

PAK LAW PUBLICATION

NEWS

UPDATES

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THE DAY

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Top Stories

A step back from the brink

September 04, 2014

ZAHEER ABBASI & NAVEED BUTT

Pakistan Tahreek-e-Insaaf (PTI) vice chairman Shah Mehmood Qureshi categorically stated that his party "never was and never will be part of any grand plan to undermine democracy" as it believes in resolving prevailing political crisis through a dialogue. Prime Minister Nawaz Sharif preferred to stay away from the House when the floor was given to Shah Memhood Qureshi.

-- Qureshi causes quite a stir;

-- PTI struggles to distance itself from Qadri;

-- Khursheed terms PTI MNAs' presence 'victory of parliament', takes a jibe on Fazl for showing 'double standards', asks govt MPs that they must not act as Porus's elephant cavalry;

-- ANP Senator sees conspiracy against 18th Amendment;

-- MQM hints at quitting assemblies, jeopardising efforts at crisis resolution

Qureshi denied that PTI is acting on any signal and stated they are making sincere efforts towards improving the electoral system and also requested other political parties to join their struggle. He further stated he is in the house to explain his party's viewpoint on the current situation and recounted various rounds of govt-PTI talks to resolve the impasse. He said that an understanding was reached between the two sides on "five and half points" and disagreement was on the resignation of Prime Minister.

Qureshi further stated that Imran Khan's struggle is not for himself or his party but for the future of the country. He added that it will be the failure of not an individual or a party but of all the political parties if they do not demonstrate required political maturity at this critical juncture that can turn the country either towards stability or grave turmoil.

Vice Chairman of PTI stated that after the 1970 election none of the elections was held in a transparent manner and 'blue-eyed' of the establishment were brought into power. Everyone knows about the forces behind formation of Islami Jamhoori Ittehad (IJI), he said adding that Asghar Khan can unveil many names of 'real democrats'.

Qureshi said his party has great respect for Parliament and its workers cannot even think of disrespecting it, negating an impression about his party. He said that every party including PTI has complained about massive vote rigging in the 2013 election. Shah Mehmood said his party Chairman stated soon after the 2013 elections that if a vote audit in four constituencies was not carried out it would take to the streets as it strongly believed that the desired transparency in the election was missing. He said that an impression was also being created that PTI was responsible

for 'third party' intervention which was totally baseless as Article 245 was invoked by the federal government despite opposition to its invocation by all parties. He accused the government of inviting 'third party' (Army) for mediation to resolve the political crisis, which he stated was also a violation of the Charter of Democracy (CoD).

He said an impression was being created that there was a grand plan to undermine democracy and PTI was part of it, saying that "PTI never was and never will be part of any grand plan to undermine democracy". He said he had requested Pakistan Awami Tehreek (PAT) chief not to move towards the Parliament because his party considered it as "Political Kaaba". "All I could do was to request them and when they entered the premises of Parliament after teargas shelling by police to protect themselves, I requested them to leave the premises," he said adding that his party's parliamentarians were identified and targeted by the Islamabad and Punjab police. Qureshi stated that PTI believed in peaceful struggle and remained peaceful throughout the 'Azadi March' from Lahore to Islamabad. Leader of Opposition in the National Assembly Syed Khursheed Ahmed Shah said that the Parliament turned out to be victorious in the prevailing political crisis, asking that the Pakistan Muslim League-Nawaz (PML-N) Parliamentarians not play the role of Porus's elephant cavalry to gains made so far.

The Opposition Leader expressed these views when the PML-N Parliamentarians welcomed the Pakistan Tehrik-e-Insaf MNAs with shouts of 'shame, shame and interrupted PTI vice chairman Shah Mehmood Qureshi's speech with such slogans. Pointing towards the ministers of PML-N, Opposition Leader said "being emotional cannot lead to success and ultimately patience and tolerance stand victorious. They should demonstrate tolerance and patience because conspiracy is being hatched against the democratic system."

Buoyed by the political parties' unanimous support to democracy during the joint sitting of Parliament Khursheed Ahmed Shah said "I am happy as I feel parliament stands victorious". He said: "The PPP had asked the PML-N government to let the 'Long March' of PTI enter Islamabad and stop the Pakistan Awami Tehreek (PAT) because it is not a political party."

In response to Maulana Fazlur Rehman's question to the Speaker, "whether PTI members have any right to speak on the floor of the House, or they are strangers in the House as PTI members have tendered their resignations, the Opposition Leader said that there should be no double standards in the House. "We on one hand have allowed and welcomed Javed Hashmi, who has also submitted his resignation to take the floor while on the other hand we are not ready to allow the PTI members to enter and speak on the floor of the House.

He said that Maulana Fazlur Rehman is a senior politician and he should not resort to double standards.

The Opposition Leader said: "it is a success of the united parliament that clear cracks could be seen in the ranks of both the political parties [PTI, PAT]." Syed Khursheed Shah requested the Speaker to allow the PTI Vice-Chairman Shah Mehmood Qureshi to speak in the House. He said the decision was in accordance with democratic norms and constitution.

He said the opposition parties have formed a 'political jirga' with a view to bringing the PTI back to the House after weaning it away from the PAT. He said the return of the PTI to the House is a victory of the government, the parliament and the constitution and we should not miss this opportunity to resolve the political stalemate. He, however, warned that conspiracy is still there

and political leaders will have to demonstrate patience to come out of the current political crisis.

He said that Nawaz Sharif has emerged as a powerful Prime Minister and a great leader because of the patience demonstrated by him in the last couple of weeks. Maulana Fazlur Rehman said that the PTI Vice-Chairman should not be allowed to speak in the House when the party members have already submitted their resignations. He said PTI and PAT are pursuing the same agenda and their leaders have also publically declared their association with each other. He said the PTI members tendered their resignation to weaken the parliament but their plot failed due to unity shown by the other political parties.

Speaker Sardar Ayaz Sadiq clarified that he allowed Shah Mahmood Qureshi to speak on the floor of the House on the request of the Opposition and treasury members. He said that the opposition and treasury members came to his chamber and requested him to allow the PTI members to speak on the floor of the House. He said an FIR has also been registered against PTI and PAT for storming and occupying the lawns of the parliament by the protesters.

Earlier, Senator Zahid Khan of Awami National Party (ANP) said all political parties have put their weight behind the government for the sake of democracy and supremacy of constitution. He said that establishment has not accepted the 18th Constitutional Amendment. He said that conspiracy is being hatched against the 18th Constitutional Amendment.

He said the Prime Minister must not resign under any pressure as it will be a contempt of the parliament and 180 million people. Mir Hasil Bizenjo said it was a democratic attitude of the government and the opposition parties which allowed the protesting parties to stage their sit-ins in the federal capital. He said that China wants to invest \$34 billion in the country and these protests and sit-ins are against the interests of Pakistan.

Aftab Ahmed Sherpao condemned the assault of protesters on the Parliament. He said that PTI should furnish proof of vote rigging and then make a demand for the Prime Minister's resignation. Mahmood Khan Achakzai said the joint sitting should pass a resolution against the attacks on parliament and PTV. He said the resolution should also carry the signatures of the PTI MNAs as they have disassociated themselves from these attacks.

Abdul Nabi Bangash of ANP said PTI and PAT are the two sides of the same coin and both are responsible for assault on the Parliament. Sahibzada Tariqullah said the whole house is united, hence the Prime Minister should not tender resignation.

PPI adds: In a major development, Muttahida Qaumi Movement (MQM) legislators on Wednesday submitted their resignations at party's headquarters Nine Zero, after MQM Chief Altaf Hussain asked them to submit their resignations to deputy convenor Dr Nusrat Shaukat. According to MQM sources, the party representatives in National Assembly, Senate and Sindh Assembly have submitted their resignations. MQM has 25 seats in the National Assembly, seven seats in Senate and 51 seats in the Sindh Assembly.

In a statement issued on Wednesday, the MQM Chief said that these assemblies had failed to resolve public issues. He termed the current session of the parliament a "drama". Meanwhile, MQM postponed its general workers meeting, convened by its Chief Altaf Hussain on Wednesday, to Thursday (today). The MQM chief convened a session of its members and activists of sectors and units who have been cleared of any blame at Lal Qila Ground to

announce an important decision. Altaf Hussain said that on the one hand, he was in a state of grief and worried over the current delicate situation of the country while on the other hand he was annoyed with the irresponsible and selfish behaviour of some party leaders.

He said that he would present details of party leaders' behavior in front of the party activists with the request to relieve him from responsibility of party leadership. Meanwhile, hundreds of party activists gathered at La Qila ground to listen to MQM chief's speech but later it was announced that the general workers meeting was postponed to today. According to MQM spokesman, the general workers meeting was postponed for Thursday; however, no reasons were given for the delay.

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Supreme Court seeks suggestions for judicial way out

September 04, 2014

KHUDAYAR MOHLA

Hearing a plea against anti-government marchers, a five-member larger bench of Chief Justice Nasirul Mulk on Wednesday sought by Thursday (today) suggestions from all parliamentary parties for a judicial way out of the ongoing political impasse. The bench asked Attorney General for Pakistan (AGP) Salman Aslam Butt to submit details pertaining to losses to national kitty, public property, fatalities, and expenditure incurred to maintain law and order situation as a result of the two sit-ins.

The court also remarked that the government should proceed against those taking the law into their hands. On September 2, the Supreme Court issued notices to all parliamentary parties and Pakistan Awami Tehreek (PAT) in response to a petition of Shafqat Bhatti, President High Court Bar Association Rawalpindi Bench, making all the parliamentary parties and PAT respondents. The petitioner had sought court's intervention to play its constitutional role to address the prevailing political unrest in the country.

From the outset of the hearing, Barrister Aitzaz Ahsan, the counsel for Pakistan People's Party (PPP) and Jamaat-e-Islami (JI), requested the bench to pass an order to vacate the area from protesters, saying the Parliament is as sacred as the Supreme Court. However, Chief Justice Nasirul Mulk said the Speaker of the National Assembly has the power to pass an order in this regard.

Representing Awami National Party (ANP) and Balochistan National Party Awami (BNP-A), Raza Rabbani pleaded that the federation is under threat due to ongoing political crisis. The PTI and PAT protesters are demanding the dissolution of all provincial assemblies, Rabbani said, and added that there is no implicit charge of rigging in provincial assemblies' elections.

Justice Asif Saeed Khan Khosa observed that the court should try to get to the root cause of ongoing protests saying, "election rigging is a very serious allegation levelled by a political party

that secured 7.6 million votes in the last general elections". Rabbani suggested that the apex court should ask Parliament for framing an appropriate legislation to constitute a judicial body to probe the alleged rigging.

Chairman Awami Muslim League (AML) Sheikh Rasheed contended that containers in the federal capital have added to the problems faced by the public and maintained that the protest is against vote rigging in the 2013 elections. Sheikh assured the bench that he is ready to play a role towards vacating parliament's lawn as well as Pakistan Secretariat from the possession of protesters.

The Chief Justice observed that as long as protesters were on Constitution Avenue there was no shelling or crackdown; he added that the court will summarise basic rights in the final verdict in the current matter. The Chief Justice asked the AML chief whether it is not the legal and moral responsibility of both protesting parties to seek permission from the federal government regarding their presence in Red Zone. He said that PTI chief Imran Khan got permission through a mobile message from Federal Interior Minister before protesters entered the Red Zone.

Justice Mian Saqib Nisar observed that Federal Board of Revenue, Federal Shariat Court, Election Commission of Pakistan and other government institutions have not been functioning for the last seven days, adding that as many as 80 percent of cases have been adjourned in the Supreme Court due to the ongoing protests. Justice Nisar observed that the protesters advance towards the Prime Minister's House turned the situation ugly while Justice Jawwad S Khawaja asked whether protesters thought the court would acquiesce to anarchy in the country. Issuing directives to all the parliamentary parties to submit a written reply in the instant matter on September 4 in the apex court, the bench adjourned hearing of the case till September 5.

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Gallup survey: 69 percent believe army not behind marchers

September 04, 2014

ABDUL RASHEED AZAD

Majority of those surveyed (64 percent) have supported the idea of resignation of Chief Minister Punjab, Shahbaz Sharif, if proven that he allowed the firing on the members of Minhaj-ul-Quran in the Model Town incident, says a Gallup Pakistan Survey released on August 28. Majority of those surveyed (66 percent) have rejected the demands of protesting opposition parties, i.e., Pakistan Tehreek-e-Insaf (PTI) and Pakistan Awami Tehreek (PAT) regarding the resignation of Prime Minister Nawaz Sharif.

In a nation-wide survey conducted by Gallup Pakistan respondents were asked whether Shahbaz Sharif should resign, if it is proven that he allowed the firing on the members of Minhaj-ul-Quran in the Model Town incident. Sixty-four percent respondents said he should resign while 36% said he should not resign. According to the survey, 66 percent people think Nawaz Sharif should not resign under the current political situation, while 33% said he should resign and 1%

did not respond, the survey said.

Sixty-one percent opposed the idea of dissolving parliament, while 37% said it should be dissolved and 2% did not respond. The number of respondents was 2394 nationwide with an error margin of plus/minus 5 percent. On the question of rigging, the 2013 election majority (51 percent) of the people rejected that elections were rigged, while 49 per consider rigging took place and only 32 percent believe that the mandate has been stolen. An overwhelming majority of people (72 percent) has stated that the protesting parties should wait for the findings of the judicial commission before demanding resignations of prime minister and chief minister of Punjab; 25 percent believe Imran Khan would have been the Prime Minister if elections were not rigged. Majority of the people (63 percent) believes that the main aim of Imran Khan's protest campaign is to become prime minister, 14 percent believe the objective is electoral reforms while 22 percent believe the object is to eliminate bribery and corruption. An overwhelming majority (72 percent) of people has supported the idea of putting behind PAT chief Dr Tahir-ul-Qadri bars, 36 percent were of the opinion that Qadri was completely untrustworthy, 14 percent consider him very untrustworthy, 26 percent somewhat trustworthy while only 24 percent consider Qadri as trustworthy.

The survey found that 33 percent of the people think Nawaz Sharif's royal style and no co-ordination with other political parties as the main cause of current political crisis, 12 percent think it is corruption, while 26 percent term rigging in the 2013 elections as the reason. The majority of people (69 percent) was of the opinion that the army was not behind the marchers.

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US underscores need for dialogue

September 04, 2014

The United States has been closely monitoring the situation in Pakistan and in touch with appropriate counterparts there. US State Department Spokesperson Jen Psaki in a briefing on Tuesday said, "The United States is in contact with the Pakistani government but not involved in any sort of internal political decision pertaining to the ongoing protest, and it was not a part of the negotiation process at all."

Psaki reiterated that the US was in no way involved in the process or discussions between the parties and believed that the parties should work together to resolve differences through peaceful dialogue and ways to strengthen Pakistan's democracy and rule of law. She added that all the political parties should come to a political solution in co-operation with each other, and should work towards strengthening the foundations of democracy and rule of law. The spokesperson refused to respond when asked if the US will oppose any means to change the government through violent means and said she had nothing to add to what she said earlier.

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PPP won't countenance use of force: Zardari

September 04, 2014

Pakistan People's Party (PPP) would not accept the use of force on participants of protests of Pakistan Tehreek-e-Insaf (PTI) and Pakistan Awami Tehreek (PAT) parliament at any cost. PPP parliamentary party meeting chaired by former President and Co-Chairperson of the party Asif Ali Zardari stated the country is facing a serious political crisis. It underlined the need that both the PML-N government and PTI/PAT must find a middle way within the ambit constitution to resolve the prevailing political crisis.

Information Secretary Qamar Zaman Kaira told media persons that PPP wants the issue to be resolved before Chinese President Xi Jinping's visit to Pakistan. He added that China is a very good friend of Pakistan. He said that Asif Zardari has directed the former Interior Minister Rehman Malik to get in touch with all the political parties and play a role on behalf of the party to help resolve the political stalemate. He said that former President has already met Prime Minister Nawaz Sharif and the Chaudhary brothers as well as Jamiat-e-Islami Ameer Sirajul Haq in this regard.

The former information minister also denied the allegation of Dr Tahirul-Qadri against PPP and stated that opposition leader in the National Assembly Syed Khursheed Shah is a highly respectable for the party and an asset and if "you are angry with Khursheed Shah you must not take the issue too far". He said that PPP is like a family and Qadri should not have make a vitriolic attack on him. According to him, Imran and Qadri have achieved a victory and if they are able to rectify the electoral system it will be a great service to the country. Kaira said Shaheed Zulifqar Ali Bhutto has given constitution to the country, which is symbol of federation.

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Zardari arrives in Islamabad, speaks to Prime Minister

September 04, 2014

Pakistan People's Party (PPP) co-chairman, Asif Ali Zardari arrived here on Wednesday here from Karachi and contacted through phone with Prime Minister Nawaz Sharif, requesting him to find out ways and means to bring to an end the prevailing political deadlock. According to sources, PPP co-chairman Asif Ali Zardari has further intensified his efforts to safeguard democracy since political stand-off continued to persist despite all-out efforts of political parties.

Meanwhile, Senator Rehman Malik also briefed PPP co-chairman about the outcome of his meeting with Pakistan Tehreek-e-Insaf (PTI) chairman Imran Khan and Pakistan Awami Tehreek (PAT) chief Dr. Tahrul Qadri.

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Imran issues stern warning to complacent workers

September 04, 2014

FAZAL SHER, ZULFIQAR AHMAD & WAQAR LILLAHA

"Your victory is right around the corner. Never give up. This is the test for the tigers of PTI. Those who did become hero in talks are about to be wiped out, making it easier for us to pick up the real tigers to serve Pakistan," chairman Pakistan Tehreek-e-Insaf (PTI) Imran Khan told his workers on the 20th day of his protest on Wednesday.

Standing atop a shipping container, Imran put his party workers to test, categorically stating only those who succeeded showing their nettle during this movement will be awarded. "Don't think I make speeches and walk away. No. I keep a vigilant eye on each one of you. The party has been divided into two groups - the one that perseveres despite all odds bad weather, tear gas shelling, police baton charge and other hardships while the opportunist group comprises those who have nothing to contribute except tall talks; they have also been identified," he maintained. He said the 'real tigers' who made this movement a success will be given tickets as they are the ideological workers.

"Those who want to serve the nation and become part of the PTI this is time for them to come forward with commitment and bring with them as much people as they can. This is a movement to secure the future of Pakistan and break the shackles of status quo," he added.

Imran said that the number of people who believe in status quo is hardly 500, adding the 'PTI tsunami' has made their nights restless, forcing them to conspire against us as we want to make Pakistan a truly democratic and welfare state as envisioned by the Quaid-e-Azam. "The real blood suckers are no more than a few hundreds. Some of them claim to be religious persons of high stature, some pretend to be secular and progressive but the reality is that they all are exploiters and befool people in the name of democracy," he lamented. The MPs who are venting venom as much as they can in bid to get the blessings of Nawaz Sharif in return by defending his illegitimate rule, Imran added, are dubious to core and afraid of ruthless accountability as PTI is not going to spare them for their corruptions.

He said that is Pakistani society has been divided into two groups - on the one hand there are people who want to eradicate the existing corrupt system while on the other hand there is a corrupt mindset like Nawaz Sharif who wants to perpetuate the status quo.

He said an incompetent and illegitimate government of Nawaz Sharif has destroyed the bureaucracy and the police by using them for its own political gains. Within a short span of time, he added, three IGs were changed in Islamabad in a short span of time - a move which speaks volume of government's incompetence. Responding to government's claim that protesters will spoil the image of the country as Chinese President Xi Jinping will be arriving here on an official visit to Pakistan, he said his party would give a historic welcome to the Chinese President as China is a role model.

Qadri hits out at Khursheed's anti-PAT remarks

September 04, 2014

In a tit-for-tat response to opposition leader in National Assembly Syed Khursheed Shah for describing Pakistan Awami Tehreek (PAT) as an undemocratic entity, Dr Tahirul Qadri Wednesday warned PPP co-chairman to "rein him in a bit; otherwise things would become much bitter." Referring to Khursheed Shah's speech in a joint session of parliament, Qadri said: "With due apology to Mr Zardari and other senior leaders like Aitzaz, I would like to say that they must shut his [Shah] mouth or else I've too much to say as I've just picked up one grain of rice from the cooker".

The criticism from opposition leader came as shock to PAT chief who in his strongly-worded speech plainly warned Shah: "Mr Shah, how dare you call PAT an undemocratic entity. Just shut your mouth or this matter will have far-reaching effects which will be difficult to handle".

Terming the opposition leader a 'covert terrorist', he accused him of patronising terrorist groups in Sindh. "Shah is bullying PAT to get sympathy of Prime Minister Nawaz Sharif so that he can shield massive corruption cases pending with NAB ," he alleged. "Before levelling any allegation on PAT Shah must know it was PPP that disintegrated Pakistan by refusing to accept a clear majority of Sheikh Mujeeb Rehman and instead told him [Mujeeb] that 'we will rule here and you there'. This is your history and now you call me undemocratic," Qadri retorted.

He claimed that the late Benazir Bhutto was a life-time member of Minhaj-ul-Quran International - a charitable organisation run by Qadri. He recalled that after the martyrdom of Benazir, Asif Ali Zardari telephoned him after taking over as president, telling him that the life-time membership certificate of Minhaj-ul-Quran bearing his signature was still on display in Bilawal House.

He continued that he was the first president of Pakistan Awami Etihad and Benizar Bhutto struggled against the then corrupt regime of Nawaz Sharif under his chairmanship. Qadri also took a jibe on Pakhtunkhawa Milli Awami Party (PkMAP) leader Mehmood Khan Achakzai, who has also been ridiculing the PAT-PTI leadership for staging anti-government sit-ins.

He said a 'chadar-clad' Achakzai has suddenly emerged as the most democratic politician, completely forgetting his past track record of 'anti-Pakistan activities.' "What can I say about the chadar-clad saviour of democracy...when Quaid-e-Azam's residency in Ziarat (Balochistan) was attacked, he was the man who celebrated that attack saying a symbol of colonial power has been erased. This is your real face so stop teaching me patriotism as I'm a true Pakistani and not a traitor," Qadri lambasted the nationalist politician by repeatedly accusing him of taking anti-army and anti-Pakistan stance.

He said that scores of Achkzai's close relatives are enjoying lucrative positions in Balochistan while his brother is occupying the coveted position of governor Balochistan. Qadri reiterated that

the attack on Pakistan Television (PTV) building was orchestrated by a 'kitchen cabinet' of PML-N through their "Gullu Butts" and Pervez Rashid, Khwaja Asif and Saad Rafique were the main architects of 'dirty game' to blackmail peaceful PAT-PTI protesters.

