sep 17 2014, 03:45 GMT

Metal	Symbol	PKR for 10 Gm	PKR for 1 Tola	PKR for 1 Ounce	
Gold 24K	XAU	40,837	47,582	127,020	
Palladium	XPD	27,783	32,371	86,415	
Platinum	XPT	45,146	52,603	140,423	
Silver	XAG	618	721	1,924	

Gold Rates in other Major Currencies

Currency	Symbol	10 Gm	1 Tola	1 Ounce	
 Australian Dollar	AUD	438	511	1,364	
 Canadian Dollar	CAD	437	509	1,358	
 Euro	EUR	307	358	955	
 Japanese Yen	JPY	42,627	49,668	132,588	
 U.A.E Dirham	AED	1,461	1,702	4,545	
 UK Pound Sterling	GBP	245	285	761	
 US Dollar	USD	398	464	1,237	

* 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 16, 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	41,057	47,900	37,635	35,925	634
Lahore	41,057	47,900	37,635	35,925	634
Multan	41,057	47,900	37,635	35,925	634
Faisalabad	41,057	47,900	37,635	35,925	634
Rawalpindi	41,057	47,900	37,635	35,925	634
Hyderabad	41,057	47,900	37,635	35,925	634
Gujranwala	41,057	47,900	37,635	35,925	634
Peshawar	41,057	47,900	37,635	35,925	634
Quetta	41,057	47,900	37,635	35,925	634
Islamabad	41,057	47,900	37,635	35,925	634
Sargodha	41,057	47,900	37,635	35,925	634

Source: Karachi Saraf.