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NEWS

UPDATES

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NEWS OF
THE DAY

NEWS HEADLINES

Top Stories..... 6

Uncertainty casts a dark cloud over Xi's visit..... 6

It's unfortunate setback to bilateral ties: Zardari 7

Army chief meets Shahbaz..... 7

40 dead as heavy rains lash Punjab 7

Nisar-Aitzaz clash threatens fragile PPP-PML(N) unity..... 8

Khursheed terms Nisar 'a snake in the grass' 9

Rabbani likens sit-ins to defunct Article 58(2b)..... 9

Let parliament settle it, Supreme Court urged..... 11

Neither chief minister nor Baloch has time for IDPs 12

ECB unveils surprise package to shore up euro zone 13

Two-stage process proposed: PTI reiterates demand for Prime Minister's resignation 14

I'm ready to render sacrifices for 'new country': Altaf 16

Possible agreement: 'Jirga' discusses implementation mechanism 16

Government yet to appoint heads of various bodies..... 17

Neelum-Jhelum: government seeks \$300 million from China Exim Bank 18

Some embassies have suspended visa services: FO 19

Neelum-Jhelum: government seeks \$300 million from China Exim Bank 20

Some embassies have suspended visa services: FO 21

US embassy remains open..... 22

THE RUPEE: all-round gains..... 22

FBR delaying refunds to meet first quarter revenue target! 23

Steel items' import tied to 'CAR' 24

Hashmi's resignation accepted 25

Habib Wali Mohammad passes away 26

Petition against Prime Minister: SHC gives time to federal law officer for comments 26

CoAS urges officers to be equipped mentally, physically 27

SBP's reserves up by \$165 million..... 27

Chaudhry brothers urged to show flexibility 28

Three soldiers killed in mud-sliding along LoC..... 28

Pakistan Taliban faction announce split, new leader 28

BP ruled grossly negligent in 2010 oil spill..... 29

Nato, wary of ceasefire talk, blasts Russia over Ukraine 29

India on alert as al Qaeda opens South Asia front.....	30
Stocks close flat.....	31
ISE index loses 6.98 points.....	32
BRIndex30 gains 126.67 points.....	32
Business and Economy: Pakistan	33
SBP's reserves up by \$165 million.....	33
'Lifestyle Pakistan': TDAP to hold exhibition in New Delhi from September 11.....	33
US Consulate, TDAP hold discussion on promoting labour compliance.....	34
Pak-China Economic Corridor: speakers highlight various aspects of project.....	35
PIAF-Founders Alliance pledges strong ties with LCCI.....	36
IMC wins Consumer Choice Award for second consecutive year.....	37
FPCCI hosts EC, GA Meetings of ECO in Karachi.....	37
Political unrest hampers cargo containers' movement.....	39
Tents removal from parliament: Multan traders hail decision of PAT, PTI.....	39
Buksh Group inspires spirit of excellence through training, professionalism.....	40
Slow pace of targeted operation: Business community voices concern.....	41
Reconstructed Morris Pier at Manora inaugurated.....	41
Karachi Port's activities.....	42
Retired officers CAA to increase 20 percent medical allowance.....	43
PIA suffers credibility loss.....	43
NHA to conduct workshops.....	44
Two Balochistan Food Department officials convicted in corruption case.....	45
PLASTI&PACK-IFTECH- Pakistan 2014: Expo unveiling latest technologies in Lahore.....	45
Company News: Pakistan	47
'Bridge the gap in broadband access,' Country Manager Intel Pakistan.....	47
Taxation: Pakistan	52
FBR delaying refunds to meet first quarter revenue target!.....	52
Refrigeration, AC spare parts: valuation ruling to ensure a boost in revenue.....	52
Improving tax compliance: FBR, Germany's GIZ agree to share experience.....	53
Cotton and Textiles: Pakistan	55
Phutti supply falls after fresh rains.....	55
Ongoing monsoon rains lash cotton belt.....	56
Delay in energy supplies: worries of textile industry pile up in Punjab.....	57
Agriculture and Allied: Pakistan	59
KBD must not be built against the will of Sindh's people: WAPDA Chief.....	59

River Chenab flowing in high flood	60
Daily trading report of PMEX	61
Steel items" import tied to "CAR"	61
Sacrificial animals market set up at Sohrab Goth	62
Fuel and Energy: Pakistan	64
Chinese team visits Petroleum Institute of Pakistan	64
Government urged to benefit from receding coal, LNG prices	65
Banking & Finance	66
EOBI to provide monetary benefits for 385,332 beneficiaries in 2014-15	66
Markets	67
ISE-10 index stays bearish.....	67
Pak forex figure \$ 13.57707bn.....	67
BR Research: All	69
The economics of Azadi/Revolution march	69
NITs medley in FY14.....	70
T-bills become exciting again.....	71
Crime News	73
FC detains 31 illegal Afghan in Panjgur	73
Rawalpindi: 13 outlaws arrested; bottles of liquor, weapons seized	73
Peshawar: 2 arrested, looted money recovered	73
Chakwal: 3 arrested with illegal arms and narcotics	74
Alleged militant arrested in Mingora.....	74
2 alleged killers held in Kohat	74
2 women swindlers arrested in Nowshera	74
Daska: Man held with liquor	75
2 shopkeepers held in Daska	75
Karachi: 81 suspects rounded up.....	75
Alleged extortionist arrested in Swat	75
Batkhela: Drug inspector held on corruption charges.....	75
Mardan: 3 arrested on murder charge	76
2 profiteers arrested in Karachi	76
5 booked for fraud in Lakki Marwat	76
2 girls gang raped in Jhang.....	76
Miscellaneous News	78
Forbes 2000 list: PSO enters elite club of biggest publicly traded firms	78

Pakistani company receives WHO recognition	79
Shariah-compliant: Country's insurance market set for takaful boost.....	80
Improving: Foreign currency reserves rise \$164m	82
Visiting KCCI: Still a long way to go, Swiss consul general says	83
ICCI concerned over delay in Metro Bus Project	84
Consumer Choice Awards: IMC bags two awards this year.....	84
Corporate farming eating up small poultry farms	85
Corporate results: NIT posts net income of Rs5.4b in FY14	86
OPEN MARKET FOREX RATES.....	88
INTER BANK RATES.....	89

Top Stories

Uncertainty casts a dark cloud over Xi's visit

September 05, 2014

Chinese President Xi Jinping's visit to Pakistan is said to have been postponed. According to various TV channels, a Chinese security team that reached Islamabad ahead of his scheduled visit denied him clearance to visit the country. The Foreign Office and the Chinese embassy refused to make any comment on Xi's trip.

Earlier, Foreign Office (FO) spokesperson Tasneem Aslam told a weekly press briefing that no formal announcement has been made regarding dates of Chinese President's visit to Pakistan, however, a team from China is in Pakistan to discuss the administrative arrangements prior to his visit.

She further said that Pakistan and China are time tested friends and strategic partners. As regards the Chinese President's visit to Pakistan, discussions are going on. Both sides are closely monitoring the situation in Islamabad. She maintained that there are a number of projects and proposals in the pipeline to be discussed during Chinese President's visit. "There are agreements and MoUs to be signed by both sides", she added.

Meanwhile, it has been learnt that the government's claim of Chinese President's visit to Pakistan in mid-September is a well thought-out strategy to push back the PAT-PTI protesters from the Constitution Avenue, as the schedule for his visit is yet to be finalised, it is learnt.

Well-placed diplomatic sources told *Business Recorder* on Thursday that no date for the Chinese President's visit to Pakistan has formally been announced. And the claims made by some government ministers that he is all set to embark upon a visit to Pakistan in mid-September could be aimed at removing anti-government protesters from the Constitution Avenue.

The sit-ins of Pakistan Tehreek-e-Insaf (PTI) and Pakistan Awami Tehreek (PAT) entered 21st day on Thursday, a protest which has virtually brought the government machinery to a standstill, forcing some top regional leaders to cancel their scheduled visits. The sources said the government is quite perturbed that the visit of the Chinese President might hit snags if the protesters continue to remain steadfast in their demands.

They said that some important foreign countries have already issued travel advisories to their diplomats and citizens in the wake of ongoing anti-government sit-ins as both the political parties are not ready to give up unless the prime minister steps down.

Both the protesting political parties - PAT and PTI - turned down the government request to call off their protest, saying they were proud of Pakistan's friendship with China and will give a resounding welcome to Chinese President. "We're proud of our friendship with China as it is the only country in the world which lifted 400 million people from the poverty within a short span of 20 years. We'll give a rousing welcome to the dignitary from a great neighbour and time-tested friend," said PTI chairman Imran Khan in response to reports that the visit might be cancelled

due to ongoing protests.

National Security and Foreign Affairs Advisor to prime minister Sartaj Aziz reportedly said that the Chinese President's visit will not be cancelled but there is a possibility that it could be delayed. At the same time Minister for Planning and Development Ahsan Iqbal 'congratulated' PTI and PAT leadership for cancellation of Xi Jinping's visit.

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It's unfortunate setback to bilateral ties: Zardari

September 05, 2014

Former President Asif Ali Zardari has expressed deep regrets over the inability of all to end the stand-off in Islamabad that has resulted in the most unfortunate setback to our relations with China manifested by the postponement of a scheduled visit to Pakistan of Chinese President Xi Jinping. He called upon the government to seek an immediate rescheduling of the visit of Chinese President. Zardari also called for an immediate and peaceful resolution of the frustrating stand-off in the federal capital.

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Army chief meets Shahbaz

September 05, 2014

Army Chief General Raheel Sharif on Thursday met Punjab Chief Minister Shahbaz Sharif, sources disclosed. During the meeting, General Raheel stressed that political dialogue should continue with Pakistan Tehreek-e-Insaf (PTI) and Pakistan Awami Tehreek (PAT) for a meaningful resolution of the prevailing political crisis. They also discussed the security situation in the country along with issues related to law and order situation, sources added.

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40 dead as heavy rains lash Punjab

September 05, 2014

MUHAMMAD SALEEM

At least 40 people, including women and children died and over 30 sustained multiple injuries during rain-related incidents in various districts of Punjab. At least 13 persons, including three

females succumbed to injuries when roofs of different houses caved in Lahore. Roof of a double-storey building caved in near Chah Miran area; Dhobi Ghaat, killing six persons including three females.

The dead have been identified as Bilal; Aurangzeb, Muhammad Arshad, Sonia, Amna and Abeera. Similarly, a roof of a house collapsed in GOR-II, killing two persons after they got stuck in the debris. Rescue services responded to the incident and extricated two bodies from the debris; one man also died after he was electrocuted in Johar Town while another man died due to roof collapse. Moreover, three persons died when a roof of a house caved in at Thokar Niaz Baig whereas one person died in a house near Samanabad Roundabout.

Meanwhile, Rescue-1122 sources said one person died and six sustained multiple injuries in two incidents of roof collapse in Faisalabad; four died and two were injured in Gujranwala. Five persons died and two sustained multiple injuries in road accident, wall and electrocution in Sialkot district. Furthermore, one person died and two injured in Chundowal Village, whereas one died and 10 sustained multiple injuries during roof collapse in Okara and Kasur areas.

Rescuers, who responded to the incidents in Punjab, said majority of the buildings were dilapidated. Punjab Finance Minister Mujtaba Shuja ur Rehman condoled with the heirs of those who were killed due to roof collapse in Chah Miran. He said financial assistance of Rs 0.5 million each will be given to the families of each deceased person while Rs 100,000 will be paid to each injured person.

Expressing concern over the situation, DG Rescue Rizwan Naseer has advised citizens to remove debris and extra weights from the rooftops of houses besides strengthening bases of the homes by putting sands and mud around the walls to avoid collapses. He further said the citizens should remove electric wires or cover them properly to avoid electrocution in the monsoon season. Dr Rizwan Naseer further said pedestrians and bike riders should avoid overspeeding.

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Nisar-Aitzaz clash threatens fragile PPP-PML(N) unity

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Severely criticising leader of Opposition in Senate and top PPP leader Aitzaz Ahsan, Interior Minister Chaudhry Nisar Ali Khan said that he knows that from where "PPP leader Chaudhry Aitzaz Ahsan is talking." According to Nisar, Aitzaz is the representative and facilitator of the biggest land mafia of the country. It is Aitzaz's old habit or perhaps the part of his politics as he talks of Hussain and acts like Yazid.

He added that he has no regard or respect of a person who uses politics to make money and who in the name of former Prime Minister Benazir Bhutto takes personal advantages. Nisar said that right from LPG quota to the use of planes of a particular mafia reflect "contradictions of Aitzaz's zahir and batin.

Monitoring Desk adds: Speaking to a private television, Aitzaz said that prime minister Nawaz Sharif and chief minister Shahbaz Sharif had expressed their regrets over Nisar's remarks. He said he would give a befitting response to Nisar's attack in his speech on the floor of House today.

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Khursheed terms Nisar 'a snake in the grass'

September 05, 2014

Reacting strongly to Interior Minister Chaudhry Nisar's seemingly vitriolic attack on Aitzaz Ahsan, Leader of Opposition in National Assembly Khursheed Shah termed the minister 'a snake in the grass'. According to him, Nisar derives a kind of sadistic pleasures out of his attacks on the respect of people. He said his party has shown restraint owing to criticality of the current political situation in the country.

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Rabbani likens sit-ins to defunct Article 58(2b)

September 05, 2014

NAVEED BUTT & ZAHEER ABBASI

Pakistan People's Party (PPP) Senator Mian Raza Rabbani has said that it is a battle of power among state institutions. Taking part in the discussion on prevailing political situation in the country in the joint sitting of the Parliament, Raza Rabbani said he does not fully subscribe to the views expressed by Parliamentarians that it is a victory of Parliament.

He said, "If democratic forces think that it is the first and last attack on Parliament, they are mistaken. The ruling party should keep in mind that now efforts will be made to break the unity of democratic forces. We must not lose sight of political history of the country; democratic forces were divided in the past, but for the first time in the history of the country all democratic forces, lawyers' community and media are with democracy."

While referring to the Prime Minister, Rabbani said, if he (PM) and his cabinet alienate the Parliament by not visiting it, such conspiracies will spring up against democracy. He said that only a united parliament could fight off all conspiracies. He said that Quaid-e-Azam envisioned that Pakistan would be a welfare state but our elite class has turned it into a garrison and security state. He said that PPP and other parties are part of war for the protection of Constitution and democracy. While referring to the Prime Minister, he said, "if you are isolated, we will fight this war."

PPP Senator Raza Rabbani opened his address with a request to the PM to direct the Punjab

government to deal diligently with the situation created due to a heavy rainfall in Punjab. He said since infamous Article 58(2b) is not there these forces have brought their puppets to streets. He said the PPP accepted the rigged 2013 elections for the 'sake of democracy.'

He said that even when Zulfiqar Ali Bhutto was murdered by judiciary, the PPP decided to remain within the system. "Our victories were snatched away but we remained in the system. Benazir Bhutto was murdered in Rawalpindi, but we said we would stay within the system. Continuing criticism on the PAT and PTI protesters, Rabbani said that whatever is happening in the Red Zone, where the privileged class was raising slogans of being underprivileged, is not a revolution. "It's a situation where the 'haves' say they are 'have-nots.' Where are the labourers, the farmers?" he asked.

Flaying Tahirul Qadri, Rabbani said he had taken an oath of allegiance with the Queen of England and hence cannot even become a Parliamentarian. He said his party had stepped up criticism of Qadri because he attacked Bhutto Shaheed who was the architect of the Constitution of Pakistan. "They should keep in mind PPP's jiyalas know how to deal with those who attack their leaders," he warned.

Rabbani said, "In this battle we are not ready for compromise; this war is for the survival of Pakistan. The federation of Pakistan will be under threat if dictatorship is imposed." He praised the government's move to agree to five points of protesting parties. He said the Parliament would be a guarantor of the commission that will investigate the alleged election rigging and would ensure that its findings are followed through a stern action against those involved in rigging.

Senator Mushahid Hussain Syed stated that the government must focus on real issues faced by the people as their lives cannot be improved by distribution of laptops. He said the Speaker must not accept the resignations of PTI Parliamentarians. He said the creation of Pakistan was the result of a democratic process and appreciated government's decision to allow political parties to stage protests and sit-ins. He said the Chinese President is scheduled to visit Pakistan next week and a number of agreements and Memorandum of Understandings (MoUs) are going to be signed. Mushahid further stated that the delay in audit of four constituencies and First Information Report of the Model Town incident led to the prevailing political crisis. He said the country's future lies in democracy and the Parliament and government must focus on real issues, as change can not be brought about by distributing laptops. He maintained that a joint session of parliament has started showing positive results as there is wider consensus amongst political parties and supremacy of constitution will be upheld at all costs. He added that it is also encouraging that important decisions in the prevailing crisis are taken within the parliament without any intervention. He said there is no threat of a Martial Law.