"I solemnly said Tuesday we did not attack the PTV. We did not ask anyone to enter the building. We don't even recognise the faces of those who barged into PTV building and above all I'd no idea where the PTV building is located," he maintained. Qadri questioned why those mentioned in the Model Town FIR had not been arrested so far. He demanded that all accused people nominated in the FIR should be arrested as per law and their names should be placed on ECL so they could not escape the country.

"A judicial commission has given a report through which it held Punjab Chief Minister Shahbaz Sharif responsible for the Model Town killings. Why the judicial commission report has not been made public," he asked. Qadri asked his workers to vacate the premises of Parliament lawns which they have been camping since Saturday last. "All those people who are camping inside the Parliament House lawns will move outside the building by tomorrow as ordered by the Chief Justice of Pakistan and not by the government," he declared.

Qadri vowed that he would stay in the federal capital till the resignations of the Sharif brothers. He said that he would stand hand in hand with PTI chairman Imran Khan as they are fighting for a common cause, i.e., restoration of real democracy in the country. He urged the people of twin cities of Islamabad/Rawalpindi to help their brethren who are fighting for the future of Pakistan. "Come forward and strengthen the hands of protesters. Send blankets, medicines, toys for children, tents, food and whatever you can as we are not going to disperse till the resignation of Nawaz Sharif," he added.

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WEF improves Pakistan's competitiveness ranking

September 04, 2014

Pakistan has been ranked at 129 out of the 144 economies around the world in the World Economic Forum's (WEF) Global Competitiveness Report (GCR) 2014 - 2015, released on September 3 (Wednesday) 2014 in Geneva. "Securing 129th rank among 144 Economies around the world, Pakistan improves 4 ranks as compared to 2013," says a statement/report of the Forum issued here Mishal Pakistan, the country partner institute of the Center for Global Competitiveness and Benchmarking Networks of the World Economic Forum (WEF).

Established in 2003, Mishal has been engaged with key stakeholders in Pakistan to improve the state of competitiveness and media through good governance initiatives and by creating appreciation for data journalism. The Global Competitiveness Report 2014-2015 assesses the competitiveness landscape of 144 economies, providing insight into the drivers of their productivity, innovation and prosperity.

"Although Pakistan has shown slight improvements on the Global Competitiveness Index, it is

still passing through a difficult time", said Amir Jahangir, Chief Executive Officer of Mishal Pakistan, the country partner institute of the Global Competitiveness and Benchmarking Network of the World Economic Forum. "Pakistan is facing serious challenges on the economic management side that "Pakistan needs to make competitiveness as part of its growth and stabilisation strategy for sustainable development across all factors of economy," Jahangir said.

This year report consists of three main indexes and 12 pillars. Among 144 economies, Pakistan ranked in basic requirements at 142, in efficiency enhancers at 104 and in innovation and sophistication factors ranked at 78. All the 12 pillars included into the report ranks Pakistan as follows: Institutions are ranked at 123, infrastructure at 121, macroeconomic environment at 145, health and primary education at 128, higher education and training at 129, goods market efficiency at 103, labour market efficiency at 138, financial market development at 67, technological readiness at 118, market size at 30, business sophistication at 85 and innovation at 77.

After two consecutive years of steep decline, Pakistan (129th) remains essentially stable since last year. The country obtains low marks in the most critical and basic areas of competitiveness. Thanks to a lower inflation rate and a smaller budget deficit, the country's macroeconomic situation improves slightly but nevertheless remains dismissal (137th).

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Policy framework for unutilised gas: Ministry to seek ECC approval

September 04, 2014

MUSHTAQ GHUMMAN

Ministry of Petroleum and Natural Resources is to seek approval of a policy framework for utilisation of unutilised gas from the Economic Co-ordination Committee (ECC) of the Cabinet after the latter refused to clear a proposal for allocation of 50MMCFD gas for a 50MW power plant, well informed source told *Business Recorder*.

M/s PPL with a 65 percent working interest along with its joint venture partners Government Holding(Pvt.) Ltd(GHPL) and Asia Resources Oil Ltd(AROL) with a 25 percent and 10 percent working interests, respectively, discovered gas in Wafiq X-I and Shahdad X-I wells in the said block. Both the wells were under Extended Well Testing (EWT) phase during which an estimated 30-60 MMCFD gas would be produced.

According to sources, pursuant to an ECC decision in Case No.ECC-153/19/2009 Ministry of Petroleum and Natural Resources on September 18, 2013 allocated about 30-60 MMCFD EWT gas from M/s PPL's Wafiq X-1 and Shahdad X-1 wells of Gambat South Block to M/s Sui Southern Gas Company Limited (SSGCL) and to M/S Sui Northern Gas Pipelines Limited (SNGPL) on an equal sharing basis through swap arrangements.

The gas discovered in Wafiq X-1 has a significant amount of Carbon Dioxide (25%) and

Nitrogen (18%) and it requires a custom-designed processing plant and flow lines of special metallurgy which were not readily available in the market. Setting up a processing plant to kick-off the EWT phase could take around 18-20 months. On August 15, 2014, ECC was informed that in order to bring the first gas online on a fast track, M/s PPL has come up with the request of allocation of 18 MMCFD (untreated/raw gas) EWT gas from their Wafiq X-1 well for setting up of a ± 50 MW power plant. M/s PPL have given a detailed working/viability of the said project and have stated that ± 50 MW power plant could be set-up on fast track within 8-10 months. M/s PPL would pursue the said project in parallel with setting up of gas processing facilities for sale of gas to SSGCL/SNGPL during the EWT phase.

It was further stated that post EWT phase, M/s PPL may review the option to continue power generation and set-up a permanent Combined Cycle Plant (CCPP) keeping in view the potential of existing discoveries to produce up to a plateau of 64 MMCFD for a period of 4 to 6 years. They maintained that the success of such a project would pave the way for other Exploration & Production (E&P) companies to follow.

The meeting was further briefed that in PPL's views it would be more viable to sell untreated gas for power generation as it would benefit from a higher NPV, IRR and an earlier payback and Government's take would also be 54% higher. Assuming PPL gets approval of power tariff from NEPRA in the range of 9-12 cent/Kwh, the operating lease option of power generation equipments would be more viable and result in low cost electricity generation and early magnetisation of discovered gas with an earlier payback of investment. While the circular debt risks can be avoided by option of selling gas to private purchasers like industrial zones/KESC/others via wheeling arrangement through NTDC "Payment via LC" clause can also be incorporated in PPA with the power purchaser in order to avert possible payment defaults.

It was explained that in addition to the above, M/s PPL foresees the following support from the Government in respect of flexibility in power policies: (i) a two-tiered licensing and tariff approval that permits PPL to operate a power plant on lease basis during the EWT phase and subsequently review to put up an IPP; (ii) fair returns during the EWT phase as well as where capital investment should be the bare minimum; and (iii) confirmed dispatch to the national grid and availability of transmission line up to the interconnection point of the plant.

Ministry of Petroleum and Natural Resources proposed that: (i) upto 18 MMCFD EWT gas from Wafiq X-1 may be allocated to M/s PPL for setting up a pilot project of ± 50 MW power plant on an operational lease basis subject to the flexibilities concurrence of Ministry of Water and Power/PPL; and (iii) Ministry of Petroleum and Natural Resources may be allowed to allocate unutilised gas for power sector projects during EWT period to the producers as a policy.

During discussion in the ECC it was pointed out that the proposal of Ministry of Petroleum and Natural Resources has sought relaxation in Petroleum Policy, 2009 which was approved by CCI and ECC of the Cabinet which was not the competent forum to relax the policy. The proposal was also outside the current policy. Moreover, views of PPIB, NEPRA and Law & Justice Division were required which have not been obtained. The transmission line to Shahdad Grid Station about 10 Kilometer away was also to be laid simultaneously for which Ministry of Water and Power has to submit PC-I of the project to Planning Commission for approval. The EWT gas can be offered through an open bidding process to third party. After a detailed discussion, the ECC decided that Ministry of Petroleum and Natural Resources may bring up a policy framework for utilisation of un-utilized gas till such time as it is connected to the main system.

Deadlock persists but negotiators optimistic

September 04, 2014

The second round of talks of government-nominated team with PTI and PAT negotiators failed to break deadlock. Sources told *Business Recorder* that negotiators headed by PPP trouble-shooter Senator Rehman Malik had to return empty handed as some fiery speeches by pro-government MPs in parliament had adversely impacted the atmosphere. The government along with its allies had questioned the democratic credentials of PAT in a joint parliament session on Wednesday.

They said the government team was plainly told by the enraged parties to show restraint if it was really keen to resolve the issue through talks. The sources privy to the development said the PAT negotiators made it clear to the negotiating team on behalf of the government that on the one hand PML-N claims that it has been making desperate efforts to find a political solution to crisis while on the other hand it is not ready to accept it as a political entity.

However, the meeting between Pakistan Tehreek-e-Insaf (PTI), Pakistan Awami Tehreek (PAT) and government remained inconclusive as no positive progress was made to resolve the ongoing anti-Nawaz Sharif sit-ins. PTI's committee headed by Shah Mehmmod Qureshi and PAT's committee led Rahiq Abbasi held separate meetings with government team in presence of a political jirga comprising of JI chief Siraj ul Haq, Rehman Malik and others.

Asad Umer, a member of PTI negotiating team, told reporters after their meeting with government committee that a positive development is expected as the meeting will take place on Thursday again with a renewed vigour. Ahsan Iqbal of PML-N said that speculations that talks made no progress can further damage the ongoing reconciliation process, adding there has been some progress as both sides are sincerity making efforts towards ending the stalemate.

Qureshi told media that PTI is ready to move forward in a positive direction. He said PTI has presented its stance before the political jirga and things are moving in a positive direction. Jamaat-e-Islami Ameer Siraj ul Haq said anytime, it seems there will be a positive outcome of talks soon. "We are hopeful that we will overcome the crisis," he said.

The JI Ameer also advised government ministers to refrain from making provocative speeches and arresting political workers. Rehman Malik said that Prime Minister Sharif should stop his ministers from making harsh statements. He noted that PTI leaders did not make any provocative statement. He praised Imran Khan for breaking the political deadlock.

Government insists polls were quite fair

September 04, 2014

Federal government has urged the leadership of Pakistan Tehreek-e-Insaf (PTI) and Pakistan Awami Tehreek (PAT) to end their sit-ins forthwith and play a constructive role in national politics. Federal Minister for Planning and Development Ahsan Iqbal, while addressing a press conference along with Minister for Information Technology Anusha Rehman, Minister of State Muhammad Zubair and Minister for Science and Technology Zahid Hamid, said that fairness of 2013 general elections had been acknowledged by all the neutral observers, including international.

Iqbal also urged Dr Tahir-ul-Qadri to shun "fascism" and talk about democracy, adding that continuation of the sit-ins would amount to sabotaging the forthcoming visit of the Chinese President. He said there is no substance in vote rigging allegations, because neutral observers declared 2013 general elections as free, fair and transparent.

He said it was ridiculous to say that the caretakers appointed by PPP Government paved the way for the victory of PML-N. Iqbal said for the first time Election Commission was appointed through a national consensus. About initial demand of the PTI for opening of four constituencies, he said it was within the powers of the Election Tribunals and not the Government. Referring to a complaint of Imran Khan that the process of disposal of election petitions was slow, Ahsan reminded him that he could not dispose of appeals against party elections in 18 months.

Ahsan also reminded him that if his allegations of massive rigging in elections were correct then why he filed petitions against only 50 out of one thousand constituencies. Ahsan said printing of ballot papers and their distribution was responsibility of Pakistan Army. Speaking on the occasion, Minister for Information Technology Anusha Rehman said that Imran Khan should pay his attention to resolve the problems of the province, where his party is in power. She said that the sit-ins have ignored the miseries of the IDPs.

Zahid Hamid, Minister for Science and Technology, said that an important tour of the Chinese President was scheduled during which agreements worth billions of dollars will be signed, but the sit-ins could also disturb this schedule. He said the government made all-out efforts to resolve the issue and it still wants a peaceful resolution of the present political impasse. He said the dialogue committee of the opposition is playing an important role, hoping that it will help resolve the issue.

Minister of State Muhammad Zubair said that a number of international organisations in their reports have described the fairness of the elections and victory of PML-N. He said the ratings of international survey organisations are also in favour of Muhammad Nawaz Sharif. He said Imran Khan is talking about rigging in the elections but he has failed to prove his allegations.

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910 terrorists killed since start of Zarb-e-Azb

September 04, 2014

Operation Zarb-e-Azb is progressing as per plan and since start of the operation 910 terrorists have been killed. According to ISPR statement, the 88-kilometer long Road, Khajuri-Mirali-Miranshah-Dattakhel and Road Ghariom-Jhallar have been cleared. So far security forces have cleared major towns of Miranshah, Mirali, Datta Khel, Boya and Degan, which were considered strong holds of terrorists. As many as 27 IEDs factories, one rocket and one ammunition factory have been recovered and destroyed.

Huge cache of arms and ammunition, communication equipment, and other logistics facilities, used by terrorists have been destroyed uprooting their ability to attack as a coherent force. 2,274 intelligence-led co-ordinated counter-terrorism operations have been carried out throughout the country to forestall any blow back of operation. 42 terrorists have been killed and 114 hardcore terrorists apprehended in these operations.

Since start of the operation, 82 soldiers have embraced Shahadat in entire country, while fighting against terrorism 269 soldiers have been injured. The details of 82 Shaheed soldiers included, 42 in North Waziristan Agency, 23 in rest of Fata other than North Waziristan Agency and 17 in remaining parts of the country including Balochistan and Karachi.

Meanwhile, relief operation for temporarily dislocated people (TDPs) of North Waziristan Agency continues to help our brethren from North Waziristan with full zest and zeal. About 19,376 tons ration have been distributed among 97,570 TDPs families at six relief delivery points so far in Bannu, D I Khan and Tank. Nearly 113,209 patients including 32,979 female have been treated at field medical hospital established by Army medical Corps at Khalifa Gul Nawaz hospital Bannu. About 32,226 cattle have been treated so far where as 73,338 cattle and 129,141 poultry vaccinated up till now.-PR

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THE RUPEE: modest gains

September 04, 2014

The rupee managed to rise modestly against the dollar on the money market on Wednesday in the process of trading, dealers said. The rupee picked up 18-paisa in relation to the dollar for buying at Rs 102.50 and it also rose by 15-paisa for selling at Rs 102.55, they said.

INTER-BANK MARKET RATES: OPEN MARKET RATES: The rupee, however, shed five-paisa versus the dollar for buying and selling at Rs 101.70 and Rs 101.90, they said. The rupee fell in terms of the euro, losing 50-paisa for buying and selling at Rs 134.50 and Rs 134.25, they said.

In the third Asian trade, the dollar hovered at 14-month highs against a basket of major

currencies on Wednesday, underpinned by stronger-than-expected US data and a resulting rise in Treasury yields. The greenback received further support from a sell-off in the yen, which neared a six-year low against its US counterpart, and in sterling, pummelled by opinion polls suggesting growing support for Scottish independence in a referendum later this month.

The dollar was trading against the Indian rupee at Rs 60.59, the greenback was at 3.1870 in relation to the Malaysian ringgit and the US currency was available at 6.1451 versus the Chinese yuan. Inter bank buy/sell rates for the taka against the dollar on Wednesday: 77.40-77.41 (previous 77.40-77.40). Call Money Rates: 05.50-06.75 percent (Previous 05.50-06.75 percent.

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Open Bid Rs.101.70

Open Offer Rs.101.90

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

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Bid Rate Rs.102.50

Offer Rate Rs.102.55

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RUPEE IN LAHORE: The Pak rupee staged recovery and gained 10-paisa against the US dollar on the local currency market on Wednesday.

According to the currency dealers, the dollar commenced trading at its overnight closing of Rs 102.25 and Rs 102.50 as its buying and selling rates, respectively. In the absence of buyers' interest, the dollar could not sustain and was declined to Rs 102.15 and Rs 102.40 on buying and selling side, the dealers said.

Similarly, the rupee maintained upward slide and was further appreciated against the British pound. The pound's buying and selling rates were slipped from Tuesday closing of Rs 168.50 and Rs 168.75 to Rs 167.75 and Rs 168.00, respectively, they added.

RUPEE IN ISLAMABAD AND RAWALPINDI: The rupee-dollar parity remained unchanged on the open currency markets of Islamabad and Rawalpindi here on Wednesday.

The dollar opened at Rs 102.00 (buying) and Rs 102.10 (selling) against last rate. It did not observe further change in the second session and closed at Rs 102.00 (buying) and Rs 102.10 (selling). Pound Sterling opened at Rs 168 (buying) and Rs 168.10 (selling) against same overnight value. It did not observe further change in the evening session and closed at Rs 168 (buying) and Rs 168.10 (selling).

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M2 growth continues to move downward

September 04, 2014

Broad Money supply (M2) growth continued to move downward trajectory and reached a level of Rs 184 billion, reflecting a fall of 1.85 per cent as on Aug 22, 2014. As per the State Bank of Pakistan (SBP) statistics, both Net Foreign Assets (NFA) and Net Domestic Assets (NDA) of banking sector declined since the start of FY15 forcing the M2 growth to fall by 185 basis points during July 1, to Aug 22, 2014, said InvestCap report on broad money.

In Pak Rupee term, the NFA has dropped by Rs46 billion while the NDA witnessed a decline of Rs138 billion during the same period. According to investCap analysts the key reason behind the NDA dip was a mammoth Rs226 billion decline in other items during July 1, 2014 to Aug 22, 2014. On YoY basis, the NDA fell down by 587 per cent while the NFA witnessed a rise of 28 per cent during the period.

The government borrowing decreased by 25 per cent YoY during July 1, to Aug 22, 2014 of the FY15 mainly on account of less budgetary support borrowings. Budgetary support borrowings dipped by 26 per cent YoY to Rs152 billion during the period under the review with the major drop came from the SBP borrowings compared to Rs 207 billion in the same period of last fiscal year.

Analysts said that the government has slowed down its borrowings from the SBP at the cost of higher borrowing from commercial banks. The SBP borrowings plunged by Rs80 per cent YoY while at the same time borrowing from commercial banks reached at Rs34 billion as compared to a retirement of Rs 391 billion. Borrowing for commodity operations under the government sector borrowing reflected a retirement of Rs8 billion in the first seven weeks of FY15.

During the period under review credit to non-government sector witnessed a decrease in net retirement from Rs61 billion to Rs53 billion. Credit to PSE's increased by Rs5 billion while Credit to private sector, the main component of the head retired Rs69 billion till Aug 22, 2014. "Although the Real Interest rate at 3 per cent in Aug-14 and likely at the same levels during October and November reveals a strong case for the DR cut in the upcoming MPS but we believe the SBP will keep the DR unchanged due to the current uncertain political scenario, ongoing energy crises, poor law & order situation and IMF view to keep current tightening monetary policy', analysts said.

The unchanged DR may hit credit to private sector as the finance cost is expected to remain high, they added. Furthermore, the ongoing political turmoil is likely to reduce the government's revenue collection and inflow from international institutions while increase in expenditure on rehabilitation once the matter is resolved hence to increase budgetary deficit, they pointed out. "In order to bridge fiscal deficit we expect the government's borrowings for budgetary support will increase going forward thus fuel up M2 growth," they said.

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Commissioning of naval airbase in Turbat a milestone: Sandila

September 04, 2014

The commissioning of PNS Siddiq Naval Air Base in the hinterland of Balochistan is a significant milestone towards enhancing PN's operational capability, which will support our endeavours to keep vital sea routes of Indian Ocean Region safe for global maritime community and combat maritime terrorism in addition to safeguarding the maritime interests of Pakistan.

This was stated by the Chief of Naval Staff Admiral Muhammad Asif Sandila while addressing as the chief guest at the commissioning ceremony of Pakistan Navy Aviation Base- PNS Siddiq at Turbat, Balochistan, said a press release issued here on Wednesday. The Admiral lauded the untiring resolve and perseverance of all those who have been associated with this mega project of immense national significance and hoped that pioneer crew of the air base would continue the hard work and dedication for setting the tone and standards that would endure and pave way for smooth and timely operationalisation of Naval Air Station, Turbat.

Commissioning of PNS Siddiq is a landmark achievement in the history of Pakistan Navy. The Aviation Base will strengthen seaward security along Makran coast and beyond and will also lead to commercial flying activities, which would act as a catalyst for economic development of Makran division in general and Kech District in particular. Other facilities such as state of the art hospital, education institution etc at PNS Siddiq will enable local populace access to quality services at their door step and set off a new era of prosperity in the region. The ceremony was attended by a large number of PN, Military and local civil dignitaries.

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Sindh government rejects Pildat Survey

September 04, 2014

Sindh government has rejected the survey conducted by Pakistan Institute of Legislative Development and Transparency (PILDAT) to determine rank of governance of all 4 provinces of Pakistan and putting the performance of Sindh Chief Minister at the lowest. Sindh Government termed the survey fabricated, having political motives behind it.

Spokesman for Sindh Government said that earlier to this survey, the independent media observers report published in a local daily on Jun 9, 2014 quoting the 10 months' performance of all provinces had declared the performance of the CM as the highest as compared to other chief ministers'.

The spokesman said that not only on development side but Sindh Government had made remarkable achievements on law and order situation within a year. He said that it was because of best performance of the CM that Sindh had received very huge national and foreign investment

during the last financial year. The spokesman said that, the survey was based on the poll of about 3,000 people selected at the choice of PILDAT without any intimation to stakeholders to serve the political motives including defamation of Sindh Government.

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Qureshi faces hostile moments

September 04, 2014

NAVEED BUTT

An exchange of harsh words between Pakistan Muslim League-Nawaz (PML-N) Parliamentarians and Pakistan Tehreek-e-Insaf (PTI) Vice Chairman Shah Mehmood Qureshi took place in a joint sitting of the parliament during a break for Zuhr prayer. It was observed that Sheikh Rohail Asghar of PML-N went toward the seat of Shah Mehmood Quresh and said something to him. It led to an exchange of hot words between them.

Opposition members, including Khursheed Ahmed Shah, successfully persuaded them to cool down. After a short pause, Federal Minister for Science and Technology Zahid Hamid something to Qureshi; infuriating Qureshi to retaliate with harsh words. A timely intervention by some parliamentarians helped defuse tensions.

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IS pamphlets distributed in NW

September 04, 2014

Booklets calling for support for the terrorist organisation Islamic State and its self-proclaimed caliphate have been handed out in north-western Pakistan, officials said Wednesday. "The booklet is in Pashto and Dari languages," widely spoken in parts of Pakistan and Afghanistan, and has been in circulation for around two weeks, police official Muhammad Altaf told dpa.

Titled al-Fatah, or Victory, the 12-page booklet bears an Islamic motto in traditional calligraphy and a picture of AK-47 assault rifle on the cover. Media reports suggested the booklet was also distributed in several districts on the other side of the border in Afghanistan.

It explains the objectives of the Islamic State, which has declared a caliphate in northern Syria and Iraq, and urges the Muslims of Pakistan, Afghanistan and Central Asia to support it, according to government official Amjad Khan, who has seen copies.

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Spread of Naegleria: Sindh chief minister seeks an explanation from KW&SB

September 04, 2014

Sindh Chief Minister Syed Qaim Ali Shah has taken a serious notice of increasing number of deaths due to a brain-eating amoeba causing Naegleria. He called for explanation from the management of Karachi Water and Sewerage Board (KWSB) and Karachi Metropolitan Corporation (KMC) for supplying water without sufficient quantity of chlorine and failing to curb the spread of this disease.

The Chief Minister while quoting the experts' opinion said that Naegleria was spreading because of supplying water with minimum or low level chlorine in it, whereas the management concerned was provided sufficient funds to purchase chlorine for the purpose. He said that supplying contaminated water without chlorine to citizens was highly objectionable which is claiming the lives of innocent people.

He directed the MD KW&SB and Administrator KMC to submit detailed report to him pointing out the causes of this failure and fix responsibility for these causes within 2 days. He also directed them to undertake preventive measure with immediate effect to save the precious lives of the citizens.

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PSM clarification

September 04, 2014

Apropos a news item 'PSM CEO opposed to sell-off' carried by *Business Recorder* yesterday, spokesman, Pakistan Steel, Shazim Akhtar has clarified that the Pakistan Steel management/CEO is committed to fulfilling the targets/promises given by the government and no demand of additional funds has been made contrary to the government policies. Spokesman further clarified "Pakistan Steel is however, an old plant and its blast furnace, steel making, hot & cold rolling technologies are of 70's vintage.

Condition of the existing plant, equipment and facilities have badly deteriorated over the years due to less expenditure on catch up maintenance. "In the approved restructuring/Business plan Rs.2.8 billion from self generated funds is earmarked to carry out catch up maintenance and most critical repairs at different units of the plant which is a regular process in engineering and process industry. Without these repairs, PSM would not be able to achieve 70-80% capacity utilisation as per the business plan. These critical/ capital repairs alone do not guarantee sustainable long term operation of the mills at its designed capacity.

"For operational reliability, improved and diversified product quality, better productivity and value addition, a certain level of up-gradation work in selected areas is also of immense

importance. For this purpose government has been requested to provide another 6.8 Billion Rupees in two years. This additional investment will result in asset building, adding the net worth of the plant and yielding a better price in the event of privatisation," the clarification concluded.

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Corruption costs poor countries \$1.0 trillion a year

September 04, 2014

Corruption, fraud and money-laundering cost poor countries a total of \$1.0 trillion a year, the anti-poverty organisation ONE said in a study released on Wednesday. The group, founded by U2 rock group singer Bono, said the misuse of funds resulted in \$38-64 billion a year in uncollected taxes alone. This in turn cost 3.6 million lives a year that could be saved if the missing money were wisely invested, non-government organisation ONE estimated.

"It is nothing short of a trillion-dollar scandal," said the report, recommending action on four fronts. The study was published before finance ministers from the G20 group of leading countries meet in Australia on September 20 and 21. To put the \$1.0 trillion (750 billion euros) in perspective, ONE said that it was equivalent to the annual profits all the 86 biggest publicly quoted companies in the world. It blamed the loss on "a web of corrupt activity that involves shady deals for natural resources, the use of anonymous shell companies, money-laundering and illegal tax evasion."

"Massive sums are being taken out of developing countries' own budgets and economies, preventing them from financing their own fight against extreme poverty, disease, and hunger," the study said. If policies were put in place to combat corruption by means of financial secrecy, deals on natural resources and money-laundering, the cost of corruption could be reduced "dramatically", the report said.

The head of ONE in France, Friederike Roeder, said that the untapped funds could be "invested in health care, food security and essential infrastructure, and thereby save millions of lives." The organisation listed four fronts where it said action could be taken.

First, G20 leaders who will meet in Brisbane, Australia, in November, should ensure that the ownership of companies and trusts be made public to prevent them from being used to launder funds for the benefit of anonymous criminals and corrupt individuals, ONE said. It also argued that natural resources companies should be forced to publish full details of their activities to discourage the theft of resources from poor populations. Exchanges of tax information should be automatic, to enable developing countries to collect taxes due. Governments should also be obliged to publish full and open accounts so that citizens could hold them accountable for money received and how it is spent, the report said.

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Obama calls for anti-jihadist front as France, UK weigh strikes

September 04, 2014

US President Barack Obama called Wednesday for an international front against jihadists in Iraq and Syria after they beheaded a second American reporter, as Britain and France weighed military action. "We know that if we are joined by the international community, we can continue to shrink ISIL's sphere of influence, its effectiveness, its financing, its military capabilities," said Obama, referring to the Islamic State (IS).

"And the question is going to be making sure we've got the right strategy, but also making sure that we've got the international will to do it," he said in Estonia's capital Tallinn. Britain, with one of its nationals also under threat of beheading, said it would not rule out taking part in air strikes if necessary.

"I can assure you that we will look at every possible option to protect this person," Foreign Secretary Philip Hammond said. And French President Francois Hollande likewise raised the prospect of a military response to the threat posed by IS. "The head of state underlined the importance of a political, humanitarian and if necessary military response in accordance with international law" to fight against IS, the presidency said.

Obama pledged that justice would be done to the killers of 31-year-old reporter Steven Sotloff, wherever they hid and however long it took. IS on Tuesday posted video footage on the Internet of Sotloff's beheading, confirmed as authentic by Washington, sparking outrage around the world. It said the journalist's killing, which comes on the heels of the beheading last month of another US reporter, James Foley, was in retaliation for expanded US air strikes against its fighters in Iraq during the past week.

It warned that a British hostage would be next unless London backs off from its support for Washington's air campaign. Obama said Washington was determined to halt the IS threat but warned it would depend on close co-operation with partners in the region.

Hammond said British air strikes were now an option. "We will look very carefully at the options available to us to support the legitimate government of Iraq and Kurdistan in defending themselves," the foreign minister said. "If we judge that air strikes could be beneficial, could be the best way to do that, then we will certainly consider them but we have made no decision to do so at the moment."

A top US intelligence official, meanwhile, said IS jihadists in Iraq and Syria pose a genuine threat to the West but are "not invincible" as demonstrated by American air strikes. And there is no "credible" evidence that IS fighters are plotting an imminent attack on the United States, said Matthew Olsen, director of the National Counter-Terrorism Center.

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Smartcard chip cartel: EU fines Samsung, Philips and Infineon

September 04, 2014

The European Union fined Infineon, Philips and Samsung a total of 138 million euros (181 million dollars) on Wednesday for fixing the prices of smartcard chips, in its latest anti-trust case against technology firms. The German, Dutch and South Korean companies "colluded" between 2003 and 2005 to form the cartel on the chips, which are widely used in mobile phones, bank cards and passports, the European Commission said in a statement.

Japan's Renesas was granted immunity for revealing the existence of the cartel to the commission, which began its investigation in 2008 with raids on the companies. Infineon Technologies AG was fined 82.7 million euros, Philips 20.1 million euros, and Samsung 35.1 million euros, with the latter having its penalty reduced by 30 percent for having co-operated with investigators.

Rejecting the allegations as "unfounded," both Infineon and Philips said they would appeal the decision. The companies "in our view knew that their conduct was illegal," said Joaquin Almunia, the commission's vice president in charge of competition policy.

They "discussed and exchanged sensitive commercial information on pricing, customers, contract negotiations, production capacity or capacity utilisation and their future market conduct," the commission said. Almunia added that "in this digital era smart card chips are used by almost everybody, whether in their mobile phones, bank cards or passports."

Companies producing them should be focused on being competitive, he said, adding: "If instead companies choose to collude, at the expense of both customers and end consumers, they should expect sanctions." The commission said that Renesas and its joint-venture parent companies Hitachi and Mitsubushi had avoided a fine of more than 51 million euros because it was the first to reveal the existence of the cartel to the EU.

It said that Philips "remains liable for what happened during the period of infringement" even though it has since divested its smart card chips business. Anyone harmed by the cartel may seek damages before the courts of the European member states, the commission said. Infineon said from its base in Neubiberg, Germany, that it will review the decision and is "ready to appeal" at the General Court of the European Union in Luxembourg.

It said it had conducted its own thorough probe and "concluded that none of its personnel acted improperly in handling competitively sensitive information" about smartcard chips. In Amsterdam, senior Philips press officer Steve Klink told AFP that his company would appeal the decision as "we firmly believe that claims of anti-competitive behaviour by the former Philips smart card chips business are unfounded."

The EU has previously fined US computer chip giant Intel 1.06 billion euros for abusing its dominant market position. In another case, following accusations it was squeezing out competitors in Europe's search market, Google, the world's largest search engine, reached a

tentative deal with the Commission in which it would display rivals' links more prominently and avoid a fine of up to five billion euros. Brussels launched its investigation of Google in November 2010 following a complaint by several companies, including Microsoft.

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US rises to third in competitiveness table: WEF

September 04, 2014

The United States has risen two notches in the economic competitiveness stakes, the World Economic Forum said Wednesday. "The United States improves its competitiveness position for the second consecutive year, climbing two places to third on the back of gains to its institutional framework and innovation scores," said the WEF, which issues an annual ranking.

The United States had held the top rank seven years ago but slid to seventh amid the financial crisis. The WEF, which organises the annual Davos meeting of the global political and business elite, said that Switzerland, where it is based, remained the world's most competitive economy. Singapore came in second, holding its ranking from the previous year.

Finland and Germany, which had been ranked third and fourth respectively, both dropped down one rung on the ladder. The highest climber in the top 10 was Japan, which moved to sixth place from its previous ninth. Hong Kong and the Netherlands held their berths of seventh and eighth, while Britain gained one place, rising to ninth. Sweden fell from sixth to 10th. "The leading economies in the index all possess a track record in developing, accessing and utilising available talent, as well as in making investments that boost innovation," said the WEF.

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Fed sets tough cash requirements for big banks

September 04, 2014

The Federal Reserve moved Wednesday to require top banks to hold more super-safe assets to reduce the possibility of a liquidity squeeze like that which devastated the industry in 2008. Under new capital rules, the largest US banks will have to keep a higher level of very liquid assets to be able to withstand a crisis situation like that of six years ago, when the government was forced to prop up cash-squeezed major banks and let hundreds of smaller institutions collapse.

But the new rule could have an impact on bank earnings, because they will have a smaller portion of their assets available for more lucrative lending and investment activities.

Stocks consolidate gains

September 04, 2014

The Karachi share market continued to post a positive trend amid hopes for political patch-up in Islamabad. The benchmark KSE-100 index gained another 335 points to close at 29,596 points Wednesday compared to 29,260 points Tuesday. Ahsan Mehanti, an analyst at Arif Habib, said stocks closed higher on the second consecutive day amid hopes for patch-up by political panels formed by government to ease crisis.

Presently, investors are very hopeful for any patch-up as the government and opposition parties are making efforts for peaceful conclusion of PAT and PTI sit-ins, he added. "Below expected earnings of PSO and falling spread in banking sector impacted the sentiment. Record earning in select blue chip cement, oil and banking stocks played a catalyst role in bullish close at KSE," he added.

Analysts at JS said the KSE-100 index gained further momentum Wednesday to close within the green zone at 29,260, up 1.1 percent. "The positive sentiment in the market, to a large degree is associated with the political situation getting a direction," said Muhammad Mubeen of JS. LUCK again turned out to be the top pick for today as it reached its upper circuit on euphoric post result buying, while, PSO declared a cash dividend of Rs4 per share with earnings of Rs80.3 per share.

"Going forward, it seems that investors are likely to remain cautious and not to get carried away with the ongoing bullish momentum as there can be yet another twist in the political drama," he added. During the intra-day trading, the market fluctuated in green zone and the KSE-100 index also touched 29,650 points highest level. Volume at the ready counter is gradually increasing and has reached 200 million shares compared to 183 million in previous session.

With an increase of Rs 85.7 billion, market capitalisation reached Rs 6.965 trillion against previous Rs 6.879 trillion. Trading took place in 386 companies, of which 254 closed in green zone, 106 in red, while 26 remained unchanged. Among top 10 volume leaders, two recorded a negative trend, while the remaining closed positive. Pak Elektron Ltd emerged the volume leader with 14.5 million shares, gaining Rs 1.52 to close at Rs 32.09. Maple Leaf Cement stood second, up Rs 1.12 to Rs 29.08 on 14.5 million shares. Jah. Sidd. Co ranked third with 14 million shares to close at Rs 10.64, up Re 0.80.

Some 9.8 million shares of Fauji Cement changed hands and the scrip gained Re 0.24 to Rs 19.88. With a trading volume of 9.2 million, Engro Fertilizer lost Re 0.11 to close at Rs 53.28. Askari Bank moved up by Re 0.97 to Rs 21.15 on 8.3 million shares. B.O.Punjab closed at Rs 8.28, down Re 0.01 on 6.9 million shares. Faysal Bank gained Re 0.59 to Rs 16.25 on 6 million shares. D.G.Khan Cement increased by Rs 2.99 to close at Rs 79.46 on 5.9 million shares. Pak Int Bulk closed positive with a gain of Rs 1.02 to Rs 22.39 on 5.7 million shares. Wyeth Pak Ltd and Nestle Pak were the top gainers with Rs 175.95 and Rs 99.01 to close at Rs 3,703.95 and Rs 7,999.00, respectively. Rafhan Maize and Island Textile were the top losers with Rs 50.00 and Rs 44.00 to close at Rs 10,700.00 and Rs 885.00, respectively.

BRIndex30 up 144.08 points

September 04, 2014

On Wednesday, BRIndex30 opened at 16,126.93 points and remained positive throughout the trading session. It touched an intraday high of 16,339.28 points and an intraday low of 16,161.99 points and closed at 16,271.01 points, which was 144.08 points or 0.89 percent higher than previous close. Total volume was 127,968,100, which was 63.9 percent of KSE All share volume and 93.89 percent of KSE 100 volume. The KSE All Share volume was 200,269,650 and KSE 100 volume was 136,300,630.

BR Commercial Banks Index closed at 6,913.35 points with a net positive change of 12.19 points or a percentage change of 0.18 and a total turnover of 36,379,100 shares. BR Cement Index closed at 3,206.13 points with a net positive change of 108.61 points or a percentage change of 3.51 and a total turnover of 41,462,600 shares.

BR Oil and Gas Index closed at 4,156.64 points with a net positive change of 51.79 points or a percentage change of 1.26 and a total turnover of 13,588,650 shares. BR Tech & Comm Index closed at 904.49 points with a net positive change of 9.7 points or a percentage change of 1.08 and a total turnover of 10,433,700 shares. BR Power Generation and Distribution Index closed at 4,741.13 points with a net negative change of -13.94 points or a percentage change of -0.29 and a total turnover of 7,434,500 shares.

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Business and Economy: *Pakistan*

LCCI donates Rs 9.7 million to hospitals, NGOs

September 04, 2014

The Lahore Chamber of Commerce and Industry (LCCI), while fulfilling its corporate social responsibility, on Wednesday handed over cash donations of Rs 9.7 million to different NGOs, welfare organisations and hospitals for the sake of ailing humanity.

The donations were jointly presented by LCCI President Sohail Lashari, Senior Vice President Tariq Misbah and Vice President Kashif Anwar while former LCCI Senior Vice President Abdul Basit, Executive Committee Member Mudassar Masood Chaudhry, Zahid Javed and former EC member Waqar Ahmad were also present on the occasion.

The NGOs, welfare organisations and hospitals that are given donations include: Fountain House, Minority Coverage Foundation, Rehman Foundation, Clapp Hospital, young Development Trust, Pakistan Foundation Fighting Blindness, Cancer Care Hospital and Research Centre, Marghzar Welfare Society, Begum Noor Memorial Hospital, Alam Bibi Trust, Dr A Q Khan Hospital Trust, Lady Willington Hospital, Mukhtaran Rafiq Foundation, Fatimid Foundation, Ali Hajvery Free Drug Bank, Well Done Welfare Foundation, endowment Fund Trust GC University, Arif Memorial Hospital, Rising Sun Education and Welfare Society, Roshni Homes Trust, Ghazali Education Trust, Falah Foundation, Fresh Foundation, Patient Welfare Society Ganga Ram Hospital, SAAYA Medical Trust, Lahore District Anti-TB Association, Idara Mawakhat, Door of Awareness, Educational Welfare Society for the Disabled Children, Al Ehsan Welfare Society, Hawa Ki Betiyan, Hijaz Hospital, Ghulab Devi Hospital, Jinnah Hospital, Sundas Foundation, Al-Rehman Free Dispensary and various others.

Speaking on the occasion, LCCI Sohail Lashari said the business community was quite conscious of its national duties and would extend more donations in days to come. He said LCCI was quite conscious of its corporate social responsibility as an institution with the name of LABARD was working for the rehabilitation of the disabled for about two decades. He said LCCI would continue to serve the ailing humanity as the business community considers itself duty-bound to serve the poor and the needy.

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Anti-smuggling mobile squad accused of harassing KP traders

September 04, 2014

Traders of Khyber Pakhtunkhwa have complained about harassment with hand of special anti-smuggling customs mobile squad, and urged the Customs Collectorate Peshawar to take steps to immediate stop the practice. The issue was raised during a meeting with Customs Collectorate Peshawar, Ziauddin Wazir, chaired by Khyber Pakhtunkhwa Chamber of Commerce and Industry (KPCCI) President Zahidullah Shinwari at the chamber house here on Wednesday.

The chamber former presidents Riaz Arshad, Malik Niaz Ahmad, Zia-ul-Haq Sarhadi, Faiz Muhammad Faizi, Saddar Gul and KPCCI executive body members, traders and industrialists also attended the meeting. KPCCI chief during meeting proposed various recommendations and suggestions for resolution the issues being faced by the business community, mostly relating to expediting process of Customs rebate payment, clearance in same value of import material under LC, devising criteria for export on pattern of ITP, removal of irritants and complexities in 'WeBoC' and other online system.

The chamber president also suggested besides bonded carriers, other local vehicles should allow for export, and demanded for establishment of screening machines at Dry port and airport. He also raised the issue of harassment of traders with hand of special anti-smuggling customs mobile squad. He further emphasised the establishment of better co-ordination between KPCCI and taxes collection bodies working under the Federal Board of Revenue and sharing of export data with Research and Development Cell at the chamber.

Accompanied by the additional Collectors Nasir Jamal, and Malik Kamran Azam, the Collectorate Customs Peshawar agreed with the suggestions and proposals of the Khyber Pakhtunkhwa Chamber of Commerce and Industry. He informed that all record of Nato and ISAF containers were available with National Accountability Bureau. He asked the KPCCI to approach NAB office in Karachi for attainment of representation in verification committee, established regarding container scandal.

Customs Collector Peshawar said the FBR has reservation over allowing of export through local vehicles along with bonded carriers, for this purpose, the department had already written a letter. He, however, said KPCCI should also present recommendation to FBR in this regard. Talking about Customs valuation, Wazir said around 80 percent valuation has been carrying out under the set rules. But, he said the Customs Collector Peshawar has been extending co-operation in clearance off consignments according to their quantity. He assured the traders for not creating any problems by anti-smuggling checking mobile squad during transportation of raw material to Hayatabad industrial estate.

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Aasim Siddiqui elected unopposed as APSA Chairman

September 04, 2014

All Pakistan Shipping Association (APSA) has elected Aasim A Siddiqui as its new Chairman during its Annual General Meeting held on Wednesday at Karachi Boat Club. Siddiqui, who was elected unopposed, has replaced Captain Mushtaq Ali Shah who retired after completing his tenure of one year. Bilal Saeed and Farooq Tareen have also been elected as Senior Vice Chairman and Vice Chairman respectively, replacing Abdullah Farrukh and Raza Kazmi.

While paying tribute to the outgoing office-bearers and the members of the executive committee, Aasim A Siddiqui thanked the members of APSA for reposing their trust in his leadership qualities and apprised them of the latest initiatives taken by him for the betterment of shipping industry. He assured the members of his complete devotion for resolution of the issues faced by the shipping fraternity. Meanwhile, Captain Mushtaq Ali Shah, Nasir Pasha, Imrana Pervez, Cyrus R Khursigara, Azhar Mehmood Alam, Ayesha Perera, Khalid Rizvi and M A Sabzwari have also been elected as members of the executive committee.-PR

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Activity at Karachi and Qasim ports

September 04, 2014

The Karachi Port handled 147,363 tonnes of cargo comprising 112,618 tonnes of import cargo and 34,745 tonnes of export cargo including 5,391 loaded and empty containers during the last 24 hours ending at 0700 hours on Wednesday.

The total import cargo of 112,618 tonnes comprised of 34,097 tonnes of containerised cargo; 11,081 tonnes of general cargo; 14,092 tonnes of bulk cargo: 1,715 tonnes of canola; 4,133 tonnes of DAP; 5,729 tonnes of soyabean meal and 2,515 tonnes of rape seed and 53,348 tonnes of oil/liquid cargo. The total export cargo of 34,745 tonnes comprised of 30,768 tonnes of containerised cargo; 20 tonnes of general cargo; 1,756 tonnes of cement and 2,201 tonnes of oil/liquid cargo.

As many as 5,391 containers comprising 2,153 containers import and 3,238 containers export were handled during the last 24 hours on Wednesday. The breakup of imported containers shows 891 of 20's and 622 40's loaded while 16 of 20's and 1 of 40's empty containers, whereas that of exported containers shows 834 of 20's and 475 of 40's loaded containers while 494 of 20's and 480 of 40's empty containers were handled during the business hours.

There were five ships namely MOL Distinction, Express Kailash, Euro Strength, Angel-2 and Bao Success carrying containers, oil tankers and general cargo respectively sailed out to sea during the reported period. There were five vessels viz. Kota Kaya, Angel-2, Xiu Chi, Bsl

Genova and Pacific Dream carrying containers, oil tankers and general cargo respectively currently at the berths.

There were two ships namely Kota Kaya and Chrisopigi Lady carrying containers and oil tanker respectively sailed out to sea on Wednesday, while two more ships namely OEL Trust and Xiu Chi carrying containers and oil tanker respectively are expected to sail on Thursday.

There were four vessels viz. Pagasitikos, Pistis, Ikan Salmon and Somerset carrying containers, DAP, coal and cement respectively due to arrive on Wednesday, while four vessels viz. Cosco Kobe, MT Karachi, Water Breeze and Heilan Brother carrying containers, oil tankers and steel respectively are due to arrive on Thursday.