Mushahid said there are multiple power centres in the country with independent judiciary and media as well as a vibrant civil society, which can not be controlled by any institution. Senator Haji Muhammad Adeel came hard on the protesting parties and stated that all the political parties want democracy to flourish. He said that the government must change its style of governance and everyone should be treated equally according to law. He complained that the federal government has not been doing justice with Khyber Pakhtunkhwa government in terms of net hydel profit. He said that corruption is the biggest problem of the country and rich class is benefiting from the system. Adeel warned that rulers must be aware of the time when the poor of the country would stage a sit-in against them and even this august house would be unable to save them. He added that the people would be after them and there would be a guillotine in front of them.

Minister for Planning and Development, Ahsan Iqbal said a committee of the House should be constituted to determine punishment for those who stormed parliament. The protesting groups have tarnished the image of the country through their provocative acts. However, the unity shown by all segments of society in response to the crisis has foiled the conspiracies of PTI and PAT. He criticised the protesting leaders for polluting the political discourse of the country through their abusive and derogatory speeches. He said the sit-ins have wasted the government's hard work to restore investor confidence.

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Let parliament settle it, Supreme Court urged

September 05, 2014

KHUDAYAR MOHLA

Submitting written replies in response to identical pleas against the anti-government marchers, political parties urged the Supreme Court on Thursday to let the Parliament settle the current political crisis. A five-member larger bench of Chief Justice Nasirul Mulk on Wednesday sought suggestions from all parliamentary parties for a judicial way out of the ongoing political impasse.

Pakistan People's Party, Awami National Party, Jamaat-e-Islami and Balochistan National Party prayed the apex court to refrain from prescribing the contours of a legal regime to regulate the political activities envisaged by Articles 15, 16 and 17 of the Constitution.

In its suggestions to the apex court for a judicial way out of the ongoing political unrest, the political parties submitted that the law envisages that these Articles of the Constitution should be left to the Parliament's discretion. In the replies submitted through Aitzaz Ahsan, it is contended that under Article 15 every citizen shall have the right to remain in, and, subject to any reasonable restriction imposed by law in the public interest, enter and move freely throughout Pakistan and to reside and settle in any part thereof.

He submitted that Article 16 states that every citizen shall have the right to assemble peacefully and without arms, subject to any reasonable restrictions imposed by law in the interest of public. The parties further submitted that under Article 17 of the Constitution, every citizen shall have the right to form associations or unions, subject to any reasonable restrictions imposed by law in the interest of sovereignty or integrity of Pakistan, public order or morality.

However, the political parties reposed full confidence in the Supreme Court by recognising that it has played a strident role in upholding Constitution and rule of law. Barrister Ali Zafar, the counsel for Pakistan Awami Tehreek (PAT) in his written reply said that the government can solve the current impasse without intervention of the court by taking a logical and just decision.

He said a declaration regarding the scope or legality of dharna or any direction in this behalf by the Court may not only affect its right but also of any future political protest and hence judicial

restraint should be exercised by the apex court. "What action the government would like to take in case of failure of the negotiation, be better left to the government which has the responsibility to deal with the problem," Zafar maintained.

He said that his client has great respect for the Parliament as an institution, but has the right to object to any of its actions. Zafar further submitted that resolving the ongoing political issue does not fall within the jurisdiction of the apex court. Chairman Awami Muslim League (AML) Sheikh Rashid Ahmed also submitted a written reply and said that peaceful demonstration is taking place in front of Parliament which is the struggle of the people against a 'monarchical' regime.

He further said that in response to directives of the apex court premises of the Parliament have already been vacated with no protesters inside the building. "It is important to note that these premises were vacated on the directions of the Supreme Court and for no other reason - Any impression that it was vacated for some extraneous reason or some other force got them vacated is totally misconceived and therefore dispelled," Rashid said. Rashid prayed the court not to interfere in the issue and dismiss the petitions in hand saying the political parties are holding dialogue and both sides are moving towards an amicable solution.

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Neither chief minister nor Baloch has time for IDPs

September 05, 2014

ABDUL RASHEED AZAD

With the government fully concentrating on their fight for survival, the agonies of over million Internally Displaced People (IDPs) of North Waziristan Agency (NWA) are increasing with each passing day. Since the start of protest campaigns against government by Pakistan Tehreek-e-Insaf (PTI) and Pakistan Awami Tehreek (PAT), all the concerned quarters have no time to think about the plight of Internally Displaced Persons (IDPs) who have no place to live after opening of educational institutions in Bannu where they were temporarily residing.

A senior official representing the Fata Disaster Management Authority (FDMA) said: "All, including the leadership of the protesting parties as well as the government, keep on claiming that the IDPs are rendering countless sacrifices for the country by leaving their homes, but their problems are increasing.

The official said that the provincial government of Khyber Pakhtunkhawa (KPK) has totally ignored the problems of IDPs in Dera Ismail Khan and Bannu, as the entire provincial government is in Islamabad protest camp. The official said that the future of 86,323 students from North Waziristan is at stake as they are unable to get timely admissions in schools and colleges.

Migration is a painful experience for the IDPS as the orderly evacuation and resettlement

promised to them turned into chaos. Their initial problems included delayed registrations, mismanagement in distribution of ration which at times leads to rioting. Many children who were vulnerable to stress were traumatised and needed treatment and counselling, which is a wild goose chase. Now a large number of IDPs is confronted with new problems as the education department of KPK has asked the IDPs to vacate 1,400 government schools on the end of summer vacations.

It is also learnt IDPs of North Waziristan are finding it extremely difficult to bury their dead in Bannu as the district administration has yet not allot land for a graveyard to IDPs. On the other hand army is not allowing them to take bodies to North Waziristan since the start of military operation. KPK Chief Minister Pervaiz Khattak is supposed to focus on the IDPs issue, but he is in Islamabad at a PTI sit-in. SAFRON Minister Abdul Qader Baloch too is in Islamabad busy negotiating with the PTI and PAT.

The official said that so far FDMA has disbursed over Rs 2 billion provided by the federal government as cash assistance among the families of 51600 IDPs. The particulars of the remaining 1060 families are being verified from NADRA and they will also be given cash assistance after the process is over. FDMA has further requested the federal government to release Rs 1.5 billion to cater to the needs of internally displaced persons of North Waziristan Agency. The federal government had announced a Rs 12,000 monthly payment to every displaced family. The army launched the Zarb-e-Azb operation against militants in North Waziristan Agency on June 18.

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ECB unveils surprise package to shore up euro zone

September 05, 2014

The European Central Bank cut interest rates to a fresh record low on Thursday and launched a new scheme to push money into the flagging euro zone economy, surprising markets and leaving open the option of more to come. In a series of measures highlighting growing concern about the currency bloc's health, the ECB cut its main refinancing rate to 0.05 percent from 0.15 percent and drove the overnight deposit rate deeper into negative territory, now charging banks 0.20 percent to park funds with the central bank.

The International Monetary Fund, which has pressed the ECB to do more to buoy the euro zone, welcomed the measures. The euro zone flatlined in the second quarter of the year and the Ukraine crisis is now weighing heavily on business confidence.

"QE was discussed," ECB President Mario Draghi said of the possibility of quantitative easing (QE) - essentially printing money to buy assets. "Some of our Governing Council members were in favour of doing more than I've just presented, and some were in favour of doing less. So our proposal strikes the mid-road," he said.

New ECB economic forecasts foresee slower growth this year, of just 0.9 percent, picking up to

1.6 percent in 2015. The forecast for inflation, now running at just 0.3 percent, was cut to 0.6 percent, rising to 1.1 percent in 2015, still way below the ECB's target of close to but below 2.0 percent.

Draghi said if inflation looked like staying too low for too long, the ECB Governing Council was unanimous in its commitment to using other "unconventional instruments" - a phrase taken as code for printing money as the US Federal Reserve and Bank of England have done. Draghi dropped previous wording that inflation risks were "broadly balanced", instead vowing to "closely monitor" risks to the outlook for price developments - a shift that reflects the ECB's increased concern about the inflation outlook.

Draghi announced plans for an asset-backed securities (ABS) and covered bond purchase programme to help ease credit conditions in the bloc. Sources told Reuters it could amount to 500 billion euros (\$650 billion) over three years. IMF Managing Director Christine Lagarde said: "We strongly welcome the measures taken by the ECB, which will help to counteract the dangers posed by an extended period of low inflation."

Asset-backed securities are created by banks pooling mortgages and corporate, auto or credit card loans and selling them to insurers, pension funds or now even the ECB. Covered bonds are similar instruments but the underlying assets, such as apartment blocks, are ringfenced so if the bank goes bust, the assets are still there. That makes them safer than ABS where the underlying loans are not ringfenced.

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Two-stage process proposed: PTI reiterates demand for Prime Minister's resignation

September 05, 2014

ZULFIQAR AHMAD, FAZAL SHER & WAQAR LILLAH

Pakistan Tehreek-e-Insaf (PTI) on Thursday proposed that a three-judge Supreme Court judicial commission be formed with immediate resignation of Prime Minister Nawaz Sharif to ensure an impartial inquiry into vote rigging in last year's general election. In an eight-page proposals submitted to a six-member 'peace Jirga' headed by PPP Senator Rehman Malik, the PTI negotiating team led by Shah Mehmood Qureshi proposed a two-stage process to investigate rigging in 2013 general elections.

It said that in the first phase, PTI's complaint must be addressed by a fully empowered and independent judicial commission, adding it must submit a legally binding and enforceable final report on the veracity of complaints. It added that 'phase two' of this process will encompass steps and actions to be taken in the event of the commission gives an affirmative finding of pervasive rigging and allegations in 2013 elections.

For removing doubts, the PTI made it clear that a commission under Pakistan Commission of Inquiry Act, 1956 (1956 Act) is not acceptable as the body formed under the said law does not

have the required power and functions that must be given under special law through a fresh ordinance, Act of parliament or an amendment to 1956 Act to empower the judicial commission probing vote rigging.

The PTI proposed that the commission must comprise three Supreme Court judges headed by chief justice of Pakistan, adding the commission must be fully empowered to hold a through probe into rigging allegations. It further proposed that the commission should have the powers to examine witnesses and record their statements using modern technology but not limited to video-conferencing. "All federal and provincial executives and other higher authorities must be made duty bound to assist the commission," it added.

The primary function and task of the judicial commission should be to undertake an independent investigation into rigging allegations and it will have to submit its report within 30 days - a legal binding and enforceable final report. The PTI has also called for the formation of a joint investigation team (JIT) under supervision of the judicial commission to operate as an investigative arm of the commission. The JIT should comprise senior officers of government investigative agencies like Federal Investigation Agency (FIA) and National Database Registration Authority (Nadra) etc.

"The composition of JIT shall be balanced and it must be headed by a senior officer of unblemished repute and integrity to whose appointment the PTI will have no objection," it added. According to the proposals, with formation of JIT, the heads of FIA, Nadra and secretary Election Commission of Pakistan must be replaced to ensure free, fair and transparent probe into rigging.

"The JC must submit a final report of its findings and conclusions no later than thirty days after its constitution and the said report shall be made a public document," it maintained. The PTI also underlined the procedure for a test to determine if rigging occurred, adding the test includes the JC reporting the manner in which ECP members were appointed and any changes in locations or appointments at polling stations.

The PTI also demanded that along with a signed agreement between PTI and the ruling Pakistan Muslim League-Nawaz (PML-N), the prime minister and the cabinet must publicly announce a guarantee to heed by the conditions and demands mentioned in the proposal if rigging is proved. It reiterated that the prime minister should step down while the judicial commission proceeds with its findings. "The resignation of the incumbent prime minister would establish bona fides of the prime minister and of the political party he heads. It would also allow parliament to continue in greater national interest and for consolidating the transition to parliamentary democracy," it added.

PTI also demanded that a supreme monitoring council be formed after the resignation of the prime minister to ensure an independent and objective investigation by the judicial commission. Besides, in case rigging is proved as alleged by PTI, the proposal demands that the prime minister advises the President to dissolve National Assembly under Article 58(1) of constitution.

"The president shall appoint a caretaker cabinet and prime minister under the constitution, the composition of which must reflect the intent and will to undertake and complete the necessary electoral reforms prior to fresh elections," it maintained. It said that the fresh general elections

must be held under a reconstituted and non-controversial election commission appointed in consultation and with no objection to the PTI.

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I'm ready to render sacrifices for 'new country': Altaf

September 05, 2014

Muttahida Qaumi Movement (MQM) chief Altaf Hussain on Thursday night said he was ready to offer sacrifices towards the creation of a 'new country' in a manner through which "our forefathers created Pakistan," says a private TV channel. Speaking his party's general workers' convention via telephone from London, he said he was not happy with the conduct of MQM leaders and office-bearers and sought gathering's approval to step down from party's chairmanship.

Those present at the convention, however, reposed their trust in Hussain's leadership and urged him not to resign from his post. MQM legislators asked to submit resignations to convenor. It may be mentioned that the meeting was called on Wednesday, but was postponed to Thursday due to unknown reasons. Expressing his annoyance over violation of party discipline, the MQM chief said MNAs, MPAs, councillors, union nazims, town nazims and sector incharges were being appointed and selected on the basis of personal likes and dislikes. Hussain vowed to eliminate 'land mafia' from Karachi if he is allowed to arrive and stay in the country for only 15 days, adding that he will carry out the same job throughout Pakistan in only six months.

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Possible agreement: 'Jirga' discusses implementation mechanism

September 05, 2014

Opposition parties 'Jirga' held a meeting with the Prime Minister Nawaz Sharif on Thursday and briefed him on negotiations with Pakistan Tehreek-e-Insaf (PTI) and Pakistan Awami Tehreek (PAT) to resolve the political impasse. Led by Jamaat-e-Islami Chief Sirajul Haq, the 'jirga' also discussed with the Prime Minister an implementation mechanism of a possible agreement between the government and the two protesting parties. Sirajul Haq was accompanied by Liaquat Baloch, Rehman Malik, Kulsoom Perveen and G.G. Jamal during the meeting with Prime Minister.

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Government yet to appoint heads of various bodies

September 05, 2014

WASIM IQBAL

The incumbent government after more than fifteen months has yet to appoint heads of statutory, regulatory, autonomous bodies and corporations through establishing a Federal Commission for Selection of Heads of Public Sector Organisation (FCSHPCO) as per the directives of Supreme Court of Pakistan. The performance of a number of headless government bodies remains questionable, as they continue to operate without chief executives for a year and a quarter.

The Security and Exchange Commission of Pakistan (SECP), Competition Commission of Pakistan (CCP), State Life Insurance Corporation (SLIC), National Insurance Company (NIC) and National Electric Power Regulatory Authority (NEPRA) are some of the many key government entities that continue to operate without full-time chairmen. On the directives of Supreme Court of Pakistan, the government in July 2013 notified the establishment of FCSHPCO for the appointment of heads of regulatory bodies, autonomous entities and corporations. However, through a separate notification, the government quietly excluded the SECP and the CCP from the purview of the Commission along with 21 other organisations. The move was to ensure the appointment of the government's handpicked candidates in these organisations, Barrister Dawood Ghaznavi said.

The year-long race for the chairmanship of the country's one of the top regulatory bodies - SECP - could not be completed despite advertisements. Sources said that the search for a SECP chairman began with a newspaper advertisement back in May 2013. Along with other vacant positions in state-run organisations, the government invited applications for the post of the SECP "commissioner/chairman". Consultancy firm AF Ferguson was appointed to short-list candidates, who were then to be interviewed by a special committee headed by federal tax ombudsman Chaudhry Rauf. However, it was followed by yet another advertisement in March 2014.

Meanwhile, the Islamabad High Court barred federal government to appoint the heads of different government departments, stating that not even the premier had the authority to make such appointments. The court stated that the heads of statutory, autonomous, semi-autonomous bodies, regulatory authorities as well as government-controlled corporations, etc, should be appointed through the commission as per the earlier verdict of Supreme Court.

The government also issued a notification on January 13, 2014 to make direct appointments of heads in these 23 key organisations and exempted them from the purview of Establishment Division - a notification which was challenged in a court of law. No decision has yet been taken on appointment of chairmen/CEOs for which the government invited applications through newspaper advertisements last year. Some of these organisations - like HBFC, First Women Bank and National Investment Trust (NIT) - eventually got their managing directors/CEOs. But none of the appointees were short-listed by AF Ferguson or interviewed by the FCSHPSO.

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Neelum-Jhelum: government seeks \$300 million from China Exim Bank

September 05, 2014

MUSHTAQ GHUMMAN

Pakistan has sought a non-commercial funding of \$300 million from China Exim Bank for 969 MW Neelum-Jhelum Hydroelectric Project (NJHEP) as funding gaps are delaying the project which is scheduled to be completed by 2016, well informed sources told *Business Recorder*. "GoP sent a letter to China Exim Bank a week ago and expressed its preference for a non commercial loan instead of a commercial loan. However, no reply has been received so far," sources added.

When contacted Chairman Water and Power Development Authority (Wapda), Zafar Mehmood said that it is for Economic Affairs Division (EAD) to look for the funding source, adding that China appears to be a good option. The sources said, 66 per cent project has been completed with an investment of Rs 122 billion despite the fact that the project has not achieved a financial close. According to sources, Wapda is facing a funding gap of \$475 million as of today and EAD is being held responsible for not arranging the funding to complete the project.