PORT QASIM

A cargo volume of 104,048 tonnes comprising 96,719 tonnes of import cargo and 7,329 tonnes of export cargo inclusive 1,282 loaded and empty containers (TEUs) was handled at Port Qasim during the last 24 hours on Wednesday.

The total import cargo of 96,719 tonnes includes 39,400 tonnes of furnace oil; 21,318 tonnes of palm oil; 16,408 tonnes of wheat and 19,593 tonnes of containerised cargo. The total export cargo includes 7,329 tonnes of containerised cargo. There were three ships namely CV Fowairet, MT Oriental Clematis and MT Ratna Shalini with containers and oil tankers sailed out sea on Wednesday morning, while two more ships namely MV Ocean Future and MT Argent Iris with wheat and edible oil are expected to sail on the same day afternoon.

A total number of six vessels viz. CV Safmarine Ngami, CV Fowairet, MV Ocean Future, MT Oriental Clematis, MT Argent Iris, and MT Ratna Shalini currently occupied berths to load/offload containers, wheat, soya bean oil, palm oil and furnace oil respectively during the last 24 hours. As many as seven ships namely Maersk Pitts Burg, CMA CGM Balzac, RBD Anema E Care, Al-Salam-II, Ince II Gaz, Bunga Azalea and Mega Lohari with containers, furnace oil, diesel oil, edible oil and rape seed are currently at the outer anchorage of Port Qasim.

There were two vessels viz. CV Safmarine Ngami and CV Fawairet carrying containers took berths at Qasim International Containers Terminal on Tuesday. There are three ships namely CV Maersk Pitts Burg, CV CMA CGM Balzac and MT Ince II Gaz with containers and rape seed due to arrive on Wednesday.

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Cargo express train revived after three years

September 04, 2014

The first cargo express train with 23 wagons, left Karachi Cantonment station for Lahore at 11pm on Tuesday. With the revival of cargo express train service, Pakistan Railways would, on

the one hand, be able to earn some Rs 300 millions annually and, on the other hand, provide fast and economical transport facilities to the local businessmen.

According to divisional commercial officer (DCO) of Railways, cargo train 'Supper Parcel' has been revived after a lapse of more than three years with a view to minimising the Railways' annual financial deficit. He said that the cargo train which would be operated twice in a week ie on Tuesdays and Saturdays will have capacity to carry a weight of around 60 tons in a single trip and its expected running timing will be 38 hours. General cargo such as soap, detergent, tissue boxes, imported household items and spare parts would be transported through the cargo train, he added. Railways had suspended its cargo service train in 2011 due to shortages of locomotives.

However, Railways Minister Khwaja Saad Rafiq with a view to improving the overall performance of Railways has instructed the officials to purchase 58 locomotives from a neighbouring country by the end of current financial year, he said, adding that most the engines have already been imported and inducted into the Railways fleet. Meanwhile, Pakistan Railways Mazdoor Union's President Malik Muqaddar Zaman has lauded the decision of reviving the cargo express train, saying that the move would strengthen the economic condition of Railways.

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TUV Austria organises ISO certification training session

September 04, 2014

TUV Austria Bureau of Inspection and Certification (Pvt) Ltd organized a 5-day training session on 'IRCA Registered Lead Auditor Course of ISO 9001:2008 Standard' held at a local hotel recently. The Quality Management System instructors gave extensive lectures on the methods of conducting quality inspections and its benefits. The sessions were not only interactive but also informative as participants were prone to share their professional experience with the house.

The major participant companies of the workshop included Descon Engineering, Confiz Limited, Konsult Tek (Pvt) Ltd, Colony Group, Qadri Group, Almoiz Sugar Mills, Lucky Cement and MM Pakistan. The instructors said that employees with ISO 9001:2008 Lead Auditor Training, can improve their reputation as quality conscious, by reducing internal inefficiencies and resultantly improve their earnings and profitability.

Due to the elimination of process errors and inefficiency, the internal effectiveness of the organisation improves and results in enhancing the customer satisfaction level. TUV Austria provides IRCA Registered Lead Auditor Courses, Management System Certifications, Pre-shipment Inspection, Third Party Inspection Services, Civil & Electrical Assessment of Buildings, Project Management, Construction Supervision & QA/QC services to a wide range of industries. -PR

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

September 03, 2014

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

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

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

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

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

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Company News: *Pakistan*

PSO announces record sales revenue, profit & EPS in fiscal year 2014

September 04, 2014

The Board of Management (BoM) of Pakistan State Oil Company Limited (PSOCL) convened on Wednesday at the PSO headquarters, to review the Company's performance for the Financial Year ended June 30, 2014 (FY2014). In the period under review, PSO recorded all time high sales revenue, profit after tax and earnings per share.

Sales revenue stood at Rs 1.4 trillion compared to Rs 1.29 trillion during the Same Period Last Year (SPLY), registering a growth of nine percent. After tax earnings rose by 73 percent to Rs 21.8 billion as compared to Rs 12.6 billion during SPLY. Earnings per share increased to Rs 80.31 from Rs 46.52 during SPLY. PSO maintained its market leadership position during the year under review with 73 percent share in Black Oil market and 53 percent in White Oil market, while registering a growth of five percent in sales over liquid fuels last year. The Company realised substantial cost efficiencies, whereby the distribution and marketing expenses increased merely by three percent as compared to 14 percent average increase in expenses over the last three years and against an inflation of 8.5 percent during FY 2014.

Recovery of interest from power sector consumers and interest on Pakistan Investment Bonds also contributed towards increase in the bottom line, which was nevertheless, mitigated by increase in finance cost by 26 percent due to power sector receivables viz-a-viz circular debt and net exchange loss of Rs 1 billion due to devaluation of PKR. The BoM expressed concern over increasing receivables from the power sector and advised the management to pursue the recovery thereof through continued follow-up with the customers and the concerned government offices. Based on this performance, the PSO BoM announced a final cash dividend of Rs 4 per share in addition to the earlier interim cash dividends of Rs 4 per share (equivalent to 80 percent) and issuance of bonus stock at the rate of 10 percent. Combined with the earlier interim cash dividends the total cash dividend for the year stands at Rs 8 per share.

The Board unanimously resolved to place on record its commendation for the management of PSO, particularly Amjad Parvez Janjua MD-PSO, for achieving outstanding yearly results for the Company, which are all time high in the history of PSO. The Board also resolved to appreciate the PSO team on maintaining continuity of supply of petroleum products across the country, especially, during Eid, Ramazan and periods of civil disturbance. The Board also extended gratitude to the Government of Pakistan, particularly Ministries of Petroleum and Natural Resources, and Finance for the support and contribution they extended to PSO which enabled the Company to achieve its business and performance objectives. The management expressed gratitude for the valuable guidance and support provided by the BoM and assured the Board of the continued commitment and contributions of PSO team towards development and growth of the Company.-PR

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Prosperity Weaving Mills Limited

September 04, 2014

Prosperity Weaving Mills Limited (KSE: PRWM) was incorporated in Pakistan on November 20, 1991, as a public limited company under the Companies Ordinance, 1984. It works under the umbrella of the Nagina Group which began as a single company, Nagina Mills Limited, established by Shaikh Inam Ellahi and Ashan Ellahi Shaikh in 1967. PRWM has its registered office in Lahore whereas the mill is located at District Sheikhpura in the province of Punjab.

The firm is currently listed on Karachi Stock Exchange and Lahore Stock Exchange. PRWM dwells in the manufacture of high quality apparel and home furnishing since June 1993. The production facility comprises of 340 looms of various widths with annual capacity of 55 million linear meters of fabric. The company supplies its products to customers in Europe, North America and Far East countries.

PERFORMANCE FOR 9M FY14 PRWM's latest processes on the whole have been on a dip with paltry top line growth affecting to meager bottom line due to the ongoing acute energy crisis and rise in cost of raw material. The sales proceeds of the company are steadily improving in comparison to the corresponding period of the former year. During the nine months of the ongoing fiscal, sales revenue of Rs 4.9 billion grew slightly by 3.9 percent year on year against sales revenue of Rs 4.7 billion attained in the same period of last year.

PRWM's gross profit dropped by 19.7 percent year on year in 9M FY14: Cost of production grew out of step owing to rise in yarn prices, increase in energy costs and wages during the period under review. In spite of sinking gross profit and operating profit, PRWM has revealed net profit after tax of Rs 153 million shouldering on reduction in all major expenses. Moreover, extra support to bottom line was presented by fall in core operating outlays of 8 percent year on year. Finance cost for the term also depreciated by and 10.5 percent year on year due to repayments of long-term loans and efficient working capital management.

The current ratio for PRWM in 9M FY14 is 1.48 and the quick ratio is 0.76, signifying that the firm holds petty readily accessible liquefiable assets. The non-current liabilities also fell by 9.4 percent year on year owing to decrease in long-term financing by the firm. As the profit after tax deteriorated by 34 percent year on year, the earnings per share decked from Rs 12.62 to Rs 8.32 for vis-à-vis previous financial year.

FUTURE OUTLOOK The global economic environments have not evolved much in the ongoing fiscal year, nonetheless, optimism reigns that world economy will recover soon. Rising exports of dyed and processed fabrics have increased the demand for greige fabric both in domestic and International markets. Reportedly, the State Bank of Pakistan has predicted 6 percent growth in the exports starting from 2FY14 onwards due to the GSP+ status awarded by the European Union. With the aim to tap the future growth, the management of the company has decided to supplement another 36 air jet looms which will benefit the firm to diversify its product array and take advantage of economies of scale to get competitive advantage over its competitors.

-----9MFY13 9MFY14

=====
 Profitability

| | | |
|-------------------------|-------|-------|
| ----- | | |
| Gross profit margin | 10.2% | 7.9% |
| Operating profit margin | 7.7% | 5.4% |
| Net profit margin | 4.9% | 3.1% |
| ROE | 31.2% | 17.1% |
| ROA | 11.8% | 8.5% |
| ----- | | |

Liquidity

| | | |
|---------------|------|------|
| ----- | | |
| Current ratio | 1.25 | 1.48 |
| Quick ratio | 0.63 | 0.76 |
| ----- | | |

Turnover

| | | |
|----------------------|------|------|
| ----- | | |
| Total asset turnover | 2.41 | 2.73 |
| Fixed asset turnover | 5.66 | 5.52 |
| ----- | | |

Marke

| | | |
|----------|-------|------|
| ----- | | |
| EPS - Rs | 12.62 | 8.32 |
| ===== | | |

Taxation: *Pakistan*

Customs clearing agents in ATT scam: Tribunal sets aside all show-cause notices

September 04, 2014

MUHAMMAD ALI

Customs Appellate Tribunal (CAT) has set aside all 10075 show-cause notices issued to 275 customs clearing agents in Afghan Transit Trade (ATT) scam. According to the judgement given by CAT in 76 joint customs appeals, the responsibility of the clearing agents was restricted to the Karachi Port/Port Qasim till the cargo was loaded into the containers, which were sealed and handed over to the bonded carriers under the supervision of customs authorities.

Therefore, it is sole responsibility of carrier companies and others involved in the safe transportation of goods across the country, which also included receiving letters and cross border certificates from the recipients on safe arrival of goods at the destination.

CAT in its judgment also declared these show-cause notices as stereo type, saying that notices had been drafted by Additional Collector, Port Muhammad Bin Qasim Port in cyclostyled manner. It said that customs department had issued notices with no specific allegation against customs clearing agents. Moreover, it said that there were certain admitted facts that the goods arrived at Karachi port were checked and loaded in the containers in the presence of customs authorities while Goods Declarations (GDs) were filed by the clearing agents and then containers were sealed and handed over to the NLC for further transportation to Afghanistan

CAT further said that the relevant law had confined the role of clearing agents to filing of GDs with processing and loading of goods in the containers and held goods carriers responsible for safe transit of goods across the country through designated destination via Chaman or Turkatham borders. It further said that CAT after three-day hearings established that there was 'no evidence in the record against the clearing agents in ATT scam.

Similarly, no representatives from customs department have provided proof of pilfering or smuggling of impugned goods by the clearing agents. It said that larger bench was unanimously of the view that no sufficient evidence was available in the record to connect clearing agents with the smuggling, pilfering or misappropriation of impugned good. Therefore, bench has set aside all notices issued by customs department besides accepting all appeals filed by the clearing agents. Needless to mention, customs clearing agents have filed appeals in CAT against 10075 notices issued to 275 clearing agents by customs department.

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PRA evolves 'Punjab ST on Services (Enforcement) Rules-2014'

September 04, 2014

ZAHID BAIG

Punjab Revenue Authority (PRA) has evolved 'Punjab Sales Tax on Services (Enforcement) Rules, 2014 by virtue of which an officer of the Authority may call for any information, documentary or otherwise, about any business, may visit any business premises any time with or without any advance notice and may take in to possession any record relation to the business involving rendition of taxable services.

Sources in the PRA told *Business Recorder* here on Wednesday, the services rules notified on September 02, 2014 are aimed at curbing any non-compliance by those businesses providing taxable services. As per the notification RA/Orders; 06 /2012, these rules shall not apply on such corporate sector businesses whose accounts are being audited under the Companies Ordinance 1984 (XLVII of 1984) at least for the last three years and are registered with the Authority duly complying with Punjab sales tax on services.

Following are the enforcement rules as mentioned in the notification:

1. Information about premises. (1) An officer may call for any information, documentary or otherwise, about any business premises which is known or believed to have been used or is being used in connection with the providing of taxable services.

(2) The information under sub-rule (1) may be called for either in writing or otherwise and may cover aspects like physical location and characteristics of the business premises, the business or other activities carried out therein, details of the machinery or equipments including other fixed or moveable installations, nature of records being maintained or documentation being done and particulars of the persons including owner, tenant, occupant, employees and other manpower working in connection with the business carried out in the premises.

2. Visit at premises.(1) An officer may, at any time, visit any business premises with or without any advance notice of atleast five days to the person in possession of or having any nexus with the premises.

(2) Where requested, officer or official of the Authority visiting any premises may disclose the official purpose of the visit.

3. Access to records.(1) An officer may take into possession any record relating to the business involving rendition of taxable services provided that an attested copy of such records may be given by the officer of the Authority to the person concerned in such manner as may be deemed proper.

(2) Where record is maintained in electronic form, the officer or official of the Authority may take into possession the computer equipments and allied gadgets etc in such manner as deemed

necessary and every person who has been or is working on such computer equipments for the maintenance of record or carrying out any other electronic documentation activity shall be under obligation to disclose access code or password, if any, for retrieval of the information stored therein.

(3) When the official purpose for which any record including computer equipments has been served to the satisfaction of the concerned officer of the Authority, such record or equipment shall be returned under proper receipt provided that nothing shall bar such officer or official of the Authority to retain copy of the documents or information contained in such record or equipment.

4. Sealing of premises. (1) Subject to sub-rule (2), officer of the Authority may seal any business premises which has been or is being used for and in connection with the providing of taxable services in such manner and for such period as may be deemed necessary.

(2) No business premises shall be sealed unless other necessary measures have been taken to ensure voluntary compliance in the case and the officer is conclusively satisfied that the person using such premises for business purposes has:

- (i) Been or is providing taxable services on such premises without payment of tax;
- (ii) Failed to obtain registration or enrolment for the purpose of complying with the provisions of the Act and rules made there under despite due notification by the competent officer of the Authority in this regard;
- (iii) Failed to comply with tax obligations despite compulsory registration;
- (iv) Been or is involved in tax fraud or forgery of record or documents (whether paper or electronic) including invoice manipulation to evade or misappropriate tax;
- (v) caused obstruction in the discharge of duties and functions by any officer or official of the Authority or causing any damage to the equipment or device installed by the Authority at any premises for monitoring or other purposes;
- (vi) Failed to pay due arrears of tax including the amounts of tax not paid, under-paid or short-paid for any tax period; and
- (vii) Failed, refused, declined or avoided to provide any document or information demanded or requested by the competent officer of the Authority or has refused to allow entry of the officer into the premises.

(3) The officer may post staff at the sealed premises or otherwise depute any staff to keep watch on the sealed premises in such manner as deemed proper and for this purpose, he may take necessary help or assistance from any of the departments, organisations or agencies of the Government in terms of section 30 of the Act.

(4) Once any business premises have been sealed under these rules, no other economic or business activity shall be carried out at such premises.

(5) Under no circumstances, sealing of any premises shall be continued beyond a time necessary to ensure proper compliance to the Act and rules made there under.

5. De-sealing of premises. (1) A premises sealed under these rules may be de-sealed either by the same officer of the Authority who has sealed the premises or by any officer higher in rank if he is satisfied that the person in default has properly discharged his tax liabilities or he has given a written solemn undertaking or commitment that he will discharge the tax liabilities during the time as may be agreed and will carry out his future tax obligations in proper manner provided that where such understanding or commitment is violated or breached, the premises de-sealed earlier may be resealed till such time tax compliance is made or as the case may be, commenced.

6. Proceedings in case of tampering etc (1) Where any person has tampered with the seal affixed by the officer of the Authority or has otherwise unauthorised damaged, broken or removed such seal or has otherwise used any sealed premises for carrying out any other economic or business activity, he shall be liable to all penal actions under section 48 of the Act.

(2) Tampering, damaging, breaking or unauthorized removal of the seal including unauthorized use of sealed premises to carry out any other economic or business activity thereon, shall be treated as obstruction of the access of the officer of the Authority to the premises sealed under these rules and shall be dealt with accordingly.

(3) Under no circumstances, the prosecution proceedings in or conviction by the court of Special Judge shall absolve any person of his tax liabilities and compliance obligations under the Act and rules made there under.

7. Detentions and arrests. (1) An officer may arrest and detain any person liable to prosecution under the Act and these rules.

(2) A person may be detained or arrested only if it is evident that the case warrants prosecution under the law and the person detained or arrested may be kept either at the official premises of the Authority or at any nearest police station.

(3) All detentions or arrests made under these rules shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 (V of 1898) read with the relevant provisions of Chapter VIII of the Act.

(4) All prosecutions initiated and detentions or arrests made under these rules shall, within twenty four hours, be reported to the Commissioner in charge.

8. Co-ordination with Chambers. (1) Notwithstanding these rules, where any person is a bonafide member for a period of one year, of a Chamber of Commerce and Industry licensed by the Directorate of Trade Organisation, Government of Pakistan, the officer shall take all necessary assistance from the relevant Chamber to enforce voluntary compliance within a period of fifteen days, where after the officer of the Authority may proceed to enforce compliance as provided under these rules.

(2) A person rendering taxable services shall not be given membership by a Chamber after the issuance of these rules unless the person has obtained registration or enrolment from the Authority for the purpose of Punjab sales tax on services, the notification concluded.

Six IRS officials get additional charge

September 04, 2014

Federal Board of Revenue (FBR) has given additional charge to six officers of Inland Revenue Service (BS-19) with immediate effect. According to a notification issued here on Wednesday, Aiysha Khalid (Inland Revenue Service/BS-20), Commissioner-IR, (Enforcement) LTU, Islamabad has been assigned the additional charge of the post of CIR (IP/TFD/HRM).

LTU, Islamabad; Shahid-ul-Hassan Chattha (Inland Revenue Service/BS-20), Commissioner-IR, (HRM) LTU, Lahore has been assigned additional charge of the post of CIR (IP/TFD), LTU, Lahore; Khalid Javed (Inland Revenue Service/BS-19), Commissioner-IR, (OPS) (Zone-III) RTO, Rawalpindi has been assigned the additional charge of the post of CIR (OPS) (IP/TFD/HRM), RTO, Rawalpindi; Qasim Raza Khan (Inland Revenue Service/BS-19), Commissioner, (OPS) (Zone-II) RTO, Islamabad has been assigned the additional charge of the post of CIR (OPS) (BTB), RTO, Islamabad; Muhammad Tahir (Inland Revenue Service/BS-19), Commissioner-IR, (OPS) (Appeals) Gujranwala has been assigned the additional charge of the post of CIR (OPS) (Appeals), Sialkot and Muhammad Khalid Malik (Inland Revenue Service/BS-19), Commissioner-IR, (OPS) (Appeals) Faisalabad has been assigned the additional charge of the post of CIR (OPS) (Appeals), Sargodha.-PR

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GDs fee to be used for computer system upgrade

September 04, 2014

The Federal Board of Revenue (FBR) has allowed customs officials to use the Goods Declaration (GD) processing fee (service charges), collected from importers, for upgradation of computerised system network, awards to informers and investment in assets building of the customs department.

The FBR here on Wednesday issued procedure for collection of GD processing fee (service charges) and disbursement for implementation by the Model Customs Collectorates (MCCs). According to the procedure, the Goods Declaration (GD) processing fee (service charges) Rs 250 per GD is levied and collected under SRO 1053(I)/2011 dated November 16, 2011 read with SRO 559(1)/2012 dated May 21, 2012.

The Board has approved special procedure for the disbursement of the amount collected as GD processing fee (Service Charges). Consolidation of service charges: There will be a central account (service charges for processing of goods declaration) maintained in the FBR Headquarters. The Model Customs Collectorates will transfer the amount collected under their

individual accounts of Service Charges for Processing of Goods Declarations.

Disbursement of service charges: From the central account maintained in the FBR Headquarters, disbursement will be made as follows: Upgradation of computerised system network: Thirty percent (30 percent) of the amount collected during a financial year or part thereof will be reserved for up gradation, maintenance, training and operation of the computerised system network, and allied hardware/software. Amount under this head may also be utilised for purchase of hardware and software. The above amount will be transferred from the Central Account to the separate account maintained by the Directorate General (Reforms and Automation).

Expenditure from the account of Directorate General (Reforms & Automation) will be made with the prior approval of the Board, procedure said. Fund for Informers: Ten percent (10 percent) of the amount collected during a financial year or part thereof will be utilised for disbursement to the informers.

The amount of funds under the said head will be transferred to a separate account, Account for informers, maintained at FBR Headquarters. Allocation and disbursement to field formations and FBR Headquarters from the above account will be made by Member (Customs). The field formations will maintain proper account of the funds received and disbursed under this head.

Common Pool Funds: Thirty percent (30%) of the amount collected during a financial year or part thereof will be transferred to the respective Common Pool Funds (CPFs) as per specified share, ie, FBR 12 percent; MCCs under the jurisdiction of Chief Collector (North) 11 percent; MCCs under the jurisdiction of Chief Collector (Central) 12 percent; MCCs under the jurisdiction of Chief Collector (Appraisalment-South), Karachi 17 percent; MCCs under the jurisdiction of Chief Collector (Enforcement-South), Karachi 13 percent; Directorate General of I&I-FBR 12 percent; Directorate General of Training 5 percent; Directorate General of Internal Audit (Customs) 3 percent; Directorate General PCA (Customs) 3%; Directorate General of Valuation Directorate General of Transit Trade 3 percent; Directorate General of (IOCO) 3 percent and Adjudication Collectorates and DR offices 3 percent share.

The Funds transferred to the CPFs will be utilised according to the Unified CPF Rules. Investment and Assets building: Thirty percent (30 percent) of the amount collected during a financial year or part thereof will be utilised for investment, asset formation and development works aimed at betterment of Customs Department and its employees. The Funds under the above head will be transferred to a separate account, Customs Personnel Welfare Account, maintained at FBR Headquarters.

The procedure added that the utilisation of the Funds will be approved by a Board of Trustees consisting of one FBR Member belonging to Pakistan Customs Service (Chairman); one FBR Member/Director General belonging to Pakistan Customs Service (Member) and Chief (F&C) would work as Secretary of the Board of Trustees. The Board of Trustees may approve utilisation of part of funds under the head in any other manner including transfer to one or more CPFs, the procedure added.

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Telecom sector: Islamabad LTU suffers Rs 9.78 billion revenue loss

September 04, 2014

Large Taxpayer Unit (LTU) Islamabad has suffered huge revenue loss of Rs 9.78 billion from telecom sector on account of transfer of withholding tax under section 236 of the Income Tax Ordinance 2001 to Gilgit-Baltistan Council, reduction of withholding tax from 15 to 14 percent, sales tax adjustment paid on import of plant/machinery and litigation against sales tax on registration of new International Mobile Equipment Identity (IMEI)/SIM activation by cellular operators.

Sources told *Business Recorder* here on Wednesday that the Chief Commissioner LTU Islamabad has expressed her inability to collect the assigned revenue collection target for 2014-15 and requested the FBR to curtail the budget targets assigned to the LTU Islamabad for financial year 2014-15.

According to the Chief Commissioner LTU Islamabad, it has the jurisdiction of all the taxes of five main telecom operators/companies providing telecom services in Pakistan. LTU Islamabad is facing following issues after the introduction of new tax measures in Finance Act 2014:

The first issue is related to the sales tax on imports of plant and machinery. The Federal Government vide S.R.O. 564 (1)/2014 dated 26-06-2014 rescinded its Notification No S.R.O. 575(1)/2006, dated the 5th June, 2006 whereby sales tax on imports of plant, machinery, equipment and apparatus, including capital goods were exempted from sales tax and Federal Excise. Now after the introduction of SRO 564 (I) of 2014 Sales Tax is leviable upon all imports of machinery including that of telecom. After getting 3G/4G licenses the telecom sector is in the process of importing related plant and machinery and liable to pay sales tax at the import stage. The credit of such sales tax collected at import stage will not be taken by LTU Islamabad.

However, all telecom operators which import plant and machinery and pay sales tax at the import stage would adjust sales tax as input in returns filed with LTU Islamabad. The adjustment of such an input has already started to have a negative impact on sales tax collection from the telecom sector as evident from the comparative analysis for the month of July 2013 and 2014. Total revenue effect may reach up to Rs 2500 Million for a year, Chief Commissioner LTU Islamabad said.

The second issue is related to the sales tax on the registration of new International Mobile Equipment Identity (IMEI)/ SIM Activation. Previously sales tax on SIM was collected by LTU Islamabad for approximately an amount of Rs 6,182 Million in tax year 2013. Telecom operators got stay against the tax and no tax was collected in tax year 2014. As new revenue measure through Finance Act 2014 the same tax was included in Ninth Schedule of Sales Tax Act 1990 as Sales Tax payable at the time of registration of a new International Mobile Equipment Identity (IMEI) number. The tax was due to be received through the sales tax returns of July 2014.

Whereas, two telecom operators have informed LTU Islamabad that they got stay from Lahore High Court wide WP No 21010/2014 against the levy of this tax and in lieu of the tax on sales of

SIMs an amount of approximately Rs 460 million has been deposited with Deputy Register (Judicial). Resultantly, no tax under this head is collect in July 2014 and in the presence of stay tax shall not be collected.

Through Finance Act 2014 rate of withholding tax under section 236 has been reduced from 15 to 14 percent which is likely to reduce revenue collection under this head at Rs 600 Million for the current year, Chief Commissioner LTU Islamabad said. Chief Commissioner LTU Islamabad further stated that Gilgit Baltistan Council has established its own Income Tax and Sales Tax Department and has adapted Income Tax Ordinance 2001. Commissioner Income Tax/Sales tax of Gilgit-Baltistan Council held a meeting with all telecom operators and requested them to deposit the payments pertaining to Gilgit Baltistan in their account. Telecom operators, however, have held some payments pertaining to GB which shall be deposited in the respective collection account of G-B Council.

Advance income tax under section 236 of the Income Tax Ordinance 2001 previously collected by LTU Islamabad shall be diverted to GB Council to the extent of approximately Rs 500 which shall negatively affect the collection of FBR. Total revenue impact for the above said measures cover sales tax/FED on input stage, Rs 2,500 million; sales tax payable at the time of registration of New IMEI (collected in Tax Year 2013) and Rs 6,182 million; advance income tax under section 236, Rs 1,100 million. Total revenue impact comes to Rs 9,782 million. Keeping in view the forgoing it is requested that the budget targets assigned to LTU Islamabad for financial year 2014-15 be reduced by Rs 9,782 million, Chief Commissioner LTU Islamabad added.

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Contingency expenses, loan: FBR sets up board to approve utilisation of CPF

September 04, 2014

The Federal Board of Revenue (FBR) has constituted a Central Common Pool Fund Board (CCPFB) to approve utilisation of the Common Pool Fund (CPF) for customs officials/employees which include personal loan; donation to an organisation; legal fees/charges, lab fees, contingency expenses and expenses to hold a function/activity for its staff, etc. In this connection, the FBR here on Wednesday issued Unified CPF Rules-2014.

Under the CPF Rules, the customs officials can avail house rent subsidy; medical charges; stipend for education; subsidy on marriage expenditure (class IV staff) and facility of mess, etc. According to the FBR rules, the Board has issued new rules to regulate the income/expenditure from the Common Pool Fund (CPF) generated under the provisions of various notifications/orders issued from time to time.

These rules shall apply to the CPF of all Customs formations and FBR Headquarters. Under the new rules, there shall be a Central CPF Board (CCPFB) at FBR Headquarters, Islamabad which shall consist of the following officers:- Member (Customs) Chairman, Chief Management (Customs) Secretary; Chief (Customs) Member and Secretary (Customs) would act as Member of the CCPFB.

The CCPFB will act as overall governing body of the CPFs of all field formations. It will grant approvals of proposals/requests from the field CPF Board. The CCPFB will look after the CPF activities at the FBR Headquarters. There shall be a CPF Board in each Collectorate/Directorate/Organisation which shall consist of Collector/Director/Head of the Organisation, Chairman; Additional Collector/ Director, Member; Assistant/Deputy Collector/Director (Headquarters), Secretary; Nominee of officers/officials of BPS 16, Member; Nominee of official of BS 7-10, Member and Nominee of official of BS 1-4, Member.

The CPF Board will be responsible for the income and expenditure management of the Fund, formulation of policies and taking all measures to implement such policies for the investments, generation of further funds and all matters relating thereto. The CPF Boards shall not spend more than 80 percent of the revenues/receipts in the CPF. The remaining 20 percent of the annual income will be invested to generate further resources/funds for continuation and improvement of CPF facilities in future.

Each CPF Board shall transfer 20 percent of its receipts and income to the CCPF within one month of the close of the financial year. The FBR share shall not include the funds received in the CPF as disbursement of Goods Declaration (GD) processing fee (service charges). The rules further said that each CPF Board may authorise and sanction following expenditure to the officers/staff of its field formations:

(i) House rent subsidy: Officers living in a rented houses who do not avail the facility of government accommodation or CPF Mess will be paid the monthly amount. The basic scale 17&18 would be entitled to monthly rental subsidy Rs 10,000; basic scale 19&20 would be entitled to monthly rental subsidy of Rs 15,000 and basic scale of 21&22 would be entitled to monthly rental subsidy Rs 20,000.

(ii) Medical charges: For the officers/officials and their dependants, reimbursement up to 50 percent of the cost of consultation, treatment and medicines with the capping of Rs 5,000 per month. (iii) Stipend for education: Annual stipend of Rs 10,000 for one child of class IV staff who secures 65 percent marks in Matriculation and admitted to a college. The stipend may continue till graduation subject to scoring of 65 percent marks in each subsequent year.

(iv) Subsidy on marriage expenditure: An amount of Rs 20,000 for not more than two daughters of class IV staff. (v) Burial expenses of Rs 40,000 for in service death of a class IV staff or spouse. (vi) CPF mess: Hiring of building, its furnishing including purchase of essential items/equipments, payment of utility bills and salaries of staff working in the mess. The officers availing the facility of mess will pay monthly service charges as prescribed by the CCPFB from time to time.

For the expenditure with prior approval of Central CPF Board, the rules said that a CPF Board may sanction expenditure after getting prior approval from the Central CPF Board including personal loan; donation to an organisation; renovations/repairs of offices and government residences; purchase and repair of vehicles for pick and drop of staff and purchase and repair of office equipment. Other expenditures requiring approval of the CPF Board included transportation and fuel charges for official work/assignments not covered/ available under the budget grant; legal fees/charges, lab fees and contingency expenses not covered/available under the budget grant; hiring of officials only for CPF related work; expenses to hold a

function/activity for common good of staff; subsidy/financial assistance to a class IV staff retired from the service and any other project activities involving common welfare of the staff.

The CPF Board will monitor and regulate expenditure of CPF and may put restrictions and curtail disbursement of funds under various heads in view of funds/resources available. The Directorate General of Inspection and Internal Audit (Customs) will audit the Common Pool Fund Account of each formation by 30th September of the close of a financial year. Copies of the audit report will be sent to the field formation and the Central CPF Board. The relevant field formations will make recoveries, if any, and settle the audit objections pointed in the audit report, Unified CPF Rules added.

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Increase in WHT may put an end to 'on money' practice

September 04, 2014

IQBAL MIRZA

With the increase in withholding tax on registration and transfer of vehicles, consumers may actually be able to breathe easy since it may put an end to the menace of 'on money' being taken from them. Even though the procedure for determining non-income tax filers may seem cumbersome, it is likely to eliminate premiums that would thrive because of dealers/investors holding inventory, according to industry sources.

In fact, contrary to the popular belief, authorised dealers say that for filers of income tax, the withholding tax will not be a problem since they are already active taxpayers. It is some 30 percent of non-tax paying buyers who should be worried. At the same time, authorised dealers will also be more vigilant and subject the buyer's tax-paying status to careful scrutiny. Once the dealer knows whether or not a customer is an active taxpayer, he will be charged the withholding tax accordingly instead of asking him to pay a premium.

Needless to mention that this year's federal budget was drafted with a singular purpose in mind: bringing more people under the tax net by imposing various taxes on services and products. This explained the Finance Ministry would ensure that tax evaders would be forced to pay what they owe to the government.

These measures include the removal of tax exemptions, increased taxes on services and raising the bar on advance income tax (withholding tax) charges on locally manufactured items, particularly automobiles. On the transfer of an 850cc car, the owner will pay Rs 10,000 tax, if the ownership is changed within five years. On 851-1000cc vehicles, a non-taxpayer will pay Rs 25,000. On 1001-1300cc vehicles, the transfer rate has been set at Rs 40,000 for non-taxpayers. On 1301-1600cc, customers will be required to pay Rs 100,000. Anything above 1800cc will be charged the whopping sum of Rs 200,000, while for vehicles over 2500cc non-filers will have to pay Rs 300,000. On transfer of vehicles falling in category of over 3000cc, the rate for a non-compliant person is Rs 450,000. The government has also levied advance income tax on

registration of imported vehicles aimed at raising Rs 1.5 billion. It has also enhanced annual fees (token tax) rates on vehicles.

While critics lament that the increase in withholding tax on the registration and transfer of ownership of vehicles is unfair and unnecessarily burdens the consumer, it may actually have some utility. For years now, car buyers are forced into paying a premium, popularly known as 'on money', on locally assembled vehicles, if they want it delivered early. The normal delivery time for a new, locally assembled car is anywhere between four to eight weeks, given the ever-increasing demand. However, if a customer requests an early delivery, then he has to pay 'on money' to the dealership, a practice that forces the customer into coughing up an extra Rs 50,000 - sometimes even more over and above the invoice amount of the vehicle.

Original Equipment Manufacturers (OEMs) contend that they do not benefit from premiums or 'on money'. It is the unauthorised middleman that rips off the consumer and makes a profit. This profit is also tax-free since these unauthorised middlemen - for example, roadside dealers and investors - are income-tax registered and do not pay sales tax and conduct transactions in a non-documented manner. On the other hand, responsible OEMs have initiated surveys, surprise visits and campaigns to ensure that premiums are curtailed and quality customer service is ensured.

Other measures to restrict premiums include taking the NIC and NTN number of the buyer and making it compulsory for the payment instrument to carry the buyer's name. In fact, some companies also pay interest on vehicles that are delivered after over 60 days. Furthermore, they refund the entire amount if the customer decides to cancel the order anytime before the delivery.

It is also interesting to note that the increase in tax is across the board since it makes no distinction between new and used cars. So, whether a buyer purchases a new locally made car or a used imported one, he pays a tax on it. The onus of collecting these taxes in the case of locally assembled vehicles is on the manufacturer, which will then be submitted to the Excise and Taxation Department. The levy of this tax across the board on all used vehicles or otherwise is a positive step since it creates less loopholes in the system and tax evaders will be hard pressed to avoid paying taxes.

If implemented properly, the decision to increase taxes on vehicles should prove to be a step in the right direction. It should prevent small-time unauthorised dealers from fleecing the unsuspecting buyer under the guise of premium. More importantly, it should push non-income tax filers into the tax bracket and make it more difficult for them to escape the system.

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Cotton and Textiles: *Pakistan*

Cotton market: trade activity slackens on slow phutti arrivals

September 04, 2014

Trading activity slowed down on the cotton market on Wednesday amid slow phutti arrivals, dealers said. The official spot rate managed to hold overnight level at Rs 5,600, they added. In Sindh, prices of seed cotton were at Rs 2500 and Rs 2550 and in Punjab prices were at Rs 2550 and Rs 2650, they said.

Some brokers said that the ginners were not showing interest in selling of seed cotton due to short supply, particularly after rains, they added. Other analysts said that mills and spinners were busy in purchasing of quality cotton in the meantime, it is most likely the current rains may damage quality of cotton.

Reuters adds: cotton futures dropped the most in a month on Tuesday due to subdued demand, expectations of higher output in key producers, and a climbing dollar. The benchmark December cotton contract on ICE Futures US closed down 1.26 cents, or 1.9 percent, at 65.31 cents a lb.

That was the second-month's biggest daily rout since late July, as trading resumed after being closed for the US Labour Day holiday on Monday. The following deals reported: 1200 bales of cotton from Shahdadpur sold at Rs 5600, 1000 bales from Mirpurkhas at Rs 5600, 1200 bales from Sanghar sold at Rs 5600, 1000 bales from Tando Adam at Rs 5600-5625, 1000 bales from Hyderabad at Rs 5600-5625, 800 bales from Chistian at Rs 5700-5750, 400 bales from Garh Maharaja at Rs 5750, 400 bales from Pir Mehal at Rs 5750, 800 bales from Burewala at Rs 5800 and 200 bales from Duniyapur at Rs 5800, they said.

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The KCA Official Spot Rate for Local Dealings in Pak Rupees

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

MICRONAIRE VALUE BETWEEN 3.8 TO 4.9 NCL

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| Rate | Ex-Gin For | Upcountry Price | Spot Rate Ex-Karachi | Spot Rate Ex. KHI. As Ex-Karachi | Difference |
|------------|---------------|--------------------|-------------------------|--|------------|
| 37.324 Kgs | 5,600 | 150 | 5,750 | 5,750 | Nil |
| Equivalent | | | | | |
| 40 Kgs | 6,002 | 160 | 6,162 | 6,162 | Nil |

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1.76 million bales of cotton reach ginneries: PCGA

September 04, 2014

MAQBOOL HUSSAIN BUKHARI

Pakistan Cotton Ginners Association (PCGA) has issued the figures of cotton arrival upto September 1st, 2014. Seed cotton (Phutti) equivalent to over 1.76 million bales of cotton or 17,62,282 bales have reached ginneries across Pakistan as of Sept 1st showing an increase of 2.11 per cent compared to corresponding period last year when ginneries received 17,25,853 bales.

According to fortnightly report of Pakistan Cotton Ginners Association (PCGA) issued here Wednesday, out of the total arrivals, 1.76 million bales of cotton have been converted into bales so far. Ginneries in Punjab recorded arrival of 810,316 bales recorded an increase of 25.76 per cent. Sindh ginneries recorded arrival of 951,966 bales while last Sindh received 1,081,496 bales. Ginneries in Sindh recorded a shortfall as compared to corresponding period last year. Textile mills have bought 1,523,854 bales while exporters bought 56,875 bales. The total bales sold out so far were calculated at 1,580,729 bales. Total 406 ginning factories are operational in the country. Of them 231 in Punjab and 175 in Sindh; total 181,553 bales are lying in unsold stock.

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Outstanding refunds: APTMA chief urges government to speed up process

September 04, 2014

Muhammad Yasin Siddik, Chairman All Pakistan Textile Mills Association (APTMA) has urged the government to speed up the process of outstanding refunds as committed by the Federal Minister for Finance and Economic Affairs, Muhammad Ishaq Dar in the federal budget that all outstanding sales tax refund would be cleared by September 30, 2014.

In a statement issued to the press Muhammad Yasin Siddik said that a huge amount of sales tax refund is outstanding since last one and half year which has created a severe liquidity problem. He said that almost two months have lapsed but the government has not yet refunded any amount on account of outstanding sales tax refund to the large units although appreciated that the government has cleared off almost all the refunds up to Rs one million. He further said that it seems impossible that the government can clear the stuck-up refund within the committed time period as the procedural bottlenecks also needed to be removed.

Chairman APTMA said that timely and expeditious refund will not only build the trust of taxpayers in the tax system but will also help the tax authorities while introducing tax reforms in the existing system. He further said that fast track refunds rules must be ensured in true spirit in

the best interest of the industry and economy.

The textile industry of Pakistan is striving hard to grow for which it is imperative that all possible revolutionary changes to facilitate the industry be made, particularly the removal of disadvantageous situation arising out of the existing tariff structure of manmade fibre as we have to procure most of our raw materials through imports.

To meet the challenge of doubling our textile exports it is imperative that Pakistan should follow the international trend and increase the use of manmade fibre in the local spinning and weaving sector, as the current usage ratio of Polyester in locally manufactured yarn is 20 percent whereas world average of over 70 percent. This is proven from the fact that world cotton production in 2013 was 26.8 million tons, whereas polyester production for 2013 was 46 million tons, it is expected that by 2015 the polyester production for yarn will increase to 55 million tons and will exceed 100 million tons by 2020.

Further Pakistan has no operating viscose and acrylic fibre plants but still the import duty on these fibres is five percent. To fetch good price of our products in the international market usage of manmade fibres be encouraged by exempting them from custom duty and other taxes, Chairman APTMA said.

He further said that the reimbursement against Technology Upgradation Fund is outstanding since last two years and about three and half years in case of Export Finance Mark-Up Rate Support and Drawback on Local Taxes and Levies although our members have fulfilled all the required formalities. He urged the government to release the fund against the above schemes as the mills have already booked these amounts in their financial statements.-PR

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Agriculture and Allied: *Pakistan*

PPCBL gives Rs 9,162 million agriculture loans in 2013-14

September 04, 2014

Punjab Provincial Co-operative Bank Ltd(PPCBL) gave agriculture loans of Rs 9162 million during financial year 2013-14, President/CEO Muhammad Ayub said here on Wednesday. He said these loans were issued through co-operative societies for Kharif and Rabi crops, livestock, gold loans and other schemes. The Bank has set a target of Rs 13645 million co-operative loans for the current financial year, i.e. from 1st July 2014 to 30th June 2015.

Ayub said the bank will start advancing loans in October for sowing and growing winter crops including strategic wheat, oil seeds, grams, vegetables, fodder and fruit orchards. The bank has started recovery of non-performing loans on emergency basis, he added.

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High flood level likely in Ravi, Chenab rivers

September 04, 2014

JALIL HASSAN AKHTAR

According to latest meteorological conditions, a well-marked monsoon low lies over Rajasthan (India) which is likely to affect upper catchments of all the major rivers except Indus. This weather system has a potential to produce heavy at times very heavy rainfall over north-east Punjab (Gujranwala, Lahore, Rawalpindi divisions), Kashmir and adjoining areas during next 72 hours, causing flood situation in the Jhelum, Chenab, Ravi, Sutlej Rivers and their tributaries.

Flood Warning Centre said here on Wednesday that under this scenario very high to exceptionally high flood level is expected in the Rivers Chenab and its associated Nullahs, whereas high flood level is expected in River Ravi along with its associated Nullahs. High to very high flood level is also expected in Rivers Jhelum and Sutlej FFC added.

Widespread heavy to very heavy rains/thunderstorm predicted in north-east Punjab and Kashmir today Widespread thundershowers with gusty winds & scattered to fairly widespread heavy to very heavy falls would occur over Upper catchments of rivers Jhelum, Chenab, Ravi and Sutlej. Widespread thundershowers with gusty winds would occur over Punjab (with scattered heavy to very heavy falls over Bahawalpur, Sahiwal, Faisalabad, Sargodha, Lahore, Gujranwala, Rawalpindi divisions, Islamabad and isolated heavy falls over D G Khan, Multan divisions), Sindh(with isolated heavy falls over Mirpur Khas, Sukkur, Hyderabad and Karachi divisions) and Kashmir (with heavy to very heavy falls). Further, fairly widespread thundershowers with gusty winds may come about over Khyber Pakhtunkhwa (with isolated to scattered heavy to very

heavy falls over Malakand, Mardan and Hazara divisions) and Gilgit-Baltistan. Also, scattered thundershowers with gusty winds are expected over FATA, Southern & North-eastern Balochistan (with isolated heavy falls over eastern parts). There could be medium to high flooding in Nallahs of Ravi & Chenab Rivers. There could be localised/urban inundation in areas of heavy to very heavy downpours. Also, there could be medium to high flooding in Nallahs of Hill Torrents of D. G. Khan, Rajanpur and their surroundings

Rainfall recorded: Kotli 84, Rawlakot 82, Faisalabad 73, Garidupatta 42, Muzaffarabad 38, T.T Singh 32, Jehlum 29, Mangla, Badin 25, Bhawalnagar 24, Mithi 23, M.B Din 22, Gujranwala 20, Gujrat, Skardu 17, Lahore (PBO) 14, Sialkot, Murree 13, Sahiwal 12, Lahore(AP) 10, Kakul 07, Okara, Bhawalpur (AP) 06, Jhang, Sargodha, Astore, Kasur 04, Bhawalpur (City) 03, Chakwal 02, Gupis 01.