In reply to a question, the sources said, that though private sector loan is expensive, Chairman Wapda and CEO NJHEP argue that saving a few pennies under a non-commercial loan may increase the cost of the project manifold due to delays which implies savings will be meaningless.

According to sources, Government's top office is extending full co-operation to complete the project on time, but other subordinate offices are creating hurdles. "When financial close has not been achieved, how can the government ask Wapda to complete the project immediately?" the sources asked. "There are gaps in funding which have to be filled. The option to borrow from the private sector is also on the cards," the sources continued.

When contacted CEO, NJHEP, Muhammad Zubair, said that tubes have been fixed in the power houses and expressed satisfaction with the progress despite financial constraints. According to initial estimates, half of the cost had to be arranged through a collection of 10 paisa per unit surcharge from power consumers (Rs 57.4 billion) of which Rs 33 billion has been collected. The remaining amount was to be arranged by the federal government. However, with a manifold increase in cost, 10 paisa per unit surcharge collection only met 10 per cent of total expenditure and there were no arrangements for generating the remaining 90 per cent expenditure after Saudi Fund, Kuwait Fund and other institutions backed off.

In May this year, Prime Minister Nawaz Sharif approved Rs 14 billion for the project which was released immediately from the PSDP. However, no funds have been allocated in PSDP for Neelum-Jhelum Hydropower Project in 2014-15. Around Rs 48 billion were earmarked for 2013-14 for the project out of which Rs 37 billion was spent. This year's requirement is Rs 72.9 billion but no arrangements have been made so far.

Sources further told this correspondent that Pakistan lost its case against India at The Hague-based International Court of Justice (IJC) and three former top officials ie former Secretary Water and Power Ashfaq Mehmood, former Special Secretary Ministry of Water and Power, Riaz Ahmad and Indus Water Commissioner Jamaat Ali Shah were responsible for defeat at the international forum.

After the announcement of decision by ICJ, Minister for Water and Power, Khawaja Asif announced that he would take action against those Ministers and bureaucrats who were responsible but so far there has been no action against them. Sources further maintained that recent talks held in Lahore with Indian Indus Water Commission on Kishanganga Hydroelectric Project are an eyewash and waste of time.

Copyright Business Recorder, 2014

Some embassies have suspended visa services: FO

September 05, 2014

Foreign Office (FO) spokesperson Tasneem Aslam told a weekly press briefing on Thursday that most of the foreign countries have said that the protests of Pakistan Tehreek-e-Insaf (PTI) and Pakistan Awami Tehreek (PAT) are country's internal matter. She said some embassies have suspended their visa services due to prevailing situation in the Red Zone of capital. Commenting on Iran-Pakistan gas pipeline, she said the energy project is very much on the table and regular discussions are taking place between two sides.

There are some news reports that a group of ISIS members has entered Pakistan and is trying to hire Pakistanis as members of Daish. The spokesperson said that there are only media reports as the government has not seen any evidence of their presence in Pakistan. "I have seen media reports that some pamphlets have been found in some cases in KPK. Our approach to terrorism is very clear... Our action is across the board against all terrorists - Daish or any other group included," she stated.

Responding to a question related to travel advisories and security advise parameters by foreign countries to their citizens, she said that every country has the right to advise its citizens to exercise caution. We do it and we recognise that other countries also have the right to do that, according to her. She further said that fresh dates to be decided for Pakistan-India Foreign Secretary level talks. She was of the view: "We have very clearly spelt out our position on the cancellation of the foreign secretaries-level talks on untenable grounds," she added.

Asked whether there were important meetings and visits cancelled due to the protests that have been going on in Islamabad, she replied that the President of Sri Lanka was scheduled to visit Pakistan. On our advice, the visit was postponed. Talking about the Libyan situation and the plight of stranded Pakistani community there, she said that four flights have been operating. Before that, Pakistan's embassy was facilitating the people to evacuate who could leave Libya on their own. They had the financial means to travel to Tunisia and Algeria. More than 2500 people left earlier. A large number of people have been evacuated through chartered flights and the

operation is going on. In addition, Pakistani embassy has established relief centers both in Tripoli and Benghazi in Pakistani schools. These people are being looked after by the embassy.

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US embassy remains open

September 05, 2014

The United States embassy has clarified here Thursday that it remains open and is continuing its business as usual, terming the media reports on this count as not correct. "Today, we have seen media reports stating that the United States Embassy Islamabad has changed its operating status. The US Embassy Islamabad has been carefully monitoring the demonstrations in Islamabad; however, we have remained and continue to remain open for normal operations per our regular schedule," said a statement issued by the embassy.

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THE RUPEE: all-round gains

September 05, 2014

The rupee posted fresh gains against the dollar and euro on the money market on Thursday in the process of trading, dealers said. The rupee picked up 30-paisa versus the dollar for buying and selling at Rs 102.20 and Rs 102.35 respectively, they said.

INTERBANK MARKET RATES: OPEN MARKET RATES: The rupee also gained 10-paisa in terms of the dollar for buying and selling at Rs 101.60 and Rs 101.80 respectively. It appreciated sharply in relation to the euro, rising Rs 2.25 for buying and selling at Rs 132.25 and Rs 132.50, they said.

In the fourth Asian trade, the euro held steady versus the dollar on Thursday, having recovered from one-year lows set earlier this week as investors repositioned ahead of the European Central Bank policy review. News of a ceasefire plan in eastern Ukraine further shored up the common currency, although this is now in doubt after Ukraine's prime minister dismissed the proposal outlined by President Vladimir Putin.

The dollar was trading against the Indian rupee at Rs 60.47, the greenback was at 3.1760 versus the Malaysian ringgit and the US currency was at 6.1351 in terms of the Chinese yuan. Inter bank buy/sell rates for the taka against the dollar on Thursday: 77.40-77.40 (previous 77.40-77.41). Call Money Rates: 05.50-06.75 percent (Previous 05.50-06.75 percent).

=====
Open Bid Rs.101.60
Open Offer Rs.101.80
=====

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

=====
Bid Rate Rs.102.20
Offer Rate Rs.102.35
=====

RUPEE IN LAHORE: The Pak rupee maintained upward slide and was further improved by 65-paisa in relation to the greenback on the local currency market on Thursday.

According to the currency dealers, the dollar was opened on a depressed note and kept on moving down throughout the day because of selling pressure. At close of trading, the dollar was ended at Rs 101.50 and Rs 101.75 against Rs 102.15 and Rs 102.40 on buying and selling side, respectively.

The rupee also showed strength and was appreciated against the pound sterling that was traded at Rs 166.60 and Rs 166.85 on buying and selling counter, compared with the day earlier closing of Rs 167.75 and Rs 168.00, respectively, the dealers said.

RUPEE IN ISLAMABAD AND RAWALPINDI: The rupee showed a recovery of Re 1 against the dollar on the open currency markets of Islamabad and Rawalpindi here on Thursday. The dollar resumed trading at Rs 101 (buying) and Rs 101.10 (selling) against overnight value of Rs 102.00 (buying) and Rs 102.10 (selling). It did not observe further change in the second session and closed at Rs 101 (buying) and Rs 101.10 (selling) against. Pound Sterling opened at Rs 168 (buying) and Rs 168.10 (selling) against same overnight value. It did not observe further change in the evening session and closed at Rs 168 (buying) and Rs 168.10 (selling).

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FBR delaying refunds to meet first quarter revenue target!

September 05, 2014

MUHAMMAD ALI

Following dull economic activity amid political impasse that has entered 20th day, the Federal Board of Revenue (FBR) has started delaying tax refund claims to meet its first quarter revenue target, it is learnt on Thursday. According to sources, over Rs 2.3 billion tax refunds were already pending for months and the FBR had neither released these tax refunds nor facilitated taxpayers in fresh tax refund claims.

Moreover, sources said the release of tax refunds was earlier suspended only before June but now the board, in order to meet its quarterly revenue target during present political impasse, has

started delaying tax refund claims. They said the restriction imposed by the finance ministry to release over Rs 0.5 million tax refunds was supposed to be a budgetary measure for tax year 2013-14, but current delay tactics from tax offices to release tax refunds was incomprehensible.

Sources said that tax refunds of major multinational and national companies, which stood in billions, had been stuck since last October. They added that these companies, which were considered as efficient taxpayers, were now passing through liquidity problems, due to unnecessary blockage of tax refunds.

Moreover, sources said big taxpayers, who were earlier pressurised not to file tax refund till the end of June, were now facing rejection or delay against their refund claims in current fiscal year. On the other hand, the FBR officials dispelled the impression that they withheld billions of rupees tax refunds, saying that the department was processing refund claims as per procedure and there was no restriction on the release of tax refunds.

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Steel items' import tied to 'CAR'

September 05, 2014

RIZWAN BHATTI

Import of steel products into Pakistan has been linked with Conformity Assessment Report (CAR)/ license under PSQCA Act 1996. Industry sources told *Business Recorder* Thursday that recently Pakistan Standards Quality Control Authority (PSQCA) has issued a cautionary public notice to all steel importers of bars, billets, etc, that it is compulsory under the law for all foreign steel manufacturers to obtain a license for the export of steel items with the distinctive PSQCA marking.

"The importers of steel products are hereby warned that as per section 14 of PSQCA Act and Para 5(B) (ii) of the Import Policy, all foreign manufacturers of steel products including steel bars, steel billets, etc, are required to obtain Conformity Assessment Report (CAR) and proper permission for exporting goods to Pakistan under PSQCA Act 1996," the notice said. Such license/CAR will be provided by PSQCA after due diligence and inspection of the manufacturing facility of the foreign company that desires to export steel to Pakistan, it added.

Sources said that it's an international practice that quality certificate and license is necessary for import of goods. This is not the new law or initiative being introduced by PSQCA as it has already been implemented throughout the world, they added. Pakistan's cement industry faced huge hurdles when it initiated cement export to India, Sri Lanka and Africa. The Indian Customs Department did not clear several Pakistani cement consignments because the manufacturers were not licensed by the Bureau of Indian Standards (BIS) and cement bags did not have the distinctive Indian Standard mark. Later, BIS officials visited the cement plants set up in Pakistan for quality assurance to allow Pakistani manufacturers to export cement to India.

Similar is the case with many other products which are being exported by Pakistan to various countries and exporters in Pakistan are required to obtain various kinds of production and

product certifications from host country and international institutions, they added.

Industry sources said that PSQCA measures will go a long way in helping Pakistan to rapidly industrialise and bring in badly needed investment in the steel industry which will provide jobs to unemployed youth and qualified engineers as Pakistan has produced engineers and technicians in very large numbers but they have no jobs due to slow industrialisation.

"This measure will allow the steel industry in Pakistan to produce high quality steel products such as steel bars, billets, etc, as per approved PSQCA standards," they added. Industry sources said strict implementation of approved PSQCA steel standards for imported and local steel products will also help prevent dumping of sub-standard steel products in Pakistani market and this will lead to import quality steel products in the country.

Several times large shiploads of consignments of rejected steel bars from UAE were offered to Pakistani market as these steel products were not being in conformity with their approved standards, they said. Twisted bars have been phased out by PSQCA a few years back and the grace period of over 5 years has also passed but it is unfortunate that sub-standard twisted steel bars are still being manufactured and marketed in Pakistan, sources said.

It's the government and Building Control Authority's responsibility to ensure the use of such products, which are properly approved by PSQCA, they said and urged PSQCA and Building Control Authorities not to approve/allow Grade 40 steel bars. They added that only high strength and high quality steel bars be allowed as per their standards.

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Hashmi's resignation accepted

September 05, 2014

The Speaker of the National Assembly, Sardar Ayaz Sadiq has accepted the resignation of Makhdoom Javed Hashmi. Javed Hashmi was elected as the member of the National Assembly from NA-149 Multan on a PTI ticket. According to sources, Speaker Ayaz Sadiq accepted Hashmi's resignation, which he submitted a couple of days ago after making an emotional speech on the floor of the National Assembly.

The Speaker forwarded the resignation to the Election Commission of Pakistan (ECP) for a formal notification in this regard. Following the notification of his resignation, the ECP will further announce a schedule for holding a by-election in NA-149 constituency. Differences between Makhdoom Javed Hashmi and Imran Khan intensified following advancement of marchers towards the Prime Minister's Secretariat in Islamabad.

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Habib Wali Mohammad passes away

September 05, 2014

Renowned ghazal singer Habib Wali Mohammad breathed his last here on Thursday at the age of 93. He was born in Rangoon (now called Myanmar) and grew up in Mumbai after his family shifted there. He hailed from an industrialist family and later his younger brother, Ashraf W. Tabani, went on to become the Chairman of Export Promotion Board of Pakistan as well as the Governor of Sindh.

However, Habib pursued his passion and proved himself when he won the first prize in a singing competition in Mumbai which had around 1200 other participants. He rose to fame with the famous ghazal of the last Mughal Emperor, Bahadur Shah Zafar, Lagta Nahi Hai Dil Mera Ujray Diyaar Main.

Trained by Ustaad Latafat Ali Khan, he also lent his voice in 1970s to film Badal aur Bijlee with ghazal *Aaj Janay Ki Zid Na Karo* later becoming one of his most popular songs. His famous songs included Ghalib's ghazal 'Ye Na Thi Hamari Qismet' and 'Raatain Theen Chandni' for film Baazi among many others. He was succeeded by three sons Anwar, Rizwan and Nadeem and a daughter, Rukhsana.

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Petition against Prime Minister: SHC gives time to federal law officer for comments

September 05, 2014

The Sindh High Court (SHC) on Thursday gave time to federal law officer to file comments in a petition seeking the disqualification of Prime Minister Nawaz Sharif and Interior Minister Chaudhary Nisar Ali Khan for making "false" statements on the floor of National Assembly. The petitioners, Moulvi Iqbal Haider and Maqsood Ahmed, moved the court requesting it to declare that Nawaz Sharif and Chaudhry Nisar Ali stand disqualified under Articles 62 and 63 of the Constitution for speaking "lies" in the National Assembly.

The petitioners submitted that earlier premier in meeting with Chief of Army Staff (CoAS) General Raheel Sharif had asked the latter to intervene in the political crisis in order to resolve it. When a question regarding CoAS's intervention was raised in the national assembly, both premier and interior ministry distanced them from having asked for CoAS's arbitration, they added.

Later, they said, ISPR issued a statement clarifying that CoAS was asked by government to play a facilitative role. The petitioners said that Sharif and Nisar had no right to retain their offices as they stand disqualified under Articles 62 and 63 for speaking "lies", adding that they attempted to disgrace and defame the top security institution. During the preliminary hearing, the court had

tagged the matter with another petition filed by Iqbal Haider through which he sought dissolution of national and provincial assemblies and formation of a national government.

Haider submitted that due to ongoing tense political situation, the constitutional machinery has broken down throughout the country. The federal and provincial assemblies should be dissolved and a national government with assistance of the armed forces be formed comprising all the parties, he said.

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CoAS urges officers to be equipped mentally, physically

September 05, 2014

Chief of Army Staff (CoAS) General Raheel Sharif urged young military officers to equip themselves both mentally and physically to ensure the defence of motherland in the face of a growing complex threat environment. The Army Chief was addressing the convocation ceremony of 125th PMA Long Course at NUST Islamabad.

Advising graduating officers, CoAS said: "While leading your men into combat, as young officers you must also inspire them by your knowledge, character, courage and competence," ISPR said. The CoAS awarded degrees to the graduating officers and congratulated them, their parents and faculty for the hard work they have put in to groom the future officers. Degree of Shaheed officer Lieutenant Nauman Raza was received by his father Squadron Leader Shaukat Raza (Retd). Earlier on arrival at the NUST, General Raheel Sharif was received by Lieutenant General Ikram Ul Haq, IGT&E and Lieutenant General Muhammad Asghar (Retd) Rector NUST.

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SBP's reserves up by \$165 million

September 05, 2014

Liquid foreign exchange reserves held by the State Bank of Pakistan posted an increase of \$165 million during the last week, the central bank said. According to weekly report issued on Thursday, the SBP's liquid forex reserves reached \$8.719 billion as on August 29, 2014 compared to \$8.554 billion as on August 22, 2014 in the previous week.

During the week under review, the SBP received \$371.4 million under Coalition Support Fund from the United State. The SBP made payments amounting to \$54 million on account of external debt and other official payments. However, liquid foreign exchange reserves held by banks posted a \$168 decline to reach below \$5 billion during last week. Banks' reserves reached \$4.859 billion at end of last week compared to \$5.027 billion a week earlier. In addition, with a decline

of \$4 million, the country's total liquid foreign exchange reserves stood at \$13.577 billion as on August 29, 2014.

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Chaudhry brothers urged to show flexibility

September 05, 2014

Former President Asif Ali Zardari held a meeting with Pakistan Muslim League-Quaid-e-Azam (PML-Q) leaders Chaudhry Shujaat Hussain and Chaudhry Pervaiz Elahi to discuss the prevailing political crisis in the country. According to sources, Zardari urged the Chaudhry brothers to bring a flexibility in their stance towards the ongoing crisis.

He also asked the PML-Q leaders to advise Pakistan Awami Tehreek (PAT) chief Dr Tahirul Qadri to soften his stance and avoid a hard line during the ongoing stand-off, sources added.

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Three soldiers killed in mud-sliding along LoC

September 05, 2014

At least three Pakistani army personnel died and three others sustained injuries early Thursday morning due to mud-sliding in the Kail sector near Bagh on the line of control (LoC). According to a spokesman for the Inter-Services Public Relations (ISPR), the injured were shifted to a nearby military hospital where they are currently under treatment. The soldiers were on a routine patrol along the LoC, a de facto border that divides the Kashmir region between Indian and Pakistani administered sectors.

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Pakistan Taliban faction announce split, new leader

September 05, 2014

A recently formed bloc of the Pakistani Taliban announced its split from the group's official leadership Thursday, pledging its loyalty to a brash young commander linked to a series of brazen attacks. The move indicates a deepening shift away from Maulana Fazlullah. The new bloc, named the TTP Jamat-ul-Ahrar (freedom fighters group) is headed by Omar Khalid

Khorasani, whose fighters announced in February they had executed 23 Pakistani paramilitaries held since 2010.

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BP ruled grossly negligent in 2010 oil spill

September 05, 2014

BP potentially faces billions of dollars in new fines after a New Orleans judge concluded it acted with "gross negligence" ahead of the massive 2010 Gulf of Mexico oil spill. Federal court judge Carl Barbier said that the April 20, 2010 Deepwater Horizon drilling rig blow-out, which killed 11 and spilled millions of barrels of oil into Gulf waters, happened because BP's US subsidiaries, along with oil-services company Halliburton and rig owner Transocean, did not take adequate care in drilling a risky well.

Barbier said that the British oil giant knew that the Macondo well it was drilling, called by some working on it the "well from hell", was particularly dangerous because of the high danger of a blow-out. BP's decisions throughout the drilling process qualified as "gross negligence" because they were "an extreme departure from the care required under the circumstances or a failure to exercise even a slight care." He also said BP's role involved "wilful misconduct", adding to the penalties that, based on a maximum fine of \$4,300 per barrel spilled, could result in a fine of up to \$18 billion under the Clean Water Act. As the operator of the project, BP is solely liable for the penalties arising from violations of the Clean Water Act.

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Nato, wary of ceasefire talk, blasts Russia over Ukraine

September 05, 2014

Nato demanded on Thursday that Moscow withdraw its troops from Ukraine as US President Barack Obama and his Western allies vowed to support Kiev and buttress their own defences against Russia in the biggest strategic shift since the Cold War. Nato leaders made clear at a summit in Wales that their military alliance would not use force to defend Ukraine, which is not a member, but planned tougher economic sanctions to try to change Russian behaviour in the former Soviet republic.

The two-day meeting was marked by the most serious east-west stand-off since the fall of the Berlin Wall 25 years ago and the collapse of the Soviet bloc, as well as alarm at territorial gains by Islamist insurgents in Iraq and Syria. Western officials voiced deep caution about Kremlin talk of an imminent ceasefire in a five-month-old armed revolt by pro-Russian separatists in eastern Ukraine, timed just as Nato was meeting and the European Union was preparing new sanctions.

Previous such statements had proved to be "smokescreens for continued destabilisation of Ukraine", Nato Secretary-General Anders Fogh Rasmussen told reporters after the 28 leaders met Ukrainian President Petro Poroshenko. "We call on Russia to end its illegal and self-declared annexation of Crimea," Rasmussen declared. "We call on Russia to pull back its troops from Ukraine and stop the flow of arms, fighters and funds to the separatists. We call on Russia to step back from confrontation and take the path of peace."

German Chancellor Angela Merkel said the West was prepared to lend weight to those demands with further sanctions but also to talk to Moscow about a political solution. Poroshenko, whose forces have suffered a string of setbacks in the last week, told reporters he would order a ceasefire on Friday if an agreement on a peace plan to end the war in eastern Ukraine is signed at talks in the Belarus capital of Minsk.

"The only thing we need now for peace and stability is just two main things: first, that Russia withdraw their troops, and second, to close the border," the Ukrainian leader said, adding he was cautiously optimistic about Friday's peace talks. A Nato military officer said Moscow had "several thousand" combat troops and hundreds of tanks and armoured vehicles operating in Ukraine. The Kremlin denies it has any forces fighting alongside the rebels. The White House said Obama and leaders of Germany, France, Britain and Italy agreed on the sidelines of the summit that Russia should face "increased costs" for its actions.

French President Francois Hollande said tougher EU sanctions, due to be adopted on Friday, would depend on events in the coming hours. Diplomats said there was little chance of them being derailed, even if a ceasefire were signed. The Nato leaders also discussed how to tackle Islamic State militants who have captured swathes of Iraq and Syria, posing a new security threat on the alliance's south-eastern flank, and how to stabilise Afghanistan when Nato's combat mission there expires at the end of the year.

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India on alert as al Qaeda opens South Asia front

September 05, 2014

India placed several states on high alert on Thursday after al Qaeda launched a new branch to "wage jihad" in South Asia, seeking to invigorate its waning Islamist extremist movement. Al Qaeda chief Ayman al-Zawahiri said the new operation would take the fight to Myanmar, Bangladesh and India, which has a large but traditionally moderate Muslim population.

"We are taking the matter very seriously. Such threats can't be ignored," an Indian intelligence source told AFP after Wednesday's video announcement. "We have asked the states to be on alert (especially) Gujarat, Madhya Pradesh, Uttar Pradesh and Bihar." Experts said the group, which has seen its global influence overtaken by the Islamic State jihadist group fighting in Iraq and Syria, would struggle to gain traction in India.

But the core movement, led by Zawahiri since the death in May 2011 of Osama bin Laden, has been eclipsed first by its own offshoots in Africa and the Arabian Peninsula, and now by IS. "This is just a publicity stunt, it shows their desperation because IS now showing that they are the real threat in the world," said Ajit Kumar Singh, research fellow at the New Delhi-based Institute of Conflict Management.

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Stocks close flat

September 05, 2014

Karachi Stock Exchange Thursday closed higher and the benchmark KSE-100 index gained 9 points to close at 29,604 points compared to 29,595 points Wednesday. During the intra-day trading, the market fluctuated in green and red zones and the KSE-100 index touched 29,774 points highest and 29,525 points lowest level. Followed by a positive trend, volume at the ready counter surged to 223 million shares compared to 200 million a day earlier.

"After rising over 1,100 points in last two trading sessions, the market remained rangebound on Thursday," Samar Iqbal, an analyst at Topline Securities. The KSE-100 index moved up by 0.03 percent and closed above 29,600 points level while the value also increased to \$120 million (Rs 12 billion), she maintained. EFERT witnessed above average volume of 30 million shares amid institutional interest and LUCK kept on rising while some profit-taking was seen in OGDC, PSO, and PPL, she added.

Market capitalisation posted a downward trend and decreased by Rs 6 billion to Rs 6.959 trillion against previous Rs 6.965 trillion. Trading took place in 393 companies, of which 219 closed in green zone, 156 in red, while 18 remained unchanged. Among top 10 volume leaders, two recorded a negative trend. Engro Fertilizer emerged the volume leader with 30 million shares, gaining Rs 1.61 to close at Rs 54.89. Pak Elektron Ltd stood second, up Rs 1.58 to Rs 33.67 on 18.7 million shares. K-Electric Ltd ranked third with 18.5 million shares to close at Rs 8.30, up Re 0.15.

Some 15.7 million shares of Maple Leaf Cement changed hands and the scrip gained Re 0.23 to Rs 29.31. With a trading volume of 8.6 million shares, Samba Bank increased by Re 0.89 to close at Rs 8.13. Fauji Fertilizer Bin SPOT moved up by Re 0.62 to Rs 43.24 on 7.4 million shares. Lafarge Pak closed at Rs 15.67, up Re 0.04 on 5.5 million shares. D.G.Khan Cement lost Re 0.08 to Rs 79.38 on 5.4 million shares. Jah. Sidd. Co declined by Re 0.27 to close at Rs 10.37 on 5.2 million shares. Pak Int. Bulk gained Re 0.27 to Rs 22.66 on 5 million shares.

Wyeth Pak Ltd and Colgate Palmolive were the top gainers with Rs 104.13 and Rs 78.75 to close at Rs 3,808.08 and Rs 1,653.75, respectively. Rafhan Maize and Pak Tobacco were the top losers with Rs 200.00 and Rs 50.00 to close at Rs 10,500.00 and Rs 1,150.00, respectively. Ahsan Mehanti, an analyst at Arif Habib Securities, said stocks closed flat amid concerns for political crisis. He said that delays in release of IMF \$550 million tranche on political stand-off and below expected payouts in oil sector and falling banking spreads impacted the sentiments. Late session support in select oil, cement and fertilizer stocks played a catalytic role in positive close at KSE

as investor counted on the positive impact of GIDC removal, refunds and rising global fertiliser prices, he added.

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ISE index loses 6.98 points

September 05, 2014

Bears returned in the driving seat at the Islamabad Stock Exchange (ISE) on Thursday, where losers outclassed gainers amid decrease in index. ISE Ten Index showed a decrease of 6.98 points as the ISE Ten Index moved from 4,652.64 to 4,645.66 points. The overall turnover amounted to 272,500 shares as compared to previous volume of 48,800 shares.

Total 141 companies participated in buying and selling activity. Majority of stocks (58) closed in negative territory, 83 closed in positive territory, whereas no company remained pegged to its overnight levels. The volume of Lafarge Pakistan Cement was 150,000 shares. The volume of Bank of Punjab was 45,500 shares. The volume of Picic Growth Fund was 40,000 shares.

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BRIndex30 gains 126.67 points

September 05, 2014

On Thursday, BRIndex30 opened at 16,271.01 points. It touched an intraday high of 16,547.43 points and an intraday low of 16,183.61 points and closed at 16,397.68 points which was 126.67 points or 0.78 percent higher than previous close. Total volume was 143,011,700, which was 64.08 percent of KSE All share volume and 111.14 percent of KSE 100 volume. The KSE All Share volume was 223,173,870 and KSE 100 volume was 128,676,320.

BR Commercial Banks Index closed at 6,913.88 points with a net positive change of 0.53 points or a percentage change of 0.01 and a total turnover of 31,116,200 shares. BR Cement Index closed at 3,226.96 points with a net positive change of 20.83 points or a percentage change of 0.65 and a total turnover of 36,247,600 shares. BR Oil and Gas Index closed at 4,159.24 points with a net positive change of 2.6 points or a percentage change of 0.06 and a total turnover of 13,924,750 shares.

BR Tech & Comm Index closed at 910.43 points with a net positive change of 5.94 points or a percentage change of 0.66 and a total turnover of 9,796,500 shares. BR Power Generation and Distribution Index closed at 4,752.21 points with a net positive change of 11.08 points or a percentage change of 0.23 and a total turnover of 20,857,000 shares.

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Business and Economy: *Pakistan*

SBP's reserves up by \$165 million

September 05, 2014

Liquid foreign exchange reserves held by the State Bank of Pakistan posted an increase of \$165 million during the last week, the central bank said. According to weekly report issued on Thursday, the SBP's liquid forex reserves reached \$8.719 billion as on August 29, 2014 compared to \$8.554 billion as on August 22, 2014 in the previous week.

During the week under review, the SBP received \$371.4 million under Coalition Support Fund from the United State. The SBP made payments amounting to \$54 million on account of external debt and other official payments. However, liquid foreign exchange reserves held by banks posted a \$168 decline to reach below \$5 billion during last week. Banks' reserves reached \$4.859 billion at end of last week compared to \$5.027 billion a week earlier. In addition, with a decline of \$4 million, the country's total liquid foreign exchange reserves stood at \$13.577 billion as on August 29, 2014.

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'Lifestyle Pakistan': TDAP to hold exhibition in New Delhi from September 11

September 05, 2014

With the success of Lifestyle Exhibition 2012 along with an overwhelming response from top notch brands under their belt, Trade Development Authority Pakistan (TDAP) is planning to hold "Lifestyle Pakistan" exhibition at Pragati Maidan, New Delhi, from September 11-14.

The exhibition is meant to showcase Pakistan's finest textiles, leather, fashion accessories, handicraft, engineering and agro products followed with the display of Pakistani cuisine, and B2B meetings arranged with Indian importers. Representing Fashion Pakistan's presence at the event will be the most exclusive designers from within the council and administrative faculty; namely, Sanam Chauhdhri (chairperson), Wardha Saleem (CEO), Deepak Perwani, Mehreen Noorani, Adnan Pardesy, Misha Lakhani and Ahsan Nazir, who will partake in the Lifestyle Expo. Through the efforts made by these designers, Pakistan's fashion industry is now reaching immeasurable standards, sufficient to expand bases abroad, their participation is symbolic of the iconic milestones hit and harvested.

The entire venture is also an excellent opportunity for talented Pakistani designers craving broader market spheres to display their works at a recognised and established platform, which guarantees noteworthy audiences. Not just this, but it promises the long called for bonding across borders and hopes it will lead to the cultivation of Pak-Indian ties, along with the trade links that

have immense potential to strengthen and cater to a new round of opportunities. Understanding that both the nations nest the treasure of rich sub-continental culture; this may just be the right event to merge designers and fully project the heritage they collectively represent. -PR

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US Consulate, TDAP hold discussion on promoting labour compliance

September 05, 2014

The US Consulate and the Trade Development Authority of Pakistan (TDAP) hosted a roundtable discussion "Promoting Labour Compliance in Pakistan: A Sourcing Perspective" to stress the importance of improved labour standards. US Consul General in Karachi Brian Heath, Additional Secretary of Labour Sindh Qamar Raza Baloch, Country Director International Labour Organisation (ILO) Francesco d'Ovidio and representatives from the Sindh Labour Department, civil society and the business community also attended.

As US and European companies decide whether to increase sourcing from and investment in Pakistan, said US Consul General Brian Heath, they are taking a very close look at labour compliance. "US businesses face strong pressure from domestic consumers to source from safe factories that treat their workers fairly," said Heath.

Heath, who has a strong management background, further explained the benefits of a healthy, safe, well-trained workforce. "Workers stay at your company longer; they are absent less; and they produce more," he said. When labour's rights are honoured, said Heath, supply chains are more robust, reliable and resilient. "Denying workers their universal rights costs society dearly in lost productivity, innovation and growth, as well as undermining the rule of law and creating instability," he said.

More important is the human cost of failure. World-wide, fires have taken the lives of thousands of garment workers. The world took notice in 2012 when more than 300 workers died in two factory fires in Pakistan. "It takes all actors to make progress on labour compliance and to help ensure that these tragedies are not repeated again," said Heath. "Pakistan has what it needs to be a dynamic and prosperous country; and supporting labour standards is a strong investment in its future."-PR

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Pak-China Economic Corridor: speakers highlight various aspects of project

September 05, 2014

President Lahore Chamber of Commerce and Industry (LCCI) Sohail Lashari said that the remarkable success of SME sector in China has opened new avenues for Chinese economy to flourish. He said this while speaking at a seminar on "Achieving Sustainable Economy by 2017 by fully benefiting from China in SME Sector" held at the LCCI on Thursday. He said the China has become the best example of emerging as an economic power largely relying on SME sector.

The theme of the seminar was about taking full advantage of Chinese expertise in various economic sectors in general and in Small and Medium Enterprises Sector in particular. Sohail Lashari said that China and Pakistan are situated in an area that has great geographical importance and hosts almost half of the world's population. He said that along with the human resources, the area is also rich in natural material resources.

He said, "We must try to know the systematic approach adopted by China and those policies which played major role in transforming their SME sector". He said that SMEs contribute 60 percent of China's industrial output and create 80 percent of China's jobs. The Chinese government has especially targeted this sector in order to achieve an average annual growth rate of eight percent.

He stressed the need to develop strong linkage between private sector representatives of both the countries for creating win-win situation. He said that Pakistan may find a long-term economic solution by way of developing SME sector. The LCCI President said that approximately more than 3.2 million SMEs are functioning in Pakistan. SME sector contributes almost 30 percent to GDP, employs more than 70 percent of the non-agricultural workforce and generates around 25 percent in export earnings.

He said that due to severe energy crisis, SMEs in Pakistan are not keeping pace with critical minimum requirement needed to remain viable and survive. Other challenges, include low access to finance, inflationary pressures, and little know-how of best business practices, inadequate technologies, and shortage of skilled labours. He said China could let Pakistan enjoy the trickle down effects of economic development taking place from the last decade or so, at a very healthy rate. We need to reach potential Chinese investors and real operators to offer Pakistan as a best destination for investment particularly in power sector, he added.