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Drought victims: body to ensure transparent wheat distribution

September 04, 2014

Sindh Minister for Population Welfare and Co-ordinator on Relief, Ali Mardan Shah said that a committee would be formed to ensure transparent distribution of wheat among drought-hit victims in the desert areas. He said this while speaking to media and chairing at a meeting held here to review the drought situation in Thar. The meeting was attended by MNA Faqeer Muhammad Bilalani, PPP MPA Dr. Mahesh Malani, and Khatu Mal Jeewan, Senior Member of Board of Revenue and other district officials.

The committee would comprise elected representative, Head Master of the school where the distribution centre is to be set up, prominent persons from concerned villages and media, he said. "It was decided to conduct a survey on the drought situation at union council levels," he said. The report of distribution would be released on daily basis; the Minister said adding that any negligence and complaints against any one would not be tolerated at any cost. The process of disbursement of compensation amount announced by Sindh government for the families of deceased children would be expedited, Shah said.

The Reverse Osmosis (RO) plants are being installed to ensure the provision of drinking water to the people of Thar, he said. Speaking on the occasion, Deputy Commissioner Tharparkar, Asif Ikram briefed that wheat is being distributed on daily basis and 3311 sacks have been distributed so far while patients are being provided better health facilities at hospitals. He also pointed out that there was a need of Vet Doctors, medicine and allied staff, on which the provincial minister assured to resolve the issue.

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KBP urges government to announce demand price for Basmati, IRRI

September 04, 2014

Kisan Board Pakistan (KBP) urged the government to take immediate steps for safeguarding the interest of paddy growers and announce minimum purchase price for Basmati (paddy) at Rs 3,000 per maund and for IRRI at Rs 1,800 per maund. This demand was made by the Rice Committee of the Board which met here on Wednesday with its Central Chairman Aman Ullah Chattha in the chair.

The meeting was also attended by its Central Secretary-General Malik Muhammad Ramzan Rohari and other KBP members, agricultural experts and paddy growers. The committee discussed the input cost incurred on paddy crop, issues related to research and marketing of the commodity and prepared its recommendations. Releasing the demands to media, the KBP rice committee urged the government to provide required resources to the research institutes and also monitor their research activities for ensuring provision of new and high quality seeds to the growers.

It regretted that Pakistan's research institution failed to provide new seed free of diseases or capable of higher per acre yields. Keeping in view the input cost, the committee further demanded fixing the minimum purchase price at Rs 3,000 per maund for Basmati paddy and Rs1,800 per maund for IRRI paddy. The committee also demanded to mobilise Pakistan Agricultural Storage and Services Corporation (PASSCO) like the role it played during last many years. It also urged the government to mobilize institutions associated with exports so as for enhancing basmati exports thus facilitating the rice traders and rice mills.

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Cotton, sugarcane crops: farmers advised to take measures against viral, pests attacks

September 04, 2014

Viral and pest have struck standing crops of cotton and sugarcane in the agriculture plains of the country, the Met Office has reported, advising the farmers to take measures to avoid yield loss. "Viral/pests attacks on cotton and sugarcane crops have been reported in agricultural plains of the country," the office said in its farmers advisory.

It also warned farmers of rise in viral and pest attacks on their standing crops with expected rainfall of the season. "These attacks may further enhance due to coming monsoon rains. Farmers should be careful to control these attacks in time," it alerted. "Pest/viral attacks and more weeds growth are expected during current and expected monsoon rains in sugarcane and other standing crops in upper parts of the country," it pointed out.

Gusty winds are likely to grip the agriculture plains of the country in the next 10 days. The office warned the farmers. "Normal to gusty wind pattern may prevail in most of agricultural plains of the country," it said. However, temperature is expected to remain normal in most of agriculture plains of the country, it said, adding that "rainfall/gusty winds after irrigation cause water logging of standing crops like maize, sugarcane and cotton".

It asked farmers to take timely precautionary measures to protect crops from disasters. It also advised growers who irrigate crops through tube-wells to schedule their irrigation in line with the expected rainy spells. "Farmers of rain-fed areas obtaining water through tube-wells and irrigated areas in upper parts are advised to schedule the irrigation according to the expected weather," it said.

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

Light to moderate rainfalls at isolated places is expected over most of the agricultural plains of Punjab during the forecast period till September 10. The office said light rainfall expected at isolated places of lower Sindh during the first five days of the forecast period. In Khyber Pakhtunkhwa, heavy falls at isolated places is expected over most of the agricultural plains of the province. In Balochistan, it said mainly dry weather is expected in the province. However, it said, light rainfall is expected in north western parts of the province.

Mostly cloudy weather with light to moderate rainfall over hills is expected in most parts of Gilgit-Baltistan during first half of the period. Mainly cloudy weather with light to moderate rainfall over hills is expected in isolated parts of Kashmir till September 5, the Met Office said.

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Daily trading report of PMEX

September 04, 2014

On Wednesday at Pakistan Mercantile Exchange (PMEX) value traded was recorded at PKR 4.216 billion as compared to PKR 1.784 billion registered on Wednesday, up by 136.33 percent. The number of lots traded was 18,455 and PMEX Commodity Index closed at 2,967. Major business was contributed by crude oil amounting to PKR 3.261 billion - up 304 percent, followed by gold amounting to PKR 911 million and silver at PKR 44 million.

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PSM clarification

September 04, 2014

Apropos a news item "PSM CEO opposed to sell-off" carried by *Business Recorder* yesterday, spokesman, Pakistan Steel, Shazim Akhtar has clarified that the Pakistan Steel management/CEO is committed to fulfilling the targets/promises given by the government and no demand of additional funds has been made contrary to the government policies. Spokesman further clarified "Pakistan Steel is however, an old plant and its blast furnace, steel making, hot & cold rolling technologies are of 70's vintage.

Condition of the existing plant, equipment and facilities have badly deteriorated over the years due to less expenditure on catch up maintenance. "In the approved restructuring/Business plan Rs.2.8 billion from self generated funds is earmarked to carry out catch up maintenance and most critical repairs at different units of the plant which is a regular process in engineering and process industry. Without these repairs, PSM would not be able to achieve 70-80% capacity utilisation as per the business plan. These critical/ capital repairs alone do not guarantee sustainable long term operation of the mills at its designed capacity.

"For operational reliability, improved and diversified product quality, better productivity and value addition, a certain level of up-gradation work in selected areas is also of immense importance. For this purpose government has been requested to provide another 6.8 Billion Rupees in two years. This additional investment will result in asset building, adding the net worth of the plant and yielding a better price in the event of privatisation," the clarification concluded.

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Sacrificial animals markets spring up in Karachi

September 04, 2014

N H ZUBERI

Sacrificial animals markets have sprung up in different parts of the city although Eid-ul-Azha is still more than a month away. Meanwhile, different Islamic organisations and mosques of the city have announced the amount at which they would be offering a share of a sacrificial cow to the faithful.

Different Islamic organisations, area mosque committees had also displayed banners in different parts of the city, urging the faithful to participate in collective sacrifice of animals. The amount of a share in a sacrificial cow ranges between Rs 7,500 and Rs 10,500. Moreover, a number of billboards have appeared in different parts of the city, offering online sale of sacrificial animals.

The sacrificial animals being sold through online carried their photographs, weight, number of

teeth, age along with their price. Those selling sacrificial animals through online also give an option of visiting cattle farms to their potential customers. Though the idea of online sale of sacrificial animals was not new, most of the faithful prefer to visit markets along with their children to buy sacrificial animals. The price of a goat or a sheep being sold through websites ranges between Rs 10,000 and Rs 15,000, depending upon their weight and size.

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About 3.758 million tons of meat to be produced in 2014-15

September 04, 2014

Government has set a target to produce about 3.758 million tons of meat during current financial year (2014-15) to fulfil the domestic consumptions as well as to export. About 3.531 million tons of meat was produced during last financial year as against the set target of 3.379 million tons which witnessed an increase of 4.5 percent as compared to the production of same period of last year.

An official in the Ministry of National Food Security and Research told APP here on Wednesday that about 1.987 million tons of beef also to be produced during the year 2014-15 to fulfil the domestic requirements. He informed that about 1.887 million tons of beef was produced during financial year 2013-14 as against the set target of 1.891 million tons which was down by 0.2 percent as compared to the set target of same period of last year.

Meanwhile, mutton production target for the period under review has fixed at 0.682 million tons as compared to the last year's target of 0.657 million tons, he added. He further said mutton production was recorded at 0.657 million tons during the year 2013-14 as against the set target of 0.657 million tons adding that mutton production was recorded at 0.643 million tons during the year 2012-13. The official further said the government has set a target to produce about 1.97 million tons of poultry meat which are the cheaper source to fulfil the domestic meat requirements.

The poultry production witnessed about 8 percent increase in its production during 2012-13 whereas country produced about 0.987 million tons of poultry meat during the financial year 2013-14 as against the set target of 0.987 million tons. He further informed that poultry sub-sector is the largest meat production sector which is providing meat at cheaper rates as compared to beef and mutton and providing nutritional support to consumers. It is expected that this sector will keep its pace in the next year and will achieve the target of 1,097 thousand tons and will further ease the pressure on the demand for beef and mutton, he added.

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Agriculture extension services in KP: PARC, JICA sign MoU for capacity development

September 04, 2014

Pakistan Agricultural Research Council (PARC), Japan International Co-operation Agency (JICA) and Department of Agriculture, Livestock and Co-operation of Khyber Pakhtunkhwa (KP) have signed Record of Discussion (RoD) for capacity development of agriculture extension services in KP. A statement issued by PARC here on Wednesday said that under the project, 100 agriculture officers and 250 field assistants will be trained in different areas of agriculture.

The project also aiming at strengthening agricultural extension services in province in order to perform their role effectively in improving farm productivity, employment generation, mitigating environmental degradation and uplifting socio-economic conditions of rural masses of the province. The government has approved the project "Capacity Development of Agriculture Extension Services in KP" with the financial assistance from JICA at a total cost of Rs.120.878 million including Rs.117.478 million as JICA grant.

Speaking on the occasion, Dr. Munir Ahmad, Acting Chairman PARC said that effective and efficient extension services play a pivotal role in boosting agriculture for uplifting of socio-economic conditions of farmers. He emphasised that the technology developed in one province should be share with other provinces and also stressed the need of feed-back. He appreciated the role of JICA for the development of agriculture in Pakistan. Dr. Muhammad Azeem Khan, Director General, National Agricultural Research Centre (NARC) acknowledged the role of JICA for promotion of agriculture in Pakistan.

He said at NARC there are more than 350 scientists in all disciplines of agriculture, well equipped laboratories facilities and ample field space to conduct varieties of well conceived meticulous experiments to find environment friendly and economically viable solutions to different problems of the farming communities of Pakistan. On this occasion Mitsuyoshi Kawasaki, Chief Representative, Japan International Co-operation Agency (JICA) Pakistan Office highlighted the history of co-operation in agriculture between Japan and Pakistan. He assured full support from JICA for the improvement of agriculture for poverty reduction in the region.

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Fuel and Energy: *Pakistan*

PSO announces record sales revenue, profit & EPS in fiscal year 2014

September 04, 2014

The Board of Management (BoM) of Pakistan State Oil Company Limited (PSOCL) convened on Wednesday at the PSO headquarters, to review the Company's performance for the Financial Year ended June 30, 2014 (FY2014). In the period under review, PSO recorded all time high sales revenue, profit after tax and earnings per share.

Sales revenue stood at Rs 1.4 trillion compared to Rs 1.29 trillion during the Same Period Last Year (SPLY), registering a growth of nine percent. After tax earnings rose by 73 percent to Rs 21.8 billion as compared to Rs 12.6 billion during SPLY. Earnings per share increased to Rs 80.31 from Rs 46.52 during SPLY. PSO maintained its market leadership position during the year under review with 73 percent share in Black Oil market and 53 percent in White Oil market, while registering a growth of five percent in sales over liquid fuels last year. The Company realised substantial cost efficiencies, whereby the distribution and marketing expenses increased merely by three percent as compared to 14 percent average increase in expenses over the last three years and against an inflation of 8.5 percent during FY 2014.

Recovery of interest from power sector consumers and interest on Pakistan Investment Bonds also contributed towards increase in the bottom line, which was nevertheless, mitigated by increase in finance cost by 26 percent due to power sector receivables viz-a-viz circular debt and net exchange loss of Rs 1 billion due to devaluation of PKR. The BoM expressed concern over increasing receivables from the power sector and advised the management to pursue the recovery thereof through continued follow-up with the customers and the concerned government offices. Based on this performance, the PSO BoM announced a final cash dividend of Rs 4 per share in addition to the earlier interim cash dividends of Rs 4 per share (equivalent to 80 percent) and issuance of bonus stock at the rate of 10 percent. Combined with the earlier interim cash dividends the total cash dividend for the year stands at Rs 8 per share.

The Board unanimously resolved to place on record its commendation for the management of PSO, particularly Amjad Parvez Janjua MD-PSO, for achieving outstanding yearly results for the Company, which are all time high in the history of PSO. The Board also resolved to appreciate the PSO team on maintaining continuity of supply of petroleum products across the country, especially, during Eid, Ramazan and periods of civil disturbance. The Board also extended gratitude to the Government of Pakistan, particularly Ministries of Petroleum and Natural Resources, and Finance for the support and contribution they extended to PSO which enabled the Company to achieve its business and performance objectives. The management expressed gratitude for the valuable guidance and support provided by the BoM and assured the Board of the continued commitment and contributions of PSO team towards development and growth of the Company.-PR

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Policy framework for unutilised gas: Ministry to seek ECC approval

September 04, 2014

MUSHTAQ GHUMMAN

Ministry of Petroleum and Natural Resources is to seek approval of a policy framework for utilisation of unutilised gas from the Economic Co-ordination Committee (ECC) of the Cabinet after the latter refused to clear a proposal for allocation of 50MMCFD gas for a 50MW power plant, well informed source told *Business Recorder*.

M/s PPL with a 65 percent working interest along with its joint venture partners Government Holding(Pvt.) Ltd(GHPL) and Asia Resources Oil Ltd(AROL) with a 25 percent and 10 percent working interests, respectively, discovered gas in Wafiq X-I and Shahdad X-I wells in the said block. Both the wells were under Extended Well Testing (EWT) phase during which an estimated 30-60 MMCFD gas would be produced.

According to sources, pursuant to an ECC decision in Case No.ECC-153/19/2009 Ministry of Petroleum and Natural Resources on September 18, 2013 allocated about 30-60 MMCFD EWT gas from M/s PPL's Wafiq X-1 and Shahdad X-1 wells of Gambat South Block to M/s Sui Southern Gas Company Limited (SSGCL) and to M/S Sui Northern Gas Pipelines Limited (SNGPL) on an equal sharing basis through swap arrangements.

The gas discovered in Wafiq X-1 has a significant amount of Carbon Dioxide (25%) and Nitrogen (18%) and it requires a custom-designed processing plant and flow lines of special metallurgy which were not readily available in the market. Setting up a processing plant to kick-off the EWT phase could take around 18-20 months. On August 15, 2014, ECC was informed that in order to bring the first gas online on a fast track, M/s PPL has come up with the request of allocation of 18 MMCFD (untreated/raw gas) EWT gas from their Wafiq X-1 well for setting up of a \pm 50 MW power plant. M/s PPL have given a detailed working/viability of the said project and have stated that \pm 50 MW power plant could be set-up on fast track within 8-10 months. M/s PPL would pursue the said project in parallel with setting up of gas processing facilities for sale of gas to SSGCL/SNGPL during the EWT phase.

It was further stated that post EWT phase, M/s PPL may review the option to continue power generation and set-up a permanent Combined Cycle Plant (CCPP) keeping in view the potential of existing discoveries to produce up to a plateau of 64 MMCFD for a period of 4 to 6 years. They maintained that the success of such a project would pave the way for other Exploration & Production (E&P) companies to follow.

The meeting was further briefed that in PPL's views it would be more viable to sell untreated gas for power generation as it would benefit from a higher NPV, IRR and an earlier payback and Government's take would also be 54% higher. Assuming PPL gets approval of power tariff from NEPRA in the range of 9-12 cent/Kwh, the operating lease option of power generation equipments would be more viable and result in low cost electricity generation and early magnetisation of discovered gas with an earlier payback of investment. While the circular debt

risks can be avoided by option of selling gas to private purchasers like industrial zones/KESC/others via wheeling arrangement through NTDC "Payment via LC" clause can also be incorporated in PPA with the power purchaser in order to avert possible payment defaults.

It was explained that in addition to the above, M/s PPL foresees the following support from the Government in respect of flexibility in power policies: (i) a two-tiered licensing and tariff approval that permits PPL to operate a power plant on lease basis during the EWT phase and subsequently review to put up an IPP; (ii) fair returns during the EWT phase as well as where capital investment should be the bare minimum; and (iii) confirmed dispatch to the national grid and availability of transmission line up to the interconnection point of the plant.

Ministry of Petroleum and Natural Resources proposed that: (i) upto 18 MMCFD EWT gas from Wafiq X-1 may be allocated to M/s PPL for setting up a pilot project of \pm 50 MW power plant on an operational lease basis subject to the flexibilities concurrence of Ministry of Water and Power/PPL; and (iii) Ministry of Petroleum and Natural Resources may be allowed to allocate unutilised gas for power sector projects during EWT period to the producers as a policy.

During discussion in the ECC it was pointed out that the proposal of Ministry of Petroleum and Natural Resources has sought relaxation in Petroleum Policy, 2009 which was approved by CCI and ECC of the Cabinet which was not the competent forum to relax the policy. The proposal was also outside the current policy. Moreover, views of PPIB, NEPRA and Law & Justice Division were required which have not been obtained. The transmission line to Shahdad Grid Station about 10 Kilometer away was also to be laid simultaneously for which Ministry of Water and Power has to submit PC-I of the project to Planning Commission for approval. The EWT gas can be offered through an open bidding process to third party. After a detailed discussion, the ECC decided that Ministry of Petroleum and Natural Resources may bring up a policy framework for utilisation of un-utilized gas till such time as it is connected to the main system.

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CNG shutdown schedule for next week in Sindh

September 04, 2014

All CNG stations in Sindh including Karachi will remain closed for forty-eight hours during next week-from Tuesday 8am to Wednesday 8am and from Thursday 8am to Friday 8am. Given the low supply of gas from gas fields the supply of gas remains short in relation to the customers' demand.

In the interest of general public and in compliance with the government's guidelines on priority of gas, the above schedule of CNG shutdown for the coming week will be adopted, the Sui Southern Gas Company (SSGC) statement said here on Wednesday. CNG stations found operative during this period will face disconnection of gas supply.

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Pakistan's energy sector: China Exim Bank vows to invest billions of dollars

September 04, 2014

China's Exim Bank has pledged to invest billions of dollars in Pakistan's energy sector, in line with the Chinese government's policy to have maximum economic interaction between the two brotherly countries. In this connection, a framework of credit financing will be signed during the forthcoming visit of the Chinese President to Pakistan, said Lei Wentao, Deputy General Manager of Exim at a press briefing held here on Wednesday.

The bank has already provided 800 million dollars to Pakistan as financial support for carrying out its development projects, mainly in energy and transport sectors. Lei said a number of agreements and MoU will be signed during the President's visit to help Pakistan to improve economy. He further said the financial arrangements with Pakistan have been smooth and positive in the past.

"Pakistan has very good credit record," he remarked. He further said that Chinese leadership attached great importance to Pakistan and wished active participation of its socio-economic development. The bank, he added, is willing to provide maximum support to Pakistan for overcoming its electricity shortage.

"We are waiting feasibility reports of some projects from Pakistan, so that the financial arrangements could be finalised," he added. He said they are also looking forward to invest heavily in construction of Pak-China economic corridor. To a question, Lei said 90 percent credit of the bank to Pakistan is going to energy sector, hoping Pakistan will soon overcome this problem. He also appreciated the current economic growth in Pakistan and said it is very attractive for the Chinese companies. More and more Chinese companies are now willing to invest in Pakistan.

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Fuel and Energy: *World*

Crude oil gains over \$2, Brent rebounds from 16-month low

September 04, 2014

Crude oil prices jumped by more than \$2 a barrel on Wednesday off multi-month lows as the prospect of peace talks between Ukraine and Russia combined with strong US economic data to raise demand expectations. New orders for US factory goods jumped in July and automobile sales in August were unexpectedly robust, offering further signs of strength in the manufacturing sector.

President Vladimir Putin outlined plans for a cease-fire in eastern Ukraine on Wednesday but Ukraine's prime minister dismissed the proposal, while France expressed its disapproval of Moscow's support for separatist forces by halting delivery of a warship. After speaking to Ukrainian President Petro Poroshenko by phone, Putin said he believed Kiev and pro-Russian separatists could reach agreement at planned talks in Minsk on Friday.

"If the cease-fire holds, sanctions will be lifted and that will mean more economic activity. We've gone from a situation where we'd lowered demand expectations to rising demand," said Phil Flynn, an analyst at the Price Futures Group in Chicago. US crude settled up \$2.66 at \$95.54 a barrel, recapturing nearly all of the more than \$3 it shed on Tuesday when it neared a nine-month low. Markets were closed on Monday for a US holiday. Brent crude rose by \$2.43 to settle at \$102.77 at 11:41 am EDT (1541 GMT) after settling at its lowest since May 1, 2013, on Tuesday.

A weaker dollar and expectations of a decline in US crude inventories further supported oil prices, which on Tuesday had plummeted in reaction to a sharp gain in the dollar and concerns over slowing oil demand growth in China and Europe. "You would expect the market to bounce after such a major downward move yesterday," said Tony Machacek, a broker at Jefferies in London. "Fundamentally, the oil market is well supplied and the indications are prices are still in a downtrend."

Investors have mostly discounted threats to supplies from conflict in the Middle East and North Africa, focusing instead on the lack of further disruption to oil flows in Iraq and rising output in Libya. The latest US inventory reports are expected to show crude and refined fuel stocks dropped last week, according to a Reuters survey, potentially supporting prices. [EIA/S} A weekly report from the American Petroleum Institute report, an industry group, is due at 4:30 pm EDT while the more closely watched update from the government's Energy Information Administration is due on Thursday. Both are delayed a day due to the Monday holiday.

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Ukraine to buy one million tonnes of coal from South Africa

September 04, 2014

Ukraine will buy one million tonnes of coal from South Africa because the military conflict in its Donbass region has disrupted domestic coal production, Prime Minister Arseny Yatseniuk said on Wednesday. Pro-Russian separatists are battling Kiev's forces in eastern Ukraine, which is home to much of the country's heavy industry and coal mines and accounts for about 18 percent of the economy's output.