Provincial Minister of Industry Chaudhry Shafiq Ahmad, Provincial Minister for Mines and Minerals Sher Ali Khan, Secretary Industries Punjab Arif Anwar, Director State Bank of Pakistan Abid Qamar, CEO Punjab Board of Investment Muhammad Ilyas Ghouri, Director General Board of Investment Dr Raania, Babar Chaudhry, Raja Hassanien Javed, Niaz A Malik, Chief Engineer Power Energy Department Iftikhar A Randawa, CEO NAVTTC Khalid Hanif, Vice Chancellor Punjab University Mujahid Kamran and Li Chun were prominent amongst the speakers.

The experts discussed the road map, execution mechanism and forming monitoring team by

inviting all the stakeholders for sustainable economy by 2017 by fully benefiting from China. They said that government and private sector should join hands for high-speed growth of micro, small and medium industry.

The speakers also highlighted various aspects of Pak-China Economic Corridor, Economic Co-operation and Regional Connectivity Projects. They shed light on ways that may bring drastic change in our economy with special reference to Pak-China Economic Co-operation through joint ventures, transfer of technology, and identification of more items of exports to China, knowledge sharing and technical trainings.

Provincial Ministers Chaudhry Shafiq Ahmad and Sher Ali Khan said that because of untiring efforts of Punjab government, Pak-China friendship has entered into a new era. They said that the Chinese government was extending full co-operation to Pakistan for ongoing development process.

They said that various Chinese investment companies have showed willingness to invest in various sectors in Pakistan particularly in Punjab. Pakistani business community should come forward and avail this unique opportunity that would help Pakistan to take full benefit from the Chinese expertise in various sectors of economy. They said that China fully realises the problems being faced by Pakistan and ready to extend all possible co-operation for steering it out of mire of problems.

Chairman Standing Committee Siddiq-ur-Rehman Rana said that Pakistan has to introduce programmes for energy efficiency in all the sectors of economy. There must be some study tours arranged for the sake of knowledge sharing and closely examining the SME models of both the countries to bring some improvement in the existing set-up of SME in Pakistan.

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PIAF-Founders Alliance pledges strong ties with LCCI

September 05, 2014

The PIAF-Founders Alliance has pledged to further strengthen process of consultation with LCCI members for the cause of economy. While addressing a meeting of voters and candidates for Corporate Class, the Alliance leaders Mian Anjum Nisar and Mian Muhammad Ashraf said that a new mechanism would be developed soon after the LCCI elections 2014-15 to respond to the economic policies being evolved by the government. The meeting was presided over by the Group Leader Mian Misbah-ur-Rehman.

The Alliance leaders said that the Alliance would ensure participation of members in policy making process at government level. Mian Anjum Nisar said that Alliance has introduced the culture of consultation and take business community on board on trade and industry related issues and this process should be continued. He said that Alliance leadership has established a Mediation Centre at the LCCI. He said that business community is benefiting from it and resolving their domestic and international disputes out of court.

He said that SAARC International Exhibition, Africa Show, CAC Summit and Exhibition and Pakistan Show in India are ample proof that PIAF-Founders Alliance is moving in right direction and successfully achieving its targets. He said that business community assured their full support to the PIAF-Founders Alliance and Alliance candidates would win with a thumping majority. Anjum Nisar said that business community has always reposed trust on the Alliance candidates that is enough to make the point that business doing people are satisfied with the performance of PIAF-Founders Alliance.

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IMC wins Consumer Choice Award for second consecutive year

September 05, 2014

Last year, the Indus Motor Company won the award of best car for 2012 with the best selling sedan in Pakistan, Toyota Corolla GLI. This year, the IMC has bagged the award in two categories The Best Car with the Corolla GLI and the Best four-wheel drive with the newly introduced Toyota Fortuner.

The 9th Consumer Choice awards were held in Karachi where Provincial Minister for Industries and Commerce Rauf Siddiqui presented the award to Chief operating officer for IMC, Ali Asghar Jamali.-PR

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FPCCI hosts EC, GA Meetings of ECO in Karachi

September 05, 2014

The 19th Executive Committee and 13th General Assembly Meetings of ECO Chamber of Commerce & Industry hosted by the Federation of Pakistan Chambers of Commerce & Industry (FPCCI) held in Karachi. The Presidents, Vice Presidents Representatives of the member of Chambers, heads of ECO Specialised Committee as well as representatives from ECO Secretariat and ECO Trade Development Bank attend the meeting.

This session was also graced by the presence of the outgoing President ECO CCI Gholam Hossein Shafei from Islamic Republic of Iran and incoming new President Zakaria Usman from Islamic Republic of Pakistan and Rifat Hisarciklioglu, President TOBB from Turkey and Tariq Sayeed a prominent member of regional blocks of SAARC CCI and CACCI.

After the Executive Committee meeting the 13th General Assembly meeting was commenced

with the ceremony of handing/taking over the charge of President of ECO CCI. The post of President of ECO CCI was conferred to Federation of Pakistan Chambers of Commerce and Industry (FPCCI) from Iran Chamber of Commerce, Industries, Mines and Agriculture (ICCIMA). Zakaria Usman being the head of Pakistan's national chamber took over the charge of President for a period of 3 years.

Zakaria Usman after taking the charge of President of ECO CCI announced that M. A. Lodhi is the Secretary-General and Dr Ayub Mehar also part of the ECO Chamber of Commerce and Industry. He further stated that several important and clearly visible changes have been observed in the world political and economic scenarios. Creating a misleading image of Islam, war against terrorism, rapidly increasing poverty, surge in the number of anti-dumping cases are the phenomena of impulsive changes in the global economic environment.

Zakaria Usman said despite several years of existence of ECO regional block many trade avenues have been explored but there are still various sectors un-explored. He said Azerbaijan, Iran, Kazakhstan and Turkmenistan are oil/gas producing and exporting countries while Pakistan and Turkey are oil/gas importing countries. The Central Asian countries have significant potential for hydro-electric power and can provide it to Pakistan and Afghanistan who are facing shortage of energy. Tajikistan and Kyrgyz Republic have large untapped hydro-power resources which can be explored and developed. Similarly, Pakistan and Kazakhstan are exporters of agricultural products like wheat, rice, fruits and vegetables while Iran and Turkey are importers of these agricultural commodities. He said ECO region can become a strong agricultural exporting block through regional co-operation in productivity enhancement.

The Immediate Past President Gholam Hossein Shafei said simplification of the trade visa issuance, creating suitable facilities for opening L/C's through banking channel collaborations and implementation of the ECOTA are the three sides of a triangle which can improve the economic situation of the region. He further said unfortunately despite the endorsement of these some important agreements and the fact that more than a decade has passed over ratification of some of them particularly ECOTA and the visa simplification are still not implemented. He emphasised on the said measures which will held in achievement of one of the strategic goals of ECO vision. He suggested that a plenipotentiary working group be formed for facilitating the implementation of the above agreements.

Rifat Hisarciklioglu said Turkey will carrying out the Presidency of G-20 in December 2014 and TOBB is planning to organise over a hundred events with in one year. The main agenda of G-20 will be how to keep stability and prosperity. He informed that a new economic bloc is being established between the US and the EU through the Transatlantic Trade and Investment Partnership (TTIP). On the other end of the world, Asia-Pacific countries are coming together under Trans Pacific Economic Partnership. Meaning that the US and Asia Pacific Countries are rising the walls of the economic bloc.

He further said that in light of these tremendous transformations, ECO cannot utilise its capacity. About 3.5 billion of the total world population lives in the neighbouring countries of ECO, but the share of the ECO region from the world is just 2%. Despite having 15 percent of the oil reserves and 24 percent of the gas reserves of the world, we are not able to fully fulfil our capacity effectively and efficiently.-PR

Political unrest hampers cargo containers' movement

September 05, 2014

Pakistan-Afghanistan Joint Chamber of Commerce and Industry's (PAJCCI) Director Zia-ul-Haq Sarhadi said here on Thursday that ongoing political unrest has adversely affected country's economy by hampering transportation of cargo containers. He said that hundreds of cargo containers have been stuck up in Karachi and their transportation to Afghanistan and Central Asian countries was being suspended, resulting into losses of billions of rupees to the national exchequer.

Zia Sarhadi said that Khyber Pakhtunkhwa which was already affected owing to the ongoing war against militancy is now facing a critical economic situation by sit-ins and protests. "Investors have shifted their business to Dubai, Malaysia and Bangladesh," he said, adding that the scenario was further aggravated by suspension of cargo transportation. He said that hundreds of cargo containers of Afghan Transit Trade (ATT) have been stuck up at Karachi Port and not a single transporter and bonded carrier was ready for their transportation.

Moreover, scores of containers were in the custody of administration for the last 20 days and were being used to block roads, he maintained. He said that the KPK which was major exporter of furniture, handicrafts, honey, carpets, marble products and herbs is now facing crisis due to the lack of transportation facilities. He demanded of the authorities concerned to ensure safe and secure transportation of goods for boosting economic activities and facilitating traders. He also urged political parties to refrain from all such activities which are affecting economic and trade activities.

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Tents removal from parliament: Multan traders hail decision of PAT, PTI

September 05, 2014

The business community of Multan hailed the decision of PAT and PTI to remove their tents from the parliament and normalcy is returning in Islamabad and expressed hope that the issue would be resolved in next 48 hours as was hoped by Khawaja Asif, Defence Minister.

President of Multan Chamber of Commerce and Industry (MCCI) Khawaja Muhammad Usman said if the protesting parties believe in the Constitution, democracy and parliament, they would have to come to the negotiating table to defuse the situation. He said it was the prime responsibility of all political parties and the provinces to stand up for the defence of the Constitution.

He stressed the need for supremacy of the Constitution, parliament and the rule of law. He said business community pledged to safeguard democracy at all costs. He said it was the collective responsibility of all the political forces, including the protesting parties, to safeguard democracy. He said a judicial commission has been constituted to investigate rigging and urged the PTI leadership to table their evidences before the commission. He said all politicians would have to make efforts to steer the country out of crises. "We should also pay attention to the sufferings of IDPs of North Waziristan and express solidarity with them," He said that local and foreign investors were worried about the ongoing political turmoil.

Terming the political instability a man-made problem, he said that political unrest in the country was becoming a burning issue. He said export-oriented industries in particular and all other industrial and trading sectors are facing uncertainty. He asked the judiciary and the armed forces to play their role and help democracy flourish in the country, as the nation could not afford another martial law. Khawaja Muhammad Usman MCCI President said people have given their mandate to the PML-N and it should be allowed to complete its five-year term. He said people will reject them in the next election if their performance did not come up to the mark.

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

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Buksh Group inspires spirit of excellence through training, professionalism

September 05, 2014

Buksh is a highly progressive group of corporate enterprises, which truly believes in and is consistently engaged in enhancing the professional competence of its human resources through formal training and development programmes. The group recently participated in a motivational training seminar to inspire the spirit of excellence among its employees.

Ahmed Bilal, an upcoming and young industrial and organisational psychologist, conducted this training session for personal and motivational development of individuals and professionals from various walks of life. The session was titled "Getting What You Want". The event was attended by professionals from various sectors and prestigious industries like Buksh Foundation, Buksh Energy, Nishat Dairy Pvt Ltd, Nabila's Salon, Bang and Olufsen, Nishat Mills to name but a few.

At the session, Ahmed helped the attendees to develop their personal and professional vision, along with a personal mission statement and helped them understand how to overcome obstacles and impediments, that may hinder their career's path. He helped them answer the very popular question "HOW" in the most interactive manner and through very interesting activities.-PR

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Slow pace of targeted operation: Business community voices concern

September 05, 2014

Business community on Thursday feared the targeted operation against outlaws is slowing down to attain its primary aim to restore peace in the city. "If the operation lost its pace and briskness against the outlaws then the city will soon plunge into bloodshed and eventually it will cause slump to national economy," they worried.

They said the slowing-down targeted operation has risked the city's peace and called the police inertia against outlaws 'extremely' dangerous to peace and stability. "The police and rangers coordinated operation against criminal clans that was started last year is slowing down dangerously," they said, adding that the prevailing situation has caused discontentment among business community.

"The criminal groups are rising slowly from the dormant police attitude that triggers fears among the traders," said Chairman All Karachi Tajir Ittehad, Muhammad Atiq Mir. He urged the Sindh government to harness the police department with expert personnel and brave officers to cope with the growing outlaws challenge. "The command of Karachi police should be handed over to brave and intelligent officers to speed up the continuing operation," he said. He called for a solid and purposeful strategy to bring down the crime rates to zero-level. "There should be long-term unshaken strategy to uproot criminal dens across the metropolis," he said.

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Reconstructed Morris Pier at Manora inaugurated

September 05, 2014

The Morris Pier, more famously known as the Workshop Pier, at Manora which had outlived its useful life, is reconstructed by KPT and is inaugurated on Thursday by Chairman KPT Vice Admiral Shafqat Jawed during a brief ceremony which is attended by management officials of the Karachi Port.

While speaking on the occasion, Chairman KPT Vice Admiral Shafqat Jawed termed the timely reconstruction of Morris Pier as step towards achieving high goals envisioned by Karachi Port and Ministry of Ports and Shipping which was in line with the overall government policies for growth and materialising trade expansions.

Reflecting on importance of the Morris pier, the Chairman outlined that it remained in use for the personnel working in Manora Workshop as well as for berthing crafts for maintenance and repairs. He said the pier was initially constructed 90 years ago and was requiring reconstruction

as it had outlived its useful life and was beyond economic repairs.

He appreciated the efforts of Civil Works & Estate Division of KPT for getting the pier reconstructed within the timeline. He commended the efforts and said "we work in KPT as a team and success is bound to follow when work and assignments are delivered in time by a motivated team." Earlier, Chairman Vice Admiral Shafqat was briefed about the scope of work of Morris Pier which included 55 piles, 72 pre-cast slabs, 70.68m X 9.5m size Deck Slab, 11 pile caps and two staircases. Moreover, he was informed about the inclusion of Sarang Office, Waiting Room, Guard Room and Pump Room at Morris Pier.-PR

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Karachi Port's activities

September 05, 2014

The Karachi Port handled 91,509 tonnes of cargo comprising 69,821 tonnes of import cargo and 21,509 tonnes of export cargo including 3,239 loaded and empty containers during the last 24 hours ending at 0700 hours on Thursday. The total import cargo of 69,821 tonnes comprised of 10,008 tonnes of containerised cargo; 23,434 tonnes of general cargo; 16,229 tonnes of bulk cargo; 927 tonnes of canola; 4,265 tonnes of DAP; 8,358 tonnes of soyabean meal and 2,679 tonnes of rape seed and 20,150 tonnes of oil/liquid cargo.

The total export cargo of 21,509 tonnes comprised of 16,053 tonnes of containerised cargo; 1,806 tonnes of cement and 3,650 tonnes of oil/liquid cargo. As many as 3,239 containers comprising 659 containers import and 2,580 containers export were handled during the last 24 hours on Thursday. The break-up of imported containers shows 249 of 20's and 200 40's loaded while nil of 20's and 5 of 40's empty containers, whereas that of exported containers shows 368 of 20's and 303 of 40's loaded containers while 216 of 20's and 695 of 40's empty containers were handled during the business hours.

There were seven ships namely Kota Kaya, OEL Trust, Japan, HS Marcopolo, Chrisopigi Lady, Spring Sunshine and Bsle Genova carrying containers, oil tankers and general cargo respectively sailed out to sea during the reported period. There was one vessel viz. OEL Trust carrying containers currently at the berths. There were two ships namely Xiu Chi and Pacific Dream carrying oil tanker and general cargo respectively sailed out to sea on Thursday, while two more ships namely Star Capella and DL Sunflower carrying oil tankers are expected to sail on Friday.

There were two vessels viz. Lissy Schulte and Heilan Brother carrying containers and steel respectively due to arrive on Thursday, while six vessels viz. Hyundai Colombo, UASC Sitrah, PAC Aries, EL Gurdabiah, Cape Bille and BBC Iceland carrying containers, oil tankers and steel respectively are due to arrive on Friday.

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Retired officers CAA to increase 20 percent medical allowance

September 05, 2014

Pakistan Civil Aviation Authority (CAA) decides to increase 20pc medical allowance for retired officers of authority. This was announced by Director General CAA Air Marshal Muhammad Yousaf (Retd) in a ceremony held at Civil Aviation Authority Officers Club, organized by Civil Aviation Authority Retired Officers Welfare Association.

Director Finance Amir Habib Sikandar, GM accounts and senior officers of CAA participated in the function, besides large number of retired CAA officers. DG CAA said formation of CAA Retired Officers Welfare Association is worth praising and also added that this platform must not only help in solving the issues of retired officers but must also play a vital role in bridging the gap between serving and retired officers. Pakistan Civil Aviation Authority Retired Officers Welfare Association's President Issa Raza appreciated Air Marshal (Retd) Muhammad Yousaf for raising the medical allowance. CAA employees are presently getting Rs 1,000/- as medical allowance.

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PIA suffers credibility loss

September 05, 2014

IQBAL MIRZA

Pakistan International Airlines has suffered credibility loss at Dubai/ Sharjah Airports due to delays/cancellation of its international flights in past four months from May to August, which shows the management is inept to control this long standing issue. PIA insiders said the management was not able to even control flight delays, let alone setting things right and put this national asset on track.

A source in the Airline said the airline was moving closer to its huge revenue earner Hajj operations. While it didn't operate any Umrah special for the first time in the history, it should have been more cautious especially when it had acquired three narrow bodied aircraft recently. The said increase in fleet was supposed to bring efficiency to the Mid East and domestic routes operations. 'Delays of flights that usually turn into their cancellations has become a big nuisance just because no successive managements have been able in the past many years to control or deal with this issue seriously,' said a source.

According to the details, out of 87 flights for Sharjah in May total 31 percent were delayed/cancelled (delays 25, cancelled 2). Pk-286 operated on May 2 from Sharjah to Islamabad to Peshawar was delayed for seven hours and 40 minutes. Similarly, out of 46 Sharjah-bound flights in June total 51 percent were delayed/cancelled (delays 19, cancelled 3). Pk-194 operated on June 8 from Sharjah to Turbat was delayed for four hours.

Moreover, out of 87 Dubai/Sharjah flights in July total 30 percent were delayed (delays 20, cancelled 6). Pk-212 on July 29 from Dubai to Islamabad was delayed for almost 11 hours; hence it was cancelled and operated the next morning. In August, out of 54 flights to national and international destinations total 30 percent were delayed/cancelled (delays 14, cancelled 3). Pk-284 operated on August 24 from Dubai to Peshawar was delayed for seven hours and 45 minutes.

The source added that despite that a big number of countries fined PIA and even banned it from operating flights to their cities for disrupting their airport services and flight schedules of other airlines due to such massive flight delays. 'But nothing stirred up the management. It is strange why the managements of the airline cannot find a solution to this incessant problem for past many years. If they cannot deal with this one minor problem, how come they can steer the airline out of crisis,' asked the source.

The source added that the government and the advisor to the Prime Minister on aviation must first resolve this issue of flight delays before going for privatisation of the airline. 'It is not the privatisation of the airline that will prove the competency of the advisor in dealing with aviation matters of the country,' added the source.

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NHA to conduct workshops

September 05, 2014

Chairman NHA Shahid Ashraf Tarar has expressed the resolve that to avoid faulty designs, substandard construction and save the Authority from delaying tactics of contractors and approval of revised PC-1s of projects, a series of high-level workshops will be held in which administrative structure of the concerned sections will be revamped and a process of accountability will be initiated so that lack of co-ordination among contractors and consultants and poor quality construction and other problems could be overcome.

Chairing the executive board meeting of NHA on Thursday, Shahid Ashraf stressed the need to strictly take the contractors and consultants to task to help avoid construction faults and problems. The Chairman objected to the delay and revision of PC-1 and escalation of price in the Hiran Minar Interchange Project by instructing Member Construction Yousaf Ali Khan to conduct an inquiry into the matter and submit the report.

The meeting also discussed the recommendations to be submitted to CDWB and ECNEC for approval of the three sections of Raikot-Islamabad Expressway Project which is a part of China-Pak Economic Corridor.

The Chairman NHA told the participants that China has agreed to provide assistance for the construction of Multan-Sukkar Section of Karachi-Lahore Motorway and Raikot-Hawalian Section of the Raikot-Islamabad Expressway, and soon a transparent tendering process will be adopted for the award of contract of the project, the Chairman added. The Chairman said that a comprehensive policy is being formulated and interchanges will be constructed only for areas

that are densely populated and demands of private housing schemes will be discouraged in this regard.-PR

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Two Balochistan Food Department officials convicted in corruption case

September 05, 2014

The Accountability Court on Thursday convicted two assistant directors of Food Department Government of Balochistan and the owner of a local flour mill after they were found guilty of misappropriating Rs 20.06 million. The convicts were given 10 years imprisonment and ordered to pay Rs 6.8 million as fine. In case of default on the fine, they will have to undergo another two years rigorous imprisonment.

According to the prosecution, Abdul Haleem Assistant Director Food Department and Akhtar Mohammad, Assistant Director Food Department illegally issued additional subsidised flour to the owner of Ishaq Flour Mills causing Rs 20.06 million to the national exchequer. "Subsidised flour was supposed to be issued to the fair price shops established across the province for the needy people," NAB spokesman said adding that NAB took the case in 2007 and filed reference in Accountability Court against nominated accused.

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PLASTI&PACK-IFTECH- Pakistan 2014: Expo unveiling latest technologies in Lahore

September 05, 2014

Despite prevailing situations the 12th International Exhibition of Plastic, Printing and Packaging: PLASTI&PACK and 11th International Exhibition of Food and Beverage Processing and Packaging IFTECH FOOD + BEV TEC, was inaugurated at Lahore, Expo Centre on Thursday. The ribbon-cutting ceremony was held today at expo centre by Sher Ali Khan, Minister of Mines and Minerals, Government of Punjab.

"We see lots of potential of these kinds of B2B, (Business to Business), exhibitions in the country", he said. "The concern industries' International and local participation even in this prevailing situation indicates the seriousness of the business community," he further added. Later on, Punjab minister visited the exhibition and took keen interest in the product technologies and service of the exhibiting stall holders.

President Lahore Chamber of Commerce, Sohail Lashari, Guest of Honour of the exhibition also graced the occasion with his presence and visited various stalls. While addressing the Media he

said: "The exhibition is building a great image of Pakistan and the presence of huge foreign participation is the indicator of the upcoming foreign investment in the country."

College of Tourism and Hotel Management,(COTHAM), in collaboration with Chefs Association of Pakistan is having a demonstration of culinary arts and hospitality management skills; they will also be having a food competition during the three days of the exhibition. The show offers latest in plastics, printing and packaging materials and machinery for all manufacturing and processing industries along with food ingredients and chemical products.

The exhibition gathered more than 200 local and international companies from around 23 countries include major participation from Canada, China, Germany, USA, UK, Italy, Spain, Turkey, UAE, Hong Kong, Malaysia, Belgium, Austria, Sweden, Luxembourg, Japan, Singapore, Taiwan, Switzerland and Netherlands. Pegasus Consultancy organized more than 100 international exhibitions and Conferences in last 14 years, more than any other organisers put together in Pakistan.-PR

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Company News: *Pakistan*

'Bridge the gap in broadband access,' Country Manager Intel Pakistan

September 05, 2014

Naveed Siraj is the Country Manager for Intel Pakistan. In this role he oversees the overall business for Intel Pakistan, including functions such as sales, channel marketing, business development and public and government relations.

Siraj began his career in 1993 and has in total more than seventeen years IT industry experience in roles including Account Sales Manager, National Sales Manager and Country Lead. He holds a Bachelor's in Computer Science & Engineering, from University of Nebraska at Lincoln and a Master's in Industrial Engineering from the State University of New York.

BR Research: How long has Intel been around in Pakistan and which IT segments is it dealing within Pakistan?

Naveed Siraj: Most leading IT companies evaluate emerging markets very closely, in terms of demographics, buying patterns, possibilities and opportunities. There was a senior level delegation which evaluated the Pakistan market in 1996. A year later Intel established its office in Pakistan.

There are some sectors that are extremely critical for us, such as the adoption of ICT in the consumer segment. The most critical sector for us remains education because we feel the right set of skills, professional development and the entire solution stack (which include hardware-software content training) and a host of other services which strengthen and enrich computer solutions can jointly lead to better learning standards in the country.

So, education is the top of the list segment for Intel but our influence is across most other sectors. For example, if there is an enterprise customer, or a bank which has a requirement to understand how technology can derive more efficiency in their infrastructure, we guide them through best practices on how technology is adopted by their peers globally. Technology provides the critical edge to compete and succeed in the market.

BRR: If education is the top-priority area, in what ways is Intel looking at the sector and improvising education systems in Pakistan?

NS: Our approach is multi-faceted. We have the Intel Education programme which is part of our CSR affairs. As part of that programme, we started professional development of teachers in 2001. We did a pilot for about 400 teachers and the programme continued. Till now, we have trained about 350,000 teachers under the programme. We monitor the progress of the trainers, who go to their own communities and train local teachers.

There's another programme called the Intel Science and Engineering Fair, which provides

opportunities to children to hone their skills on science and technology subjects. Every year we hold workshops in over 60 districts across Pakistan and close to 7,000 students enrol in that year-long contest. This is also an extremely critical programme for us because it is able to instil the spirit of innovation in children at a very formative age.

The third important programme we are running is the entrepreneurship basics programme. Through web-based applications, we're able to introduce the concept of entrepreneurship to young men and women and expose them to different nuances of the needs of the community. The programme also focuses on how ideation with the help of mentorship that Intel provides can lead to independent projects which can be converted into commercial endeavours.

It is a self-based model where you can also have face-to-face training. The programme is called Intel Entrepreneurship Basics (E-basics) and it is essentially about introducing the concept of entrepreneurship and innovation to young students at the university level. It brings in the element of ICT in the entrepreneurship ecosystem.

On policy advocacy, we work very closely with provincial governments as well as with the Ministry of Education at the Federal level to introduce the concept of education transformation framework in multiple ways that can improve learning standards in the country.

These programmes pertain to the programmatic approach, where we seek to increase learning and create awareness regarding the use of technology for education purposes.

On the solutions side, we act as trusted advisors to the government to inform them of the best utilisation of technology in classrooms so that they are able to better invest in education infrastructure.

So, the first element is focused on professional development, and the second one is about guidance through solutions and technical advisory.

It is a heavy task because we feel that there is lack of direction in terms of setting specific milestones in automation. So, if you look across Pakistan, there are close to 220,000 schools while the penetration of computers is less than 10 percent in schools. This is where we come in where we ensure that the government needs to understand that setting of such milestones over a longer period of time can help improve learning standards in the country.

BR: Are you working voluntarily in these areas or are you working with the government? Do you have a formal partnership or MoU with the government?

NS: We have a MoU with the government of Punjab. Our MoUs are around programmes. Intel Teach is the one programme where most of our MoUs have been, but over the period of last 2-3 years we have expanded the scope of our MoUs. A recent one is a USAID MoU which is around Intel Teach but also involves the Intel Science and Engineering Fair and has an element of entrepreneurship basics.

With the government of Punjab, we have a MoU on the Intel Teach programme. We don't have to have MoUs to work in other provinces. We had a MoU with the Federal Government before the 18th Amendment and because that MoU has been in place in spirit we continue to operate under it. The Science and Education Fair are held in partnership with the Ministry of Science and

Technology. Collaboration at the Federal level continues irrespective of the 18th Amendment.

BRR: Are you planning to expand these programmes into other provinces?

NS: Yes and we are already working on that. Our work is now primarily in provinces given the post 18th Amendment scenario. By the end of this year we will have some more footprints in other provinces. We are in the process of formalising partnerships in provinces.

BRR: E-governance indicators in Pakistan are abysmally low; what are the reasons behind that? Do you have e-governance reforms embedded in your programmes or are you planning to?

NS: Policy advocacy is part of our education framework document. As far as e-governance is concerned, there has to be greater acceptance on part of the government to set milestones. An e-governance directorate was established in the late 1990s but adequate milestones were not formulated to be able to achieve automation in government departments and services. Automation could have led to a lot of development in the country.

I think ICT has to be the most critical engine to remove the distance between those who govern and those who are governed. So, citizens have to have a larger stake and they would feel a larger stake when they are able to do things a lot more seamlessly through a PC or a tablet and avail a service. Even in emerging markets close-by you will see a lot of automation. The lack of documentation in Pakistan is perhaps the most alarming aspect of the larger economic landscape.

BRR: Why haven't we been able to have those milestones set then?

NS: We need to have stronger leadership and greater public-private partnerships. We are going in the right direction but very slowly. There has to be greater sense of urgency in setting milestones. Affordable broadband and ICT have to be the growth engine of the economy.

BRR: India is known for its IT industry. What is your outlook on Pakistan's IT and software industry?

NS: I think we are stepping in the right direction. There are, however, a lot of structural reforms that need to take root. There is a critical need for reliance on ICT in so far as business and economic development is concerned; for example, the ability for any e-trader or a small, home-based business to transact their business on the internet.

BRR: What sorts of operations are being largely driven by ICT based tools in the business and corporate sectors?

NS: I think, these days ICT is critical in all business segments. But in Pakistan, there has been higher usage in TELCOs, internet service providers, and banking. Sadly, these tools are not as widely used in education, a sector very dear to us. If there is greater automation, perhaps there could be more home-based learning, mobility and efficiency.

BRR: What are the challenges that need to be addressed to encourage use of ICT tools by SMEs to explore avenues of growth and business development?

NS: We are in a knowledge vacuum, and as far as SMEs are concerned, knowledge and requisite

skills are very limited. We have a programme that focuses on bridging the digital divide. This programme introduces participants to the use of technology. For example, revenue collection is a primary job for the government, and the contribution of SMEs to the tax base is very low. But, there is reform on its way for greater inclusion of SMEs to the revenue pool. It is going to be adoption of personal computers which will be a deal breaker in that context.

There is by far a very clear understanding in the SME sector that there needs to be more automation since it leads to more efficiency.

As for business development, there is absence of a platform to enhance skills. So, when you have avenues to learn and you put a stop to that by banning YouTube and other tools for free-learning, for example, it can be counter-productive. You need to provide access to information to the citizens. I'm convinced that access to internet is now one of those basic rights.

BRR: How do you see data demand in Pakistan at the consumer level?

NS: Data demand will give birth to a whole new wave of services business. You step out of the metropolitan cities and there is a whole world which is self-employed. It is entirely undocumented and we have hardly done anything to show them that things can be done in a much more efficient manner through technology and connectivity. There is tremendous data demand but hardly documented.

BRR: Assuming there would be wider broadband access, how is it going to affect consumer data demand?

NS: There has been no investment on the size of the data pipe. The size of the pipe that we get is unable to cater to the larger segment of people in terms of interconnectivity, transactions, and trading. There is an immediate need to invest in broadband infrastructure.

It has been shown that there is a strong correlation between broadband adoption rate and economic development and growth, all else being equal. That is a key indicator that the ministries of Science and Technology and IT need to look at. The biggest apprehension I have about our own policy makers is that they get very defensive when we say that we have not done enough in IT. The launch of 3G and higher cellular penetration are not adequate.

After enabling voice to communities, we seem to have stopped and have not looked into data. PTCL, for example, relies heavily on data usage for its earnings. There should be larger metropolitan wide access of broadband.

BRR: What can be done in terms of increasing broadband accessibility?

NS: Milestones, the government has to set milestones. Bridging the gap in broadband access in the country should be an immediate priority of the government.

BRR: Please share your thoughts on the prospects of manufacturing telecom equipment and devices in Pakistan?

NS: For that to happen we need to improve skills. We need to have a very solid education base.

In countries where you see Intel manufacture, the industry thrives on innovation and R&D. The foundation, however, is basic education.

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Taxation: *Pakistan*

FBR delaying refunds to meet first quarter revenue target!

September 05, 2014

MUHAMMAD ALI

Following dull economic activity amid political impasse that has entered 20th day, the Federal Board of Revenue (FBR) has started delaying tax refund claims to meet its first quarter revenue target, it is learnt on Thursday. According to sources, over Rs 2.3 billion tax refunds were already pending for months and the FBR had neither released these tax refunds nor facilitated taxpayers in fresh tax refund claims.

Moreover, sources said the release of tax refunds was earlier suspended only before June but now the board, in order to meet its quarterly revenue target during present political impasse, has started delaying tax refund claims. They said the restriction imposed by the finance ministry to release over Rs 0.5 million tax refunds was supposed to be a budgetary measure for tax year 2013-14, but current delay tactics from tax offices to release tax refunds was incomprehensible.

Sources said that tax refunds of major multinational and national companies, which stood in billions, had been stuck since last October. They added that these companies, which were considered as efficient taxpayers, were now passing through liquidity problems, due to unnecessary blockage of tax refunds.

Moreover, sources said big taxpayers, who were earlier pressurised not to file tax refund till the end of June, were now facing rejection or delay against their refund claims in current fiscal year. On the other hand, the FBR officials dispelled the impression that they withheld billions of rupees tax refunds, saying that the department was processing refund claims as per procedure and there was no restriction on the release of tax refunds.

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Refrigeration, AC spare parts: valuation ruling to ensure a boost in revenue

September 05, 2014

SOHAIL SARFRAZ

The non-availability of the valuation ruling for refrigeration, air-conditioning and auto-air conditioning spare parts by the Directorate General of Customs Valuation Karachi has resulted in higher values of duty on the import of these items, instead of accurate assessment of customs

duty. Sources told *Business Recorder* here on Thursday that the issue of valuation of refrigeration and air-conditioning spare parts was discussed in the annual event organised by Pakistan HVACR Importer and Trader's Association.