"They (the rebels) bombed our main coal mines and so the government has already signed an agreement on the supply of one million tonnes of coal from South Africa," Yatseniuk told a televised cabinet session. "The first vessel is loading now," he added.

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Banking & Finance

SBP sells Rs 190,271.392 GoP market treasury bills

Wednesday, 03 September 2014 21:19

Posted by Imaduddin

KARACHI: State Bank of Pakistan (SBP) on Wednesday accepted bids of Rs 190,271.392 million for selling Government of Pakistan Market Treasury Bills with different maturity dates. The face value of these bids was Rs 195,728.510 million.

The bids sold through primary dealers were of 3-months, 6-months and 12-months tenure, said SBP release.

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Out of order ATMs create problems for customers

Wednesday, 03 September 2014 12:49

Posted by Parvez Jabri

ISLAMABAD: Automated Teller Machines (ATMs) have become a problem mainly for the salaried class due to faulty Machines, particularly during the first week of every month when usually salaried class drew money for domestic consumption.

Most of the time the ATMs remain out of order or their link down and the situation was no more different during this weekend when majority of ATMs were either out of order or were not functioning properly.

If fortunately, there happens to be a machine in working order, long queues could be seen there in the twin cities where large number of people wait their turn to draw money.

Ahmed Ahsan, who visited ATM kiosk in search of urgent needed cash on Wednesday, told APP that ATM of National Bank of Pakistan (NBP) installed especially at Aabpara Market remains out of order while Melody Market, Foreign Office and Super Market and Commercial Market also troubles sometimes at weekends.

An official of National Bank of Pakistan (NBP) said that NBP's regional management in Islamabad always responds to the customers' calls and there have been witnesses of on the spot rectifications and problem resolutions in this regard. However NBP, Islamabad has established brisk resolution strategy to cope with these issues and the number of complaints as compared with the volume of their operations are negligible.

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Markets

ISE-10 index stays bullish

Wednesday, 03 September 2014 21:22

Posted by Imaduddin

ISLAMABAD: The Islamabad Stock Exchange(ISE) on Wednesday witnessed bullish trend as the ISE-10 index was up by 4584.77 points to close at 4652.64 points.

A total of 48,800 shares were traded, which showed a negative growth of 39,200 shares, when compared with previous day's trading of 88,000 shares.

Out of 147 companies, share prices of 113 companies recorded increase while those of 34 companies decreased and no company remained stable in today's trading.

The share price of Siemens Engineering increased by Rs 43.43 while that of Murree Brewery decreased by Rs 21.52 per share.

Fauji Fertilizer Bin Qasim, PICIC Growth Fund and Fauji Fertilizer remained the top trading companies with 28,000, 11,000 and 7,200 shares respectively.

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LSE gains 30.61 points

Wednesday, 03 September 2014 21:17

Posted by Imaduddin

LAHORE: Lahore Stock Exchange here Wednesday witnessed bullish trend by gaining 30.61 points as the LSE Index-25 opened with 5377.71 points and closed at 5408.32 points.

The market's overall situation, however, did not correspond to an upward trend as it remained at 694,200 shares to close against previous turnover of 921,400 shares, showing a downward slide of 227,200 shares. While, out of the total 96 active scrips 24 moved up, 5 shed values and 67 remained equal.

The top three Major Gainers of the day were Mari Petroleum Company, D.G.Khan Cement Company and Pakistan Petroleum Limited by recording increase in their per share value by Rs 10.00, Rs 3.78 and Rs 2.22 respectively.

Adamjee Insurance Company, Lafarge Pakistan Cement and K-Electric Limited were among top three, which lost their per share value by Re 0.27, Re 0.09 and Re 0.06 respectively.

Top three Volume Leaders of the day included The Bank of Punjab Limited with 207,000 shares, Dewan Cement Limited (Pakistan) with 65,000 shares and Bank Alfalah Limited with 55,000 shares.

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Two profiteers arrested, 63 challaned

Wednesday, 03 September 2014 15:20

Posted by Parvez Jabri

KARACHI: Two shopkeepers were arrested and sent to jail during the crackdown launched in Karachi to check illegal profiteering, and violation of the notified price list of essential commodities.

This was said by Commissioner Karachi Shoaib Ahmed Siddiqi in a statement on Wednesday.

He said that 63 shopkeepers were challaned during the crackdown while Rs 73,500 were recovered in term of penalties imposed on the profiteers, hoarders, and violators of price list.

He said total 34 milk sellers, 11 grocers of daily commodities, six fruits vendor, seven vegetable vendors and one flour seller were challaned for selling the essential commodities on higher prices in violation of the notified price list.

The action during the crackdown against profiteers was taken in areas including Saddar, Civil Lines, Garden, Site, Baldia, Ferozabad, Jamshed Quarters, Gulzar Hijri, Bin Qasim, Ibrahim Haidery, Gulshan-e-Iqbal, Orangi, Liaquatabad, Nazimabad, North Nazimabad, New Karachi, Model Colony, Landhi and Korangi.

He has directed the officials concerned to control prices and ensure the sale of daily commodities in accordance with the notified price list to provide maximum relief to the people.

The Commissioner Karachi also assigned duties to the administrative officers at the time of auction of fruits and vegetables to check and control the artificial shortage of fruits and vegetables.

The Commissioner Karachi said that the crackdown against profiteers will continue.

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BR Research: *All*

Dark clouds over Dar's programme

September 04, 2014

BR Research

IMF's fourth review is in doldrums. It is yet to be concluded. Had everything been normal, both on political and economic fronts, the review would have been concluded by now and government would have been anticipating the fifth tranche by September-end. Hold your horses, for there is still a chance, albeit a thin one, for the fund to complete the review within ten days and to subsequently release the tranche in time.

But the ongoing political impasse is not making things easier. Finance Minister Ishaq Dar is too busy firefighting with Imran Khan and Tahirul Qadri and day-to-day economic management has been compromised in the process. This can largely explain why the forth review is still not done and now there are fears that even the next review may get delayed, which would mean the two tranches of \$550 million each in September and December may be delayed.

When the IMF and government officials huddled earlier in August for two weeks in Dubai, the political temperature was relatively low and the debate was primarily on a few thorny economic issues. The IMF was not at all happy with the government's inability to increase the power tariffs in July. The required increase is only 4 percent (or 48 paisas per unit), so it's proving politically difficult for government to do.

There were a couple of technical and structural issues on which the fund's team has shown resentment. One is on the headless debt management cell at the Ministry of Finance—it is one of the fund's preconditions to have an active fiscal and debt management department.

Additionally, the IMF was not happy on the delay in passage of the bill for the central bank's autonomy. However, those at the helm of the SBP convinced the mission on transparency and independence in the monetary policy decision-making. Hence, the fund waived the condition for the time being and urged the policymakers to expedite the legislative process.

On the technical side, the adjusters on various quantitative targets, which were renegotiated in the country's favour during third review, had remerged in the fourth review. For example, the NIR targets were set based on original target of \$500 million from the Eurobond issue while the government was able to raise \$2 billion under the head.

But technically, the additional \$1.5 billion would have been adjusted and that could have negative repercussions on the NDA and other targets. So the country managers in the previous review convinced to remove the negative externality of better inflows coming from the Eurobond issue. This time, the mission raised the issue again and said it was for just one review, so now the NIR targets ought to be revised based on earlier commitments. The issue was in limbo at the end of the Dubai talks, but later, the team at home was able to convince the fund to continue for negotiated adjusters.

However, in the process, there was no stopping political chaos and economic managers were lagging on the other indicators. The privatisation programme is clearly behind its timeline. There is a stalemate on the secondary offering of OGDC, which is deemed to raise at least \$850 million through a GDR issuance. Similarly, the sukuk offering of \$1 billion in the international debt market is in limbo.

Now the fund has apprehensions on these expected inflows, and apparently, the review is contingent upon its revised timeline.

Also, the government has budgeted Rs145 billion from GIDC in FY15. However, the Supreme Court has rejected the government's plea on GIDC. The government had challenged the decision of the Peshawar High Court which termed the GIDC unconstitutional and illegal. The fund has reportedly raised eyebrows on it and Dar has to come up with some alternate tax revenues to fill in the gap.

It's hard for Dar and team to focus on economic issues and to come up with an amicable solution for the fund until and unless the PTI and PAT protests come to an end. If the impasse lingers, the government's writ will be further weakened in the process, and there is a chance of suspension of the fund's programme for a few months.

And the worst scenario could be a premature exit from the programme. Dar has been touting a successful IMF programme under the PML-N government as a political gain. But, the programme is imperative for release of other multilateral inflows emanating from the World Bank and other development institutions.

A glitch in IMF programme could also affect the bilateral inflows and investment plans from international players. Sooner the political resolution happens in Islamabad; the better it is for the fund's programme and for other external flows which are imperative for economic normalcy.

Fearing the worst, it seems the government has had negotiations with the US, which is why the CSF tranche has been released after a long delay. And there is high likelihood that another tranches in excess of \$330 million may be released soon, so as to offer a much-needed breather to the forex reserves and the exchange rate.

For governance, look inwards...

September 04, 2014

BR Research

That Pakistan's political parties have a governance problem would be an understatement. Since the first general elections in 1970, politicians have been seen making all the right noises when in opposition. But not too long after coming to power, they start lurching from crisis to crisis, with governance taking the back seat. Result is that only one civilian government has completed its term (in 2013), only to see a catastrophic defeat, particularly due to governance issues.

One cannot overlook the role exogenous factors play in holding back a civilian political

administration. But, it seems the governance problem has its roots in the dominant philosophy that most of the local politicians subscribe to. A few observations are given here.

The notion that master political operatives will also be great as policymakers, or administrators, is flawed. Political parties tend to reward their inner core on key government positions. If this inner core is largely devoid of functional expertise or management experience, they have to learn on-the-job. That increases the likelihood of fumbling. Thus a trainee cabinet has to firefight its way to governance.

While that partly explains why political governments dive so soon into a survivalist mode, another thing to notice is that political parties are seldom ready to hit the ground running. Transition times are usually wasted and no team-building exercise is undertaken for manifesto implementation. A dozen or fewer party stalwarts seem assured of ministries, and some of them happen to have outsized influence to decide key public sector appointments.

A spiral then ensues. Brilliant minds that were previously in charge of election-related “messaging” have to suddenly shift mode and start governing. Those who are needed in the parliament to make and amend laws are busy running ministries or Public Sector Enterprises (PSEs). In the process, while governance becomes shoddy, legislation suffers as well. As valuable time is lost, bureaucratic inertia starts kicking in and opportunity for hardcore reforms is missed.

This is in no way an endorsement or a plea for technocratic capture of political administrations. But, veteran party leaders probably also know that a balance between political propensities and technocratic pragmatism can help keep populism in check. Politicians have their electorates to satisfy, but competent technocrats tend to talk about hard choices and required reforms. The two are supposed to meet somewhere in the middle, or avoid veering far off course.

Sure, the above synopsis fits the PML-N woes right now. For all their talk of an economic team and plans and policies, they have made rookie mistakes when it comes to governance (doing little to no economic reforms in their first year; vacant positions at many a PSE). But students of Pakistani politics know that this pattern is familiar and repeats itself in civilian administration. That’s the challenge civilian governments face: how to get a grasp of the political economy and get things done right and in time.

It’s a hard problem to fix. But something can still be done. To start with, political parties must ensure that their ministers and political appointees have the necessary backgrounds and roadmaps for their callings. They need to attract bright talent to their folds. They must also undertake preparatory capacity-building of their governance teams when in opposition.

Manifesto implementation, a promise with the voters, should be viewed seriously. Otherwise, public has a way of getting disenchanted too soon!

PSO - a prosperous FY14

September 04, 2014

BR Research

Of the many challenges for the economy, soaring circular debt is one critical one. Particularly, companies in the oil and gas sector have been facing a difficult and unclear situation following an enormous increase in circular debt to over Rs400 billion.

However, rising inter-corporate circular debt did not take away the gleam from the financial performance in FY14 for Pakistan State Oil—the largest oil marketing company in the country. The oil marketing company registered a revenue growth of eight percent year on year on the back of better volumetric sales and better product margins.

Thanks to the increasing demand by the power sector and the ongoing CNG curtailment in the country, furnace oil sales and motor gasoline (petrol) volumes increased by eight to ten percent coupled with inventory gains during the 1H FY14 supported the bottom line. However, high speed diesel sales volumes remained unattractive for the firm and the industry in FY14 due to intense competition and cheaper Iranian diesel available in the market.

The bottom line was further lifted by a more than three times increase in other income which mainly consists of a rise in penal income on delayed payments and a decline in exchange losses.

The damper on PSO's earnings was the finance cost, which crept up by 26 percent, year on year due to the reemergence of the circular debt, and hence excessive bank borrowings.

Here it must be noted that another check on the profits for FY14 was a weaker last quarter due to a decrease in petroleum product prices and higher finance cost.

PSO's earning, however, continued to impress; along a 72 percent, year-on-year increase in profit after tax, the company also announce cash dividend of Rs4 per share which is in addition to Rs4 interim dividend already paid. Also, a 10 percent interim bonus dividend has already been paid.

Pakistan State Oil

| Rs (mn) | FY14 | FY13 | YoY |
|-------------------|-----------|-----------|------|
| Net sales | 1,187,639 | 1,100,122 | 8% |
| Gross profit | 36,824 | 34,161 | 8% |
| Other income | 19,518 | 5,939 | 229% |
| Operating cost | 11,832 | 12,380 | -4% |
| Operating profits | 44,510 | 27,720 | 61% |
| Finance cost | 9,544 | 7,591 | 26% |
| Profit after tax | 24,356 | 14,128 | 72% |
| EPS | 80.31 | 46.52 | 73% |
| Gross margin | 3.10% | 3.11% | |
| Operating margin | 3.75% | 2.52% | |
| Net margin | 2.05% | 1.28% | |

The battling pharmaceutical sector

September 04, 2014

BR Research

Tough times call for resilient strategies! Who would agree to this better than the pharmaceutical manufacturers in Pakistan, who have been battling for years over irrational regulatory mechanisms. However, with little hopes for any transformation in industry’s dynamics, pharmaceutical companies have started unearthing alternative strategies to stay afloat.

In 1H FY14, aggregate profitability of the three leading companies in the pharmaceutical sector namely Glaxo, Abbott and Sanofi—that represent nearly 80 percent of the total market capitalisation of this sector—grew by a decent 10 percent year on year. Thanks to the sector’s strategy of diversifying into consumer health care and nutritional segments. However, at this stage, pharmaceutical business still continues to hold the largest share of the pie (70-80 percent share) in the portfolios of pharmaceutical manufacturers.

Sadly, pressures on input costs owing to rising fuelling inflation, rise in sales tax and levies, unfriendly currency movements have made the case difficult for pharmaceutical companies to sustain their gross margins. Hence, average gross margins of proxy pharmaceutical companies slipped downwards by 200 bps to 29 percent in 1H FY14.

Moreover, selling, distribution and marketing costs continue to inch upwards with the launch of new products and focus on alternative product lines, thus hampering the profitability further. This trend is likely to continue in coming years until alternative product lines attain a strong footprint in the market.

To put things in order, pharmaceutical industry has been going through a critical time. Absence of a rational pricing policy has not only hampered industry’s evolution, but also repressed existing players to invest further. Resultantly, Pakistan stands at an inferior position when compared to pharmaceutical industries in India and Bangladesh where regulations are less stringent giving players a level playing field to sustain and flourish. The solution to this, however, lies in implementing a coherent pricing policy in consultation with all the stakeholders.

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 Pharma Sectors Combined P&L*
 =====

| Rs (mn) | 1HCY14 | 1HCY13 | Chng |
|--|----------|----------|------|
| Sales | 27,853 | 25,225 | 10% |
| Cost of Sales | (19,694) | (17,440) | 13% |
| Gross Profit | 8,159 | 7,785 | 5% |
| Selling, marketing and distribution expenses | (4,062) | (3,875) | 5% |
| Administrative expenses | (804) | (727) | 11% |

| | | | |
|------------------------|---------|---------|------|
| Other Income | 569 | 466 | 22% |
| Other Expenses | (307) | (371) | -17% |
| Operating Profit | 3,555 | 3,278 | 8% |
| Finance cost | (146) | (123) | 19% |
| Profit before taxation | 3,409 | 3,155 | 8% |
| Taxation | (1,257) | (1,206) | 4% |
| Profit after taxation | 2,152 | 1,949 | 10% |
| EPS (Rs.) | 19.08 | 23.84 | |

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Crime News

Sahiwal: 13 gangs busted with 46 suspects

SAHIWAL: During a crackdown here, **13 gangs** have been **busted** and **46 suspects** arrested with **recovery of loot worth about Rs10 million**, police claimed on Tuesday.

A **police** source said that **24kg charas, 200 litres of liquor, 268 pistols, 200 guns, 32 revolvers, 222 carbines** and **1,344 cartridges** had been **seized** during the **crackdown**. Talking to **newsmen**, **SDPO Javed Niazi** said that **Fateh Sher police** had **recovered cattle heads worth Rs300,000** and **Ghalla Mandi police** **recovered cattle worth Rs0.5 million** while **city police** **recovered looted property worth Rs4 million**. He further said that **crackdown** would remain underway against **drug peddlers** and **illicit arms holders**. He further said that it was the **foremost duty of the police** to protect the people and their property.

43 deported to Afghanistan in Landikotal

LANDIKOTAL: **Forty-three Afghan nationals**, who had been **arrested** in different areas of **Peshawar**, were **deported** to **Afghanistan** at **Torkham border**, sources said on Tuesday.

The sources said that **43 Afghan nationals** were **arrested** during the raids for **illegal stay** in different locations in **Peshawar city** and adjacent areas. After **preliminary investigation**, the **Afghan nationals** were handed over to **Afghan officials** at the **Torkham border**.

7 'car thieves' arrested in Karachi

KARACHI: **Seven suspected car and motorcycle thieves** were **arrested** by the **Anti-Car Lifting Cell (ACLC)** on Tuesday. **Seven motorcycles** and **three pistols** were also **seized** from their possession. The **ACLC** **raided** a hideout from where they **arrested** the **seven men** and **recovered stolen two-wheelers**. The **suspects** also confessed to having **stolen and snatched** more than **150 vehicles** from the different parts of the city and **selling** them in **Balochistan**, said **officials**.

Mansehra: 2 officials held for demanding bribe

MANSEHRA: The **Anti-Corruption Establishment (ACE)** **Mansehra** **arrested** the **district officer revenue and tax superintendent of district council** on the charges of **receiving Rs20,000 as bribe** for handing over the charge of **contract of fruit and vegetable transportation levy collection** in **Balakot**. Talking to reporters, **Circle In-charge, ACE, Mohammad Sohail** said the raid was carried out in presence of magistrate **Balakot Islamudeen**. The official said the **ACE team** **recovered** the money from the pocket of the **tax superintendent of district council Mohammad Rashid**. **Sohail** said a contractor **Zulfiqar Khan** had submitted an application

stating that both **accused** had **demanded Rs20,000** from him for giving him the contract for receiving levy of transportation of local fruit and **vegetable** to other parts of country from **Balakot tehsil**. He said the **accused** were produced before the **senior civil judge**, who handed them over to the **police** for **one day physical remand**.

Hotel sealed, manager held in Hangu

HANGU: The **police** sealed a **hotel** in **Raesan area** after **arresting** its **manager** for his alleged involvement in **suspected activities**, an official said on Tuesday.

Talking to reporters, the **in-charge** of the **Hangu Town Police Station Khanullah Khan** said that the **police** received public **complaints** about the movement of **suspected** persons in **Alamdar Hotel**. He said acting on a tip-off, the **police raided** the hotel and **arrested** its **manager Arbab Hussain** and **seized two Kalashnikovs** and **two guns**, adding that the **manager** was being grilled.

Burewala: Prayer leader tries to rape girl in mosque

BUREWALA: People foiled a **rape attempt** with a **four-year-old girl** by a **prayer leader** at **Bairiki Mujahid Colony** on Tuesday. The daughter of **Shahid** was going to a shop when **Hafiz Fiaz allegedly abducted** her. The **accused** took her to a mosque and tried to **rape** her. The **girl** raised hue and cry on which the people gathered there and rescued her. **City police** have **registered a case** and started **investigation** after **arresting** the **accused**.

Miscellaneous News

Power transmission lines: ECC goes for pricey scheme, shelves cheaper one

By Zafar Bhutta

Published: September 4, 2014

ISLAMABAD:

The Economic Coordination Committee (ECC) has given the go-ahead to an alternative but controversial plan to lay transmission lines for transporting electricity from the Neelum Jhelum hydropower project, a move that will push up cost and spark dispute with China, sources say.

Under the original scheme, designed by renowned British consulting firm Parsons Brinckerhoff in 2010-11 that has now been shelved, mountain corridors were to be utilised for laying the transmission lines and employing a high-capacity conductor that could transmit the electricity produced by all hydropower projects and carry up to 3,500 megawatts.

The project was estimated to cost Rs22.5 billion and awarded to China Gezhuba Group Company (CGGC), the successful bidder, which had to undertake work on the transmission lines.

However, a new board of the National Transmission and Dispatch Company (NTDC), constituted by the PML-N government after coming to power last year, rejected the bidder's offer.

Afterwards, the NTDC management started the process anew and came up with an alternative plan for transmitting power from the Neelum Jhelum project at a cost of Rs21.27 billion. Under this plan, separate transmission lines would be laid for other hydropower projects, resulting in escalation of the cost of carrying 3,500MW of electricity.

According to sources, the ECC in its meeting held on August 15 approved, in principle, the Plan-B of laying the transmission lines at a cost of Rs21.69 billion with foreign exchange component of Rs11.27 billion.

Meeting participants told the ECC that bids had been processed and were under evaluation, adding funds were not available and the NTDC decided to execute the project with the help of its own resources.

The Ministry of Water and Power, however, said commercial banks were willing to provide Rs17 billion against sovereign guarantees.

The laying of transmission lines is a complex project that has no precedent in Pakistan. It forms part of a complex network that will emerge after 21 hydropower projects in northern areas and Azad Jammu and Kashmir are completed.

Since the tenders for the transmission lines were invited, six managing directors of NTDC had been appointed and fired in a span of just two years. They held office for not more than four months.

The NTDC invited tenders on a buyer's credit basis in the absence of other sources of funds and opened bids in August 2012. Though 10 companies purchased tender documents, only two – CGGC and Iran's Sunir – participated in the bidding.

However, the bank guarantee of the Iranian firm was found to be fake and CGGC emerged as the successful bidder.

According to the prime minister's directive, first unit of the 969MW Neelum Jhelum hydropower project will start running by December 2015 and for that the NTDC would have to complete the transmission lines before the end of September 2015 to pave the way for power transmission to the national grid.

Published in The Express Tribune, September 4th, 2014.

Bird-view: Combining love for birds and interest in business

By Farooq Baloch / Photo: Jibran Almani

Published: September 4, 2014

KARACHI:

If you want to cook quail at home, there is a high likelihood that you won't be able to find quail meat in the market.

In fact, not every restaurant in the city has quail on its menu – the meat of this mid-sized bird, also a source of protein, is limited to the elite restaurants mostly.

The lack of easy access to quail meat may be a disappointment for consumers but it is a business opportunity for quail farmers – that is at least the case of Jebran Almani, proprietor of Almani Quail Farm.

“When it comes to quail, there is a huge gap between demand and supply and I want to tap that opportunity,” Almani said, explaining the need for expanding his home-based quail farm, which he operates out of Karachi.

The bird-lover turned entrepreneur has been competing for Angel investment at Business Startup Launch (BSL) – a joint initiative of NEW-G and INJAZ Pakistan that provides a platform for startups, seeking funds to expand their business.

Almani's venture, Almani Quail Farm, got a positive response from investors at BSL during the elevator pitch round. After making it to the top four, he is now competing for a reward: 24 weeks of mentorship and Rs1 million seed money to be shared between two finalists.

Almani's love for birds coupled with his interest in business, led him to start research on quail market. Shortly after learning about the demand-supply gap, he decided to enter this niche market – he bought an incubator and a brooder; built cages himself to set up his own quail farm, all with a meager investment of Rs25,000.

One year into business, Almani's home-based quail farm, which measures 10-by-10 square foot, produces 8,000 quails per month. He is earning over Rs100,000 or Rs10 per bird in monthly profit – the amount includes 15% share in the profit of his partner's farm in DG Khan that produces 12,000 birds per month.

However, two of them combined are not able to supply even a quarter of their client's demand – Almani is receiving orders for 80,000 birds per month from Karachi alone. This rising number of orders forced Almani to increase his production.

“I want to set up a bigger farm – along the lines of a corporate poultry farm – and a storage facility to stock supplies for up to two months,” Almani said. He estimates the cost of this setup to be Rs1.8 million.

This new farm, according to Almani, will have the capacity to produce 40,000 quails per month – enough to help him meet half of the current demand.

“I can't meet the growing demand for quails even if I outsource production to other farmers because none of them has such a huge flock,” Almani said – this demand comes from his customers in Karachi alone, an indication that the actual market is much bigger.

Though a niche market, quail farming offers lucrative profit margins, according to Almani – the average profit per bird can go up to Rs40 in case of a bulk customer: restaurants, for example. In fact, he said the established players are even exporting their products to Afghanistan, Iran, Malaysia and the U.S. because of higher profit margins offered by importers in these markets.

Even if he qualifies for the seed money, Almani will not be able to meet his target of Rs1.8. However, he is working on an alternate way of meeting the current demand: outsourcing production to other farmers.

Almani is also producing equipment, such as incubator, brooder and breeder, which is essential for setting up a home-based farm – he has already helped 10 small investors set up their own quail farms.

Published in The Express Tribune, September 4th, 2014.

Not too bleak a picture on the investor front

By Kazim Alam

Published: September 4, 2014

KARACHI:

Unrelenting protests against the government have made stock market investors jittery.

Panic selling has cost investors arguably in billions in less than a month. The benchmark index has lost 2.9% since the end of July. Investors become edgy as each bullish trading session is quickly followed by a bearish one. What's next, they ask. A full-scale crash in the stock market?

But as retail investors try to 'time the market' amid political uncertainty, they tend to ignore one basic fact: every time a person sells a share, another buys it, yet both of them think they made a smart decision.

So if domestic investors were the net sellers in August, who was their counterparty? In other words, if the political situation was prompting one group of investors to liquidate their positions, who was accumulating shares at the other end?

Speaking to *The Express Tribune* on Wednesday, Arif Habib Limited Assistant Vice President Saad Khan said mutual funds were the biggest sellers during August mainly because of their 'redemption needs'.

Mutual funds are the favoured mode of investment for those retail investors who lack the knowledge and skills to trade on their own. They leave their money with mutual funds, which are managed by professional investment managers. 'Redemption needs' arose in August apparently because investors felt their investments would lose value in the face of growing political unrest and calls for civil disobedience.

So what happened next?

Khan says almost all of \$160 million worth of equities that mutual funds sold was, in fact, purchased by either banks or non-banking financial institutions (NBFCs). Their combined purchases amounted to \$142 million. "This equity changing hands from one party to another, (which was) much bigger and powerful, tells a rather improved story of the Pakistan equity market," Khan said.

Furthermore, foreign investors purchased \$177 million worth of equity and sold \$142 million in August. "This shows that despite all the political drama, foreign investors remained net buyers of Pakistan equities worth \$35 million during the month," he added.

Khan's optimism makes sense. Consumer Price Index for August clocked up at 7% on a year-on-year basis, which is the lowest since July 2013. According to projections by the State Bank of Pakistan and the International Monetary Fund, inflation is expected to remain at a rather sustainable level of 8% in 2014-15.

“Given strong macros, healthy corporate profitability, continued interest from foreign investors, (domestic) investors can finally take solace in the fact that the time has come to reap the rewards of their patience in staying put during the political fiasco and treating it as the brief period that it was,” said Khan.

Published in The Express Tribune, September 4th, 2014.

Agriculture sector: RoD signed for capacity development

By APP

Published: September 4, 2014

ISLAMABAD:

A Record of Discussion (RoD) has been signed for capacity development of agriculture extension services in Khyber-Pakhtunkhwa (K-P).

Inked by three bodies including Pakistan Agricultural Research Council (PARC), Japan International Cooperation Agency (JICA), PARC stated that under the project, 100 agriculture officers and 250 field assistants will be trained in different areas of agriculture.

The project also aims at strengthening agricultural extension services in the province in order to perform their role effectively in improving farm productivity, employment generation, mitigating environmental degradation and uplifting socio-economic conditions of rural masses.

The government has approved the ‘Capacity Development of Agriculture Extension Services in KP’ project with the financial assistance from JICA at a total cost of Rs120.9 million including Rs117.5 million as JICA grant.

Speaking on the occasion, PARC Acting Chairman Dr Munir Ahmad said that effective and efficient extension services play a crucial role in boosting agriculture for uplifting the socio-economic conditions of the farmers.

He emphasised that the technology developed in one province should be shared, stressing the need for feedback. He appreciated the role of JICA for the development of agriculture in Pakistan.

Mitsuyoshi Kawasaki, chief representative for JICA Pakistan Office, highlighted the history of cooperation in agriculture between Japan and Pakistan.

He assured full support from JICA for the improvement of agriculture for poverty reduction in the region.

Published in The Express Tribune, September 4th, 2014.

Open-source programming: Project initiated to help IT students

By APP

Published: September 4, 2014

ISLAMABAD:

A project has been completed that focuses on developing an open-source approach for making students more learned about the skills required for developing industrial strength software.

Costing Rs35 million, the project is aimed at providing training to IT students with respect to requirements by prospective employers in the software industry.

Other objectives were to allow students understand good programming practices through high-quality coding and feedback from professionals who write them. It was also made to address (and resolve) the lack of quality in computer science/software engineering teachers in most universities.

The National ICT Research and Development Fund, Ministry of Information Technology and Telecommunications completed the project in collaboration with the National University of Computer and Emerging Sciences (NU-FAST), in Lahore.

Official sources said education in Software Engineering aims at preparing students for their utilisation of services in the software industry. This could ideally be achieved by involving the students in realistic projects.

They said several attempts have been made to emulate such real life scenario in the classroom environment. However, unavailability of such projects in large number on a continuous basis has resulted in experiments which could not be repeated on large scale, if at all, the sources added.

According to them, the project focused on student participation in developing open-source software which has emerged as a mainstream activity over the last 10 years, and can help in achieving the objectives of practical software engineering.

Open source software development is a very well-coordinated and properly engineered practice on a larger scale as typically, an individual or a small group of people start work on a project. After reaching a certain maturity level, the project is floated as open-source and volunteers are invited to participate in the development effort.

Published in The Express Tribune, September 4th, 2014.

FBR delays promotion of 85 officers

By Yaqoob Malik

Published: September 4, 2014

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ISLAMABAD:

A meeting of the Federal Board of Revenue's (FBR) promotion committee to decide the cases of 85 officers was postponed for the third time earlier this week, due to the prevailing uncertainty and political impasse in the wake of sit-ins in front of the Parliament House.

The officers, whose promotions have been consistently delayed, belong to the Inland Revenue and Customs wings of the FBR and work in Grade-18 and 19. A new date for the next meeting of the committee is yet to be announced.

Sources told the Express Investigation Cell that the Departmental Promotion Committee was scheduled to meet on Monday, but clashes between protesters and the police and uncertainty in public offices led to its cancellation.

Before that, the committee was to go into the huddle on Friday last week. The officers were very dejected as they had been waiting for announcement of their promotions for the past one month.

The promotion committee comprises not only senior officers of the FBR including its chairman and member administration, but also includes representatives of the Establishment Division and law ministry. Presence of all members is a must to decide on the promotion cases.

The officers were worried that if the government caved in to the pressure from the protesting parties – the Pakistan Tehreek-e-Insaf and Pakistan Awami Tehreek, their cases could drag on for months.

Nobody was available in the FBR for comments on the development.

The persistent political uncertainty had not only disturbed the power corridors, but also worried the higher bureaucracy in the capital, who feared that their important tasks could get affected by the dispute and protests over alleged election rigging, sources said.

Moreover, most of the senior officers, working at offices situated on the Constitution Avenue and nearby, have either gone on leave or been unable to report to work because of extensive road closures.

Most of the bureaucrats were either found to be discussing the expected outcome of the deadlock or seemed to be in a hurry to complete their tasks, particularly those that need approval of the Prime Minister's Secretariat, sources added.

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Falling behind: APTMA presses for swift release of tax refunds

By Our Correspondent

Published: September 4, 2014

KARACHI:

All Pakistan Textile Mills Association (Aptma) Chairman Muhammad Yasin Siddik has pressed the government to speed up the clearance of outstanding refund payments as committed by Finance Minister Ishaq Dar.

While presenting the federal budget in June, Dar had stated that all outstanding sales tax refunds would be cleared by September 30 this year.

In a statement issued on Wednesday, Siddik said a huge amount in sales tax refunds was outstanding for about one and a half year, which has caused severe liquidity crunch for textile industries.

“Almost two months have passed since the government last made sales tax refund payments to large textile units,” he said.

On the other hand, however, the textile sector has praised the government for clearing almost all the refund claims of up to Rs1 million of smaller industries.

Siddik was of the view that it was impossible for the government to refund the tax within the committed timeframe as procedural bottlenecks also needed to be removed.

He stressed that timely and swift refund clearance would not only build trust in the tax system, but would also help the tax authorities introduce reforms in the existing system.

“Fast-track refund rules must be put in place in the best interest of the industry and economy,” he remarked.

The Aptma chairman also pointed out that to fetch a reasonably good price for the country’s products in the international market, the consumption of manmade fibres should be encouraged by exempting them from customs duty and other taxes.

He said the reimbursement against the Technology Up-gradation Fund had also been outstanding for the last two years and about three and a half years in the case of Export Finance Mark-Up Rate Support and Drawback on Local Taxes and Levies scheme, although Aptma’s members had fulfilled all the required formalities.

He urged the government to release the funds as the mills had already recorded these in their financial statements.

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Revival: Railways records impressive revenue

By APP

Published: September 4, 2014

ISLAMABAD:

For the first time in 40 years, Pakistan Railways (PR) managed to reduce its deficit and earn Rs6 billion in revenue in the outgoing fiscal year 2013-14. A sum of Rs40 billion has been allocated for PR for the fiscal year 2014-15 to bring improvement in its system, provide better and convenient travelling facilities to passengers.

Sixty new engines would be added by December this year while tenders had been issued to acquire another 75 engines with emphasis on coal-powered ones. Fifty of them would be coal-powered engines of 4,500 Horse Power, more powerful than the existing 3,000 HP ones.

A new train would operate from Hyderabad to Mirpurkhas, while a late-night one would operate on Multan-Lahore route.

Railways would repair its main line-I from Karachi to Peshawar as part of initiatives for Pak-China Economic Corridor. MoUs have been signed for Pak-China Economic Corridor and a sum of Rs380 billion allocated for improving communications infrastructure.

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Traditional art: Japanese woodblock printing on display

By Maha Mussadaq

Published: September 4, 2014

ISLAMABAD:

A total of 37 artists who have polished their skills in traditional Japanese artwork were featured in a joint exhibition at the Rawalpindi Arts Council on Wednesday.

The participants had attended a five-day Japanese woodblock printmaking workshop held here earlier this year.

Japanese woodblock printing was initially used in the 8th century in Japan to disseminate texts, especially Buddhist scriptures and to print designs on paper and silk.

With the passage of time, their subject matter expanded to include famous romantic vistas and dramatised historical events in the final years of the 19th century.

Small wooden hard objects pressed against paper to create mystical imprints are admirable. While everyone mastered the same technique, the work on display depicts uniqueness and individual style of each artist.

The participants were amateur artists, students and teachers who had learnt the art from Dr Shahida Mansoor, who has studied the Japanese woodblock print making from the Tokyo National University of Arts and Music after availing a Monbusho scholarship granted by the government of Japan.

She aspires to spread the style to those who aspire to explore new styles and add creativity in their personal style through learning new methods and techniques that might be traditional but contemporary at the same time.

The work on display also generated an interest in art enthusiasts who had come to see the show. “I think this is a unique technique which looks simple and elegant. The minimalistic, clear and chic- the traditional Japanese feel anyone gets when they observe Japanese art,” said Saima Amjad, a visitor.

Japanese Embassy Chargé d’Affaires Takashi Katae said that it was a pleasure to see the art works of Pakistani participants of different age groups whose work was put on display at the exhibition.

While appreciating the amateur artists for quickly learning the basics of Japanese woodblock print making during the workshop, Katae said that these fascinating art pieces were showcasing numerous aspects of this versatile art form.

“You have learned a lot in such a short period of time. I hope that you would continue to practice this art in future as well,” he said.

He also extended his earnest gratitude to Mansoor for taking the initiative of spreading this unique Japanese art in Pakistan.

The exhibition was organised by the embassy of Japan in collaboration with the Rawalpindi Arts Council, the Pakistan-Japan Cultural Association and the MEXT Alumni Association of Pakistan. The artwork will be on display till September 9.

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Working together: IIUI inks agreements with Al-Imam university

By News Desk

Published: September 4, 2014

The International Islamic University Islamabad (IIUI) signed two separate agreements with the Al-Imam Muhammad Ibn Saud Islamic University in Riyadh, Saudi Arabia in the field of information technology (IT) and languages.

The first memorandum of understanding (MoU) was signed by IIUI President Prof Ahmed Yousif Al-Draiweesh and Al-Imam university Information Technology Dean Dr Waleed Al-Jandal. The agreement is expected to pave the way to achieve excellence with cooperative endeavors in the field of IT by sharing expertise and skills from both sides.

The second MoU, inked by Al-Draiweesh and Deanship of Affair of Institute of Abroad (DAIA) Al-Sulmee Dean Dr Abdullah bin Haziz, will lead to cooperation in the field of languages, especially Arabic. According the second MoU, DAIA would also offer teaching faculty, scholarships, exchange of students and joint academic and research programmes.

These MoUs were specially guided and supported by Al-Imam university Rector Prof Suliman Aba Al-Khail, who is also the pro-chancellor of IIUI.

On the eve of the signing ceremony, Suliman praised and encouraged the step and also considered the signatures as a leading opportunity for both universities. He said these MoUs would prove a key milestone to achieve the founding objectives of both the universities. "I am fully convinced that IUII represents an appreciable example for the joint orientated Islamic action," he said.

Al-Khail said IIUI has taken bold steps towards achieving its objectives and is on the way to progress under the dynamic leadership of Al-Draiweesh.

Al-Draiweesh thanked Al-Khail for his valuable contributions. "Mutual cooperation will lead both universities towards progress and development," he said.

Commending the 'milestone' signing, Al-Jandal said the "MoUs would be benefiting for universities and will have a positive impact on its deliverables in the marketplace."

Abdullah bin Haziz said the MoU would cement cooperation in academics between both universities, including the exchange of faculty and students. It would also be a base of sharing knowledge, resources, and jointly organising conferences and symposiums.

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Over 900 militants killed in Waziristan offensive

By Our Correspondent

Published: September 4, 2014

PESHAWAR / ISLAMABAD:

At least 910 militants have been killed so far in the ongoing military offensive in North Waziristan Agency, the military said in the latest updates on Operation Zarb-e-Azb.

Eighty-two soldiers have lost their lives since the start of the operation on June 15 while another 269 have been injured, the military's media wing, the Inter-Services Public Relations (ISPR), said in a statement on Wednesday.

Of the 82 soldiers, 42 were killed in North Waziristan, 23 in the rest of the Federally Administered Tribal Areas (Fata) and 17 in the remaining elsewhere in the country, including Balochistan and Karachi. Security forces have cleared Miramshah, Mirali, Datta Khel, Degan, and Boya areas of North Waziristan, which were considered strongholds of terrorists.

An 88-kilometre-long road from Khajuri to Mirali and then to Miramshah and Datta Khel has been cleared, along with the Ghariom-Jhallar road. Moreover, 27 improvised explosive device (IED) factories as well as one rocket and one ammunition factory have been destroyed during the operation. "A huge cache of arms and ammunition, communication equipment, and other logistics facilities used by terrorists have been destroyed, uprooting their ability to attack as a coherent force," stated the ISPR.

Similarly, up to 2,274 intelligence-led coordinated counterterrorism operations across the country have been carried out to forestall any possible blowback of the operation. During these operations, 114 alleged terrorists have been apprehended.

On relief efforts for the internally displaced persons (IDPs), the military's media wing stated that 19,376 tonnes of ration has been distributed to 97,570 people so far. "At a field medical hospital established by the Army Medical Corps at Khalifa Gul Nawaz Hospital, Bannu, 113,209 patients, including 32,979 women, have been treated," it said.

However, a spokesman for Jamaatul Ahrar, a breakaway faction of the Tehreek-e-Taliban Pakistan (TTP), claimed that at least 30 of the group's fighters have been killed during Operation Zarb-e-Azb. "Before the operation began, our mujahideen had already shifted their bomb factories and training centres to safe places," Ehsanullah Ehsan claimed in a statement released to the media.

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NHMP: Cheema orders surprise checking

By News Desk

Published: September 4, 2014

An operational meeting was held among National Highways and Motorway Police (NHMP) Inspector General Zulfiqar Ahmad Cheema and all zonal DIGs and SSPs via video link.

Important operational matters were discussed in detail during the meeting. Speaking on the occasion, Cheema said the proper use of hooters and public address systems installed in patrolling vehicles should be made mandatory for patrolling officers to improve the quality of patrolling.

The IG directed all senior officials to start surprise checking at the zonal and sector level. He directed to make patrolling more effective and meaningful, and further stressed that only the proper enforcement of traffic laws can bring discipline on the roads and reduce fatal accidents.

Cheema also directed the commandant of the NHMP training college to ensure that modules of the college are at par with international standards.

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OPEN MARKET FOREX RATES

Updated at: 4/9/2014 6:55 AM (PST)

| Currency | Buying | Selling |
|-------------------|--------|---------|
| Australian Dollar | 94.5 | 94.75 |
| Bahrain Dinar | 271.25 | 271.5 |
| Canadian Dollar | 93 | 93.25 |
| China Yuan | 16.45 | 16.6 |
| Danish Krone | 17.85 | 18 |
| Euro | 133.75 | 134 |
| Hong Kong Dollar | 13.1 | 13.2 |
| Indian Rupee | 1.67 | 1.69 |
| Japanese Yen | 0.972 | 1 |
| Kuwaiti Dinar | 359 | 359.25 |
| Malaysian Ringgit | 31.9 | 32.15 |
| NewZealand \$ | 84.85 | 85.1 |
| Norwegians Krone | 16.35 | 16.5 |
| Omani Riyal | 265.75 | 266 |
| Qatari Riyal | 27.75 | 28 |
| Saudi Riyal | 27.1 | 27.35 |
| Singapore Dollar | 81 | 81.25 |
| Swedish Korona | 14.4 | 14.55 |
| Swiss Franc | 111 | 111.25 |
| Thai Bhat | 3.17 | 3.19 |
| U.A.E Dirham | 27.7 | 27.95 |
| UK Pound Sterling | 167.75 | 168 |
| US Dollar | 102.15 | 102.4 |





INTER BANK RATES

Updated at: 4/9/2014 6:55 AM (PST)

| Currency | Bank Buying TT Clean | Bank Selling TT & OD |
|-------------------|-------------------------|-------------------------|
| Australian Dollar | 94.72 | 94.9 |
| Canadian Dollar | 93.34 | 93.52 |
| Danish Krone | 17.99 | 18.03 |
| Euro | 134.01 | 134.27 |
| Hong Kong Dollar | 13.17 | 13.2 |
| Japanese Yen | 0.9701 | 0.9720 |
| Saudi Riyal | 27.42 | 27.47 |
| Singapore Dollar | 81.37 | 81.53 |
| Swedish Korona | 14.54 | 14.57 |
| Swiss Franc | 111 | 111.22 |
| U.A.E Dirham | 27.8 | 27.85 |
| UK Pound Sterling | 167.98 | 168.31 |
| US Dollar | 102.1 | 102.3 |

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

As on Thu, Sep 04 2014, 02:45 GMT

| Metal | Symbol | PKR for 10 Gm | PKR for 1 Tola | PKR for 1 Ounce | |
|-----------|--------|------------------|-------------------|--------------------|---|
| Gold 24K | XAU | 41,775 | 48,675 | 129,938 |  |
| Palladium | XPD | 28,824 | 33,584 | 89,654 |  |
| Platinum | XPT | 46,427 | 54,095 | 144,407 |  |
| Silver | XAG | 632 | 737 | 1,966 |  |

Gold Rates in other Major Currencies

| Currency | Symbol | 10 Gm | 1 Tola | 1 Ounce | |
|---|--------|--------|--------|------------|---|
|  Australian Dollar | AUD | 437 | 509 | 1,359 |  |
|  Canadian Dollar | CAD | 445 | 519 | 1,384 |  |
|  Euro | EUR | 311 | 362 | 967 |  |
|  Japanese Yen | JPY | 42,867 | 49,948 | 133,335 |  |
|  U.A.E Dirham | AED | 1,501 | 1,749 | 4,668 |  |
|  UK Pound Sterling | GBP | 248 | 289 | 772 |  |
|  US Dollar | USD | 409 | 476 | 1,271 |  |

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