The issue of import of items under the Pak-China Free Trade Agreement (FTA) was also discussed. The association requested Valuation Ruling for refrigeration, air conditioning and auto air conditioning spare parts, due to non-availability of the valuation ruling sometime it assesses higher values and those importers who misdeclare it were cleared at low cost creating imbalance in the market. In case of such items if valuation ruling is issued it would be better for the importer and also beneficial to the Customs department to generate revenue. Karachi Chamber of Commerce and Industry (KCCI) has assured the association that it will fully support valuation ruling to ensure the correct revenue also beneficial to the importers.

Another issue was raised regarding items covered under Free Trade Agreement (FTA) with China, but not covered in the corresponding SRO 659(1)/2007. The association said HCFC R-22 subject to quota now united nations environment programme (UNEP) and Ozone Cell Pakistan have priority to reduce consumption of ODS Gases, the following HS Code for those Refrigerant which is Replacements of HCFC R-22, help to UNEP and Ozone Cell (Ministry of Climate Change). The industry is striving to reduce the customs duty on such Gases, which is Replacements of HCFC R-22. Without the reduction of Customs duty on replacement gases, it is not possible to reduce the consumption of ODS Gases from Pakistan.

The new HS Code has been introduced in China under FTA because the copper tube which is used in Refrigeration and Air Conditioning was not clearly defined in present Customs Tariff. In Customs Tariff it is assessed under HS Code 7411-1090 but due to 15 percent rate of duty it is normally under-declared or smuggled.

The annual function was also attended by Abdullah Zaki President, Karachi Chamber of Commerce & Industry as Chief Guest; Muhammad Anis Shaikh Chairman & Khawaja Tahir Siddiq Patron in Chief of the Association; Mosuf Ali (consultant of UMEP) and other Government officials Saifuddin Junejo Ex-Commercial Counsellor in China and Arifullah Deputy Secretary Ministry of Commerce.

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Improving tax compliance: FBR, Germany's GIZ agree to share experience

September 05, 2014

The Federal Board of Revenue (FBR) and German government's development agency GIZ have agreed to share experience in the fields of monitoring and evaluation, performance framework, broadening tax base and registration process for improving tax compliance in Pakistan.

Sources told *Business Recorder* here on Thursday that the FBR and GIZ have developed a Study Tour Report on the Fostering Capacity of Federal Board of Revenue in Organisational Development. Details revealed that a study tour of the FBR to Germany was facilitated by the

Result Area Taxation within the Support to Good Governance Programme implemented by the Deutsche Gesellschaft for Internationale Zusammenarbeit (GIZ) 'GmbH' on behalf of the German Federal Ministry for Economic Co-operation and Development.

The study tour provided an opportunity to select the FBR officers to study the performance management frameworks, monitoring, and evaluation systems for tax collections, as well as the registration and enforcement processes within tax offices in Germany.

The objective was to contribute to the internal efforts of enhancing the performance by FBR through understanding international lessons learnt in the context of organisational development and increase knowledge of the participants with regard to the challenges faced in tax compliance and broadening of tax base in Germany. It was jointly agreed between FBR and GIZ to make use of the experience exchange and facilitate an improved understanding of possible solutions for organizational development and process design, especially in the fields of monitoring and evaluation, performance framework, broadening tax base, registration process and tax compliance. The detailed study tour report including recommendations from the post study tour workshop jointly implemented by the study tour participants of FBR and GIZ for identifying possible steps for organizational development of the FBR, sources added.

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Cotton and Textiles: *Pakistan*

Phutti supply falls after fresh rains

September 05, 2014

Continued rains in major part of cotton belt, caused sharp fall of phutti arrivals, dealers said on the cotton market on Thursday. The official spot rate managed to hold overnight level at Rs 5,600, they added. In the session, some 8000 bales of cotton changed hands between Rs 5600 and 5800, they said. In Sindh, prices of seed cotton were at Rs 2500 and Rs 2600 and in Punjab prices were at Rs 2550 and Rs 2700, they said.

Cotton analyst, Naseem Usman said that light rains were good for the standing crop but now it looks that continued rains may hurt the quality and size of production. He also said that the Pakistan Cotton Ginners Association (PCGA) released it's figure for the total arrival of phutti at 1.76 million bales, till September 1, showing an increase of 2.11 percent against the last year.

Reuters adds: Cotton futures rose on Wednesday, lifted by mill buying and technical support. The most-active December cotton contract on ICE Futures US closed up 0.65 cent, nearly 1 percent, at 65.96 cents a lb. The following deals reported: 1000 bales of cotton from Shahdadpur sold at Rs 5600, 1000 bales from Mirpurkhas at Rs 5600, 1400 bales from Sanghar sold at Rs 5600, 800 bales from Hyderabad at Rs 5600, 1200 bales from Tando Adam at Rs 5600-5625, 400 bales from Kotri at Rs 5600, 200 bales from Sahiwal at Rs 5750, 400 bales from Vehari at Rs 5700-5750, 600 bales from Chichawatni at Rs 5700-5750, 400 bales from Burewala at Rs 5725-5750, 200 bales from Hasilpur at Rs 5725, 400 bales from Haroonabad at Rs 5750, 200 bales from Faqirwali at the same rate, 400 bales from Arifwala at the same rate and 200 bales from Pir Mehal at Rs 5800, they said.

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The KCA Official Spot Rate for Local Dealings in Pak Rupees

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

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

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Rate	Ex-Gin	Upcountry	Spot Rate	Spot Rate	DifferenceFor	Price	Ex-Karachi	Ex. KHI. As
Ex-Karachion 03.09.2014								

37.324 Kgs	5,600	150	5,750	5,750	Nil			
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Equivalent

40 Kgs	6,002	160	6,162	6,162	Nil			
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Ongoing monsoon rains lash cotton belt

September 05, 2014

DR ZAFAR HASSAN

Heavy monsoon rains poured over vast areas of Pakistan at midweek which also showered large areas of the cotton belt in Punjab and also some areas in Sindh, which are deemed to be alright for the standing crop. However, longer or sustained rains can damage the crop (2014/2015). As a result, some ginners have become selective of their seed cotton (Kapas/Phutti) purchases.

The month of September has to be watched carefully lest excessive rains damage the current cotton crop. Those areas in Punjab receiving sizeable monsoon showers include Bahawalpur, Khanewal, Chichawatni, Sahiwal, Bahawalnagar and the Faisalabad district. In Sindh, cotton stations receiving rains include Sanghar, Shahdadpur, Kunri, Umerkot and Kot Ghulam Mohammad. Upto recently, the quality of cotton both from Punjab and Sindh has been good. There are reports that Sindh may also receive more rains during the coming weeks.

In the cotton arrivals reports for the ongoing season (August 2014/July 2015), total receipts of seed cotton till the 1st of September 2014, as per Pakistan Cotton Ginners Association (PCGA), 1,762,282 lint equivalent bales have arrived into the ginning factories from which the domestic mills have lifted 1,523,854 bales, exporters are said to have picked up 56,875 bales, while the ginners have an unsold stock of 181,553 bales in both pressed and loose form.

Seed cotton (Kapas/Phutti) prices in Sindh reportedly ranged from Rs 2,500 to Rs 2,600 per 40 Kgs, while in Punjab they are reported to have extended from Rs 2,550 to Rs 2,700 per 40 Kgs, according to the quality. Lint prices on Thursday were said to have ranged from Rs 5,600 to 5,625 per maund (37.32 Kgs) in Sindh, while in the Punjab they reportedly extended from Rs 5,750 to Rs 5,800 per maund in a steady market. China is buying some quantities of yarns from Pakistan which shows a moderate improvement in yarn sales by the Pakistani spinners.

Several ginning factories in Punjab were closed due to the earlier torrential rains. Some areas reported in the evening that rains had resumed in the Punjab in the evening. Thus cotton sales from Punjab were not readily available on Thursday evening. Pressing of cotton has been partially interrupted due to the rains. In Sindh, 500 bales of cotton from Shahdadpur and 2,000 bales from Tando Adam were all reported to have been sold at Rs 5,600/Rs 5,625 per maund (37.32 Kgs) in a steady market.

In the global market, both sales and enquiries for cotton and yarn were reported to be lackluster. As mentioned earlier, local lifting of yarn is also slow but somewhat improved compared to the previous weeks. The political impasse between Imran Khan and Dr Tahirul Qadri on the one hand and Prime Minister Nawaz Sharif on the other is still intact but talks have been initiated to solve the ongoing confrontation between aforesaid challengers and the government emissaries in Islamabad.

On the global economic and financial front, this week saw more evidence that not all is well in major regions and countries where many are floundering in persisting stagnation or even slipping down fast due to lack of growth recovery. It is not only the peripheral Eurozone countries which

are receding economically but now even the core countries such as France and Italy that are suffering economic declines.

This week it was reported that Eurozone manufacturing activity has fallen to a 13-month low level. The United Kingdom manufacturing has hit a 14-month low level. Moreover, Chinese factory growth has missed its forecast. We may thus note that even though equity markets are lolling at peak levels, the traders remain mostly nervous as they confront poor European economic data, heightened geopolitical concerns and worsening credit markets which are all taking their toll.

Thus there is always an ever present fear lest the stocks markets which are supported by the credit infused by the central banks like the Federal Reserve in the USA, the European Central Bank and the Bank of England face a loss of momentum in the equity markets, the consequences of which could be disastrous. Falling values of sundry scrips could slow down economic activity where frightened consumers or factory items purchasers could curtail their buying putting the global economy into a tailspin.

With the present lowering of the Benchmark interest rate on Thursday by the European Central Bank to 0.05 percent and cut applied to deposit facility to minus 0.002 percent, shares prices in America and elsewhere will rise or have already risen. Also, the value of the United States dollar was reported to have risen against the Euro bringing it down to one year low of 1.3078.

No wonder that with the stalling of Europe's economy and showdown in the leading economies, central banker Mario Draghi has even indicated to take further stimulus measures in Europe. Moreover, it may be recorded that any recovery in Europe has at best been fragile. Draghi has also pointed to a possible programme of Quantitative Easing (QE) for Europe. It is interesting to note here that even Switzerland's economy stalled unexpectedly during the second quarter posting zero growth as trade suffered due to falling construction and decrease in trade with Europe, Switzerland's primary export market.

Besides, fears arising out of reported Chinese funds defaults have exposed foreign bankers to shadow banking risks. Besides the waning of business growth in the Eurozone in August 2014, the Organisation of Economic Co-operation and Development (OECD) has warned that "long-term unemployment is getting entrenched in many countries hit hard by the economic crisis and it will be harder to put these people back to work when recovery takes hold" as quoted by the AFP.

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Delay in energy supplies: worries of textile industry pile up in Punjab

September 05, 2014

Worries of the Punjab-based textile industry are piling up fast with undue delay in uninterrupted energy supply to textile mills. The industry circles said they are trying their level best to approach the Ministry of Water & Power for having latest update of government's strategy

towards the issue but all in vein. No response has so far been received despite repeated requests, they added.

It may be noted that the government had reduced energy supply to the Punjab-based textile industry in early July with the start of Holy month of Ramazan. There was a clear commitment from the ministry that energy supply would resume to the industry in early August after Eid. However, this dream of industry could not be materialised till date. The ministry expressed its inability to resume supplies as per industry's requirement due to long march of Pakistan Tehreek-e-Insaf (PTI) and Pakistan Awami Tehreek (PAT).

Sources said the ministry had assured to revert to original energy supply plan after 20th August 2014. However, there is no improvement even after 20th August 2014, added the sources. The industry circles pointed out that undue delay in the settlement of political uncertainty is irritating the industry at large. According to them, their foreign buyers are not ready to visit Pakistan due to negative travel advisories. When asked about any fresh commitment from the ministry regarding resumption of energy supplies, they said no one is there to respond to the queries of industry.

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Agriculture and Allied: *Pakistan*

KBD must not be built against the will of Sindh's people: WAPDA Chief

September 05, 2014

The Chairman Water and Power Development Authority (WAPDA) Zafar Ahmed has maintained that implementation on the Constitution and Water Accord 1991 is necessary for the integrity and solidarity of the country and the Kalabagh Dam will not be built against the will of the people of Sindh. The Chairman WAPDA said this while briefing the representatives of Sindh Chamber of Agriculture and Sindh Abadgar Board and later talking to media persons here on Thursday.

He informed that distribution of water and power is now being managed by IRSA and power distribution companies and no one can take a drop of water without the permission of IRSA. During the current year, the Prime Minister handed over the distribution of Water of River Indus to WAPDA and WAPDA is running the distribution of water through telemetry system at the point of Bisham, of Gilgit-Baltistan, he said. Under the system, he informed WAPDA communicates the information to IRSA about the quantity of water after melting of glaciers for the release of water and its storage in dams. He dispelled the impression of any cheating during distribution of water by WAPDA or IRSA, adding that the theft of water could not be possible now. The Chairman WAPDA underlined the need for upgrading the irrigation system, proper distribution of water to this system as well as storage of rain and flood water in order to meet the demand.

He informed that the construction of Darwat Dam is in last stage and after completion, the rainwater will be stored in this dam. Besides, the government has also planned the construction of a water storage where rainwater from Kheer Thar Mountain being received through Gaaj Canal will be stored near Ranni Kot, he added. He said that Right Bank Outfall Drain (RBOD) Project could not come up to expectation as only 40 per cent work on the project has so far been completed despite spending of Rs 33 billion. The project was estimated at Rs 26 billion, however due to delay in completion, the cost rose to Rs 50 billion, he said and added that the work on this project has been suspended since last two years. About Left Bank Outfall Drain (LBOD) Project, the Chairman WAPDA informed that it was designed for 3600 cusecs of water, however, this project had passed 4600 cusecs of water in the past.

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River Chenab flowing in high flood

September 05, 2014

M RAFIQUE GORAYA

The River Chenab has attained a very high flood level with discharge of 450,000 cusecs water at Marala Headworks near Sialkot and the river Jhelum is in high flood at Mangla dam, Flood Warning Centre said here on Thursday.

It said River Chenab at Khanki is likely to attain High to Very High flood level ranging between 350,000 cusecs to 450,000 cusecs during 0200 PST of 05-09-2014 to 2200 PST of 05-09-2014 (today) River Chenab at Qadirabad is also likely to attain High to Very High flood level ranging between 350,000 cusecs to 450,000 cusecs during 0800 PST of 05-09-2014 to 0400 PST of 06-09-2014. Nearly 190,000 cusecs water is flowing in the Mangla dam and the water level is rising. The FFC said that river Ravi and Sutlej are also expected to be in very high to exceptionally high flood level along with their associated Nullahs during next 48 hours.

District administrations of Sialkot, Narowal, Gujranwala, Mandi Bahauddin, Hafizabad, Lahore, Sheikhpura, Kasur, Okara and other areas along the rivers and Nullahs have been warned to take necessary precautionary measures to avoid any loss of life and property.

Punjab Irrigation Engineers told *Business Recorder* that due to good rains in the northern and central Punjab and floods in river Chenab, Jhelum, Ravi and Sutlej Punjab has reduced outflows from the Mangla dam to 9,000 cusecs from 45,000 cusecs so that the dam could be filled to its maximum level of 1242 ft. The dam is still 14 ft below its maximum height.

MET OFFICE COUNTRY WIDE FORECAST FOR 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 & 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 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 & Hazara divisions) and Gilgit-Baltistan. Also, scattered thundershowers with gusty winds are expected over Sukkur, Mirpurkhas, Hyderabad, Karachi divisions, FATA, Eastern Balochistan. There could be high to very 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 DG Khan, Rajanpur & their surroundings. The chief amounts of rainfall recorded during last 30 hours are as; Sialkot (cantt. 251, Airport 167), Rawalakot 194, Lahore (City 183 Airport 180), Kotli 168, Gujrat 163, Mangla 153, Kasur 135, Jhelum 115, Faisalabad 113, T T Singh 97, Okara 85 and Mandibahauddin 70 mm. Met Office said that this weather system still 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 24-36 hours causing flood situation in the Jhelum, Chenab, Ravi, Sutlej Rivers and their tributaries.

Daily trading report of PMEX

September 05, 2014

On Thursday at Pakistan Mercantile Exchange (PMEX) value traded was recorded at PKR 3.048 billion. The number of lots traded was 13,176 and PMEX Commodity Index closed at 2,977. Major business was contributed by crude oil amounting to PKR 2.522 billion, followed by gold amounting to PKR 501 million and silver at PKR 25 million.

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Steel items' import tied to "CAR"

September 05, 2014

RIZWAN BHATTI

Import of steel products into Pakistan has been linked with Conformity Assessment Report (CAR)/ license under PSQCA Act 1996. Industry sources told *Business Recorder* Thursday that recently Pakistan Standards Quality Control Authority (PSQCA) has issued a cautionary public notice to all steel importers of bars, billets, etc, that it is compulsory under the law for all foreign steel manufacturers to obtain a license for the export of steel items with the distinctive PSQCA marking.

"The importers of steel products are hereby warned that as per section 14 of PSQCA Act and Para 5(B) (ii) of the Import Policy, all foreign manufacturers of steel products including steel bars, steel billets, etc, are required to obtain Conformity Assessment Report (CAR) and proper permission for exporting goods to Pakistan under PSQCA Act 1996," the notice said. Such license/CAR will be provided by PSQCA after due diligence and inspection of the manufacturing facility of the foreign company that desires to export steel to Pakistan, it added.

Sources said that it's an international practice that quality certificate and license is necessary for import of goods. This is not the new law or initiative being introduced by PSQCA as it has already been implemented throughout the world, they added. Pakistan's cement industry faced huge hurdles when it initiated cement export to India, Sri Lanka and Africa. The Indian Customs Department did not clear several Pakistani cement consignments because the manufacturers were not licensed by the Bureau of Indian Standards (BIS) and cement bags did not have the distinctive Indian Standard mark. Later, BIS officials visited the cement plants set up in Pakistan for quality assurance to allow Pakistani manufacturers to export cement to India.

Similar is the case with many other products which are being exported by Pakistan to various countries and exporters in Pakistan are required to obtain various kinds of production and product certifications from host country and international institutions, they added.

Industry sources said that PSQCA measures will go a long way in helping Pakistan to rapidly

industrialise and bring in badly needed investment in the steel industry which will provide jobs to unemployed youth and qualified engineers as Pakistan has produced engineers and technicians in very large numbers but they have no jobs due to slow industrialisation.

"This measure will allow the steel industry in Pakistan to produce high quality steel products such as steel bars, billets, etc, as per approved PSQCA standards," they added. Industry sources said strict implementation of approved PSQCA steel standards for imported and local steel products will also help prevent dumping of sub-standard steel products in Pakistani market and this will lead to import quality steel products in the country.

Several times large shiploads of consignments of rejected steel bars from UAE were offered to Pakistani market as these steel products were not being in conformity with their approved standards, they said. Twisted bars have been phased out by PSQCA a few years back and the grace period of over 5 years has also passed but it is unfortunate that sub-standard twisted steel bars are still being manufactured and marketed in Pakistan, sources said.

It's the government and Building Control Authority's responsibility to ensure the use of such products, which are properly approved by PSQCA, they said and urged PSQCA and Building Control Authorities not to approve/allow Grade 40 steel bars. They added that only high strength and high quality steel bars be allowed as per their standards.

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Sacrificial animals market set up at Sohrab Goth

September 05, 2014

Some 10,000 sacrificial animals have, so far, entered the cattle market set up at Sohrab Goth for the ensuing Eid-Azha. Spreading over 700 acres of land, the Sohrab Goth cattle market has 22 blocks which include three 'VIP blocks'. Sources told this correspondent that makeshift branches of different banks would also be set up at the market with ATM facility.

A spokesman for the cattle market said that the organisers with a view to providing safe business environment to both the buyers and sellers had installed hundreds of CCTV cameras in and around the market. Fire tenders and ambulances would also be available at the market to meet any emergency, besides a car parking lot for around 20,000 vehicles has also arranged at both sections of the market, he added. The organisers of the cattle market with a view to ensuring proper management have introduced computerised entry system for sacrificial animals' at Sohrab Goth's cattle market. A spokesman for the cattle market said that in addition to animals' fee which is Rs 1000 for cows and camels and Rs 600 for goat, traders are required to pay the entry fee for their commercial vehicles transporting animals to the cattle market. The entry fee fixed for a 22-wheeler is Rs 2000 and that of 10-12 wheeler is Rs 1000, he added.

All animals entering the cattle market are being inspected thoroughly by qualified veterinary doctors and only those animals which are healthy and free from diseases were being allowed to enter the market and that too after carrying out their proper vaccination and medication.

Moreover, with a view to preventing animals from diseases, a system of their regular check-up has been evolved, besides necessary medicines were being provided free of cost, he added.

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Fuel and Energy: *Pakistan*

Chinese team visits Petroleum Institute of Pakistan

September 05, 2014

The annual meeting of the International Gas Union (IGU) is scheduled to be held in October in Berlin, China's Beijing Gas Group's Director Wang Yi said here on Thursday during his visit to Petroleum Institute of Pakistan. Wang Li, who is also member of working committee for IGU presidency election, said that at IGU meetings to be hosted by the IGU's German Charter Member will be convened from October 14 to 17. Manager and Deputy Manager of China Gas Association, Zhao Mei and Jin Lei, respectively, were also present on the occasion.

"The People's Republic of China is also applying for the Presidency of the International Gas Union 2018- 2021, and for the organisation of the 28th World Gas Conference-2021 in Beijing", he added. In this regard, China has established an IGU 2018-2021 Presidency Campaign Working Committee, led by Ms Li Yalan, China's IGU 2018-2021 Presidential Candidate. Ms Li is presently serving as Chairman of the Board of Beijing Gas Group.

He said that on behalf of Ms Li Yalan, the Chinese delegation has visited Petroleum Institute of Pakistan office to introduce their candidate and to inform that how the IGU could develop to serve us in the future. He said that Ms Li Yalan, who is the vice chairman of the China Gas Society, China Gas Association and Chairman of the Board of the Beijing Gas Group, is the candidate for president 2018-2021. If elected, she would be the first woman in the history to serve the IGU family as president. Her leadership experience in the government and enterprises has made her professional in engineering technology and she possessed rich experience in company management, he added.

Besides, Mr Zhang Guobao is the candidate for Chair of the National Organisation Committee, 2018-2021. He is former director national energy administration and Chairman of the China Overseas Development Association. During his tenure as the director of national energy administration, he devoted his energies to accelerate and transform the energy development mode and energy structure adjustment.

Dr Che Lixin is the candidate for Chair of the Co-ordination Committee, 2018-2021. China will continue to promote the role of gas in the sustainable development of world economy, he said, adding that the country will carry out IGU tradition, and enhance its prominence in the world gas industry. Beijing which had successfully hosted the 2008 Olympic Games and Apec summit has world-class, modern facilities and venues for hosting international conference, he added. He said that their goal for the IGU is to raise its status and enhance its voice in the international energy affairs.

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Government urged to benefit from receding coal, LNG prices

September 05, 2014

The Pakistan Economy Watch (PEW) on Thursday said retreating coal and LNG prices in the international market should be taken as a golden opportunity by policymakers to offset energy crisis in Pakistan. Government has planned to produce 9000MW electricity with the help of imported coal whose prices has come down to 65 dollar per tonne after touching \$130 in 2011 while LNG is available for 10 dollar per mmbtu which is a ray of hope for us, said Dr Murtaza Mughal, President PEW.

Talking to Central Chairman APCNGA Pervaiz Khan Khattak and other stakeholders, he said that former government wanted to buy LNG from Qatar at the rate of \$18 dollars per mmbtu which included kickbacks. That deal would have resulted in costly energy but now India is buying LNG for \$10.5b per mmbtu due to its encouraging policy and transparency therefore Pakistan can also get it at \$10 per mmbtu, he added. Murtaza Mughal said the government has been encouraging private sector which can help abolish the role of commission mafia resulting in affordable energy for the masses. Pervaiz Khattak said the government's LNP policy will reduce loadshedding, oil import bill, pollution and provide jobs to millions.

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Banking & Finance

EOBI to provide monetary benefits for 385,332 beneficiaries in 2014-15

Thursday, 04 September 2014 14:54

Posted by Parvez Jabri

ISLAMABAD: Employees' Old-Age Benefits Institute (EOBI) would provide monetary benefits to about 385,332 its eligible insured persons and their survivors during current financial year (2014-15).

An official of EOBI told APP here on Thursday that EOBI will disburse Rs16.790 billion among its eligible insured persons and their survivors fulfilling the prescribed conditions regarding qualifying age and payment of contribution.

He said that these benefits have proved to be a major factor in combating poverty adding that scheme may be used as a major poverty alleviation vehicle if its coverage is enhanced to total working population, he added.

He said that during July-March 2013-14, EOBI disbursed Rs10.98 billion to some 330,645 beneficiaries in terms of different benefits.

The Institute is providing different benefits to its beneficiaries like old-age pension, survivor's pension, invalidity pension and old age grants for their economic stability, he added.

He further informed that EOBI will disburse Rs10.571 billion in its 238,667 beneficiaries in terms of old age pension benefits during current financial year as the Institute had disbursed Rs6,916 million in 205,298 beneficiaries during same period of last financial year.

The EOBI has planed to provide Rs5,890 million to 137,342 beneficiaries in terms of survival pension and Rs238 million in 5,774 beneficiaries in terms of invalidity pension during 2014-15, he added.

The official said that Rs91 million to be disbursed in 3,594 beneficiaries as old-age grant during current financial year, he added.

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Markets

ISE-10 index stays bearish

Thursday, 04 September 2014 19:34

Posted by Imaduddin

ISLAMABAD: The Islamabad Stock Exchange(ISE) on Thursday witnessed bullish trend as the ISE-10 index was up by 4652.64 points to close at 4645.66 points.

A total of 272,500 shares were traded, which showed a negative growth of 223,700 shares, when compared with previous day's trading of 48,800 shares.

Out of 141 companies, share prices of 83 companies recorded increase while those of 58 companies decreased and no company remained stable in today's trading.

The share price of ICI Pakistan increased by Rs 13.43 while that of Pakistan Tobacco decreased by Rs 50.00 per share.

Lafrage Pakistan Cement,Bank of Punjab and PICIC Growth Fund remained the top trading companies with 150,000, 45,500 and 40,000 shares respectively.

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Pak forex figure \$ 13.57707bn

Thursday, 04 September 2014 19:31

Posted by Imaduddin

KARACHI: The total liquid foreign reserves of the country stand at dollars 13.57707 billion, said State Bank of Pakistan (SBP) here on Thursday.

The foreign reserves held by State Bank on August 29, 2014 amounted dollars 8.71806 billion and the net foreign reserves held by other banks were dollars 4.85901 billion.

During the week ending 29 August, SBP's liquid foreign reserves increased by dollars 165 million to dollars 8.719 billion compared to \$ 8.554 billion in the previous week.

During the week SBP received dollars 371.4 million under Coalition Support Fund. During the week, SBP made payments of dollars 54 million on account of external debt and other official payments.

BR Research: *All*

The economics of Azadi/Revolution march

September 05, 2014

BR Research

This column borrows its title from the paper titled "The Economics of the Arab Spring", authored by Adeel Malik and Bassem Awadallah in a 2011 study for the Oxford University. While leaders of the anti-government protests incite provocations to emulate political uprisings at the famed Tahrir Square, the fate of these protests currently remains in an overhang. But, episodes in history leave important giveaways, and in the case of the political turmoil that Pakistan faces today, these should not be ignored.

In the paper referred hereto, Malik and Awadallah argue that there is a consistent mismatch between demography and economic structures prevalent in the Middle East, whereby the rising youth bulge is not matched by adequate job-creation.

That doesn't sound too different from things here at home, does it? While the share of working-age population has been steadily rising and has reached a staggering 61 percent, Pakistan's long-term unemployment rate has also increased, according to the most recent World Development Indicators (WDI).

Thanks to scarcity of data, exact figures on youth unemployment are unavailable. And this is a segment that anti-government parties claim to be largely banking upon and in an age of information, is becoming increasingly crucial in deciding the fate of political outcomes in the country.

Economic inclusion aside, how does political inclusion fare in the country? Again, there is more than rhetoric to support the prevalence of political dynasties in shaping policies in the country. Just before the 2013 general elections, Pakistani economists Ali Cheema, Hassan Javid and Muhammad Farooq Naseer released their work on political dynasties in Punjab.

During the period 1985-2008, on an average almost two-third of the elected legislators and, about half of the top three contestants in the National Assembly elections in Punjab were dynastic. They further note that "dynasticism has remained remarkably stable over this period, which testifies to the incredible resilience of this enterprise".

In a similar forthcoming work, Malik relates the persistence of political dynasties with land ownership (a primary source of income generation) in Punjab. Incorporating for the 2013 elections, the data shows that since 1997, at least 50 percent of elected candidates (with reported professions) to the Punjab Assembly have been agriculturists giving credence to the notion that land-ownership begets political influence in Pakistan.

More importantly, his data show that there remains correlation between land ownership and dynastic persistence in political power through generations and across family relations. This

suggests an entrenchment of political and economic enterprise in the province.

Commenting on the nexus between politics and economics, the Nobel-winning economist Joseph Stiglitz recently noted that markets do not function exclusively of politics; in fact, political processes establish the rules of the game.

Economic inequalities in market-led models such as US (and those that follow the same) breed political inequalities, which in turn lead to inequalities in opportunities for economic advancement and lower levels of social mobility.

The supremacy of the parliament is unquestionable. Yet one cannot discount the assertion that Pakistans polity and economy remain highly non-inclusive.

That this assertion is rooted not just in political and economic practice but also in empirical evidence is even more worrisome for a country with an increasingly aware working-age population.

NITs medley in FY14

September 05, 2014

BR Research

National Investment Trust Limited (KSE: NITL)--the mutual fund industry tycoon--announced its FY14 results yesterday. The equity fund continues to cheer its investors.

NIUT (the equity fund) carries a sound track record of yielding healthy returns for its investors. Not only has the fund been outpacing the benchmark, it has also managed to score well when weighed against its peers. And the funds financial result is a manifestation of its sound performance. In FY14, NIUT flaunted a bottom line growth of nearly four times.

However, changes in accounting treatments are what led to a substantial growth in the funds bottom line during the year. Recall that the previous year, the fund had booked a substantial loss to the tune of Rs5.7 billion on units issued and redeemed. This year, the magnitude of losses slowed down massively and is expected to smoothen further in coming periods.

Coming to NIUTs top line, the aggregate income of the fund slipped to Rs6.7 billion, down by 16 percent year on year. This drop is attributable to a slowdown in income from dividends and capital gains that underwent a cumulative decline of Rs1.4 billion. Bear in mind that FY14 did not turn out to be as stirring as the preceding year for the stock market and neither did the capital gains.

On the flipside, NIT Government Bond Fund saw its fortunes slipping in FY14. Alteration in portfolio composition appears to be the reason behind it. Changes in the political scenario might have prompted the fund managers to stay in cash while slashing their holding of government securities.

As of June 2014, cash holdings of the fund increased to three percent (June 2013: 0.4%), while

the share of government securities stood at 94 percent (June 2013: 99%). To add to the woes, changes in accounting policies resulted in a loss of Rs19 million on units issued and redeemed during the period.

By the same token, NIT Income Funds bottom line slid by 34 percent year on year.

Although income from government securities experienced a rapid boost in FY14, the drop in income from other sources, including TFCs, Sukuks and COIs, dented the funds bottom line. This coupled with losses on units issued and redeemed (owing to changes in accounting policy) to the tune of Rs15 million in FY14, kept a lid on bottom line growth.

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NIT - Earnings per unit (Rs.)
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Chng
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National Investment Unit Trust (NIUT)  5.13  1.22  320%
NIT Government Bond Fund              0.74  0.98  -25%
NIT Income Fund                       0.71  1.16  -39%
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T-bills become exciting again

September 05, 2014

BR Research

The latest Treasury-bill auction threw a few surprises, especially in terms of participation. The six- and 12-month tenure papers have long been ignored by market participants for obvious reasons of more lucrative returns on offer in the PIBs. Not only did the participation exceed the auction target by a good Rs45 billion; there was decent participation in the six-month paper, which attracted nearly 20 percent of the auctioned amount.

The love for 3-month papers continues nonetheless, despite similar rates on offer. Why the market has suddenly shown interest in six-month papers despite exact similar yields probably signals the overall market mood. A lot of participants are expecting the interest rate cycle to reverse pretty soon, and the return on PIBs may start sliding. Not that; investors would mind that, as it would offer an opportunity to cash in the gains.

But, the governments never ending appetite is good fodder for banks and other investors. Risk-free return in times of distressed spreads is just the ideal thing. T-bill will soon be back in fashion, were the sentiments of a market participant. Recall, that government had missed the auction targets in previous few auctions sizeably.

Government would be keen to continue borrowing from the market in the name of improving debt maturity profile and in the process raising expensive debt. It provides just the perfect opportunity for

investors around to keep answering the debt call. Slowdown in inflation is likely to bring more investors back to T-bills, just as it did in the latest auction.

Crime News

FC detains 31 illegal Afghan in Panjgur

PANJGUR: Frontier Constabulary arrested 31 illegal immigrants here for traveling without required documents. Frontier Constabulary spokesman said that passengers of a bus were checked about their identity while traveling in Panjgur area of Balochistan.

He said that 31 Afghan nationals who failed to prove their identity and provide other legal documents were taken into custody. A case has been registered against the detainees under foreigners act and investigation was in progress.

Rawalpindi: 13 outlaws arrested; bottles of liquor, weapons seized

RAWALPINDI: The Rawalpindi police have arrested 13 outlaws and recovered bottles of liquor, weapons from their possession and the police also busted illegal gas filling racket in the precincts of the airport and arrested four persons on Thursday.

According to the police spokesperson, the Ganjmandi police arrested a man and recovered 15 bottles of liquor from his possession while the Kotli Sattain police arrested another accused and recovered a bottle of liquor from his pocket. The Naseerabad police held a man and recovered a pistol of 30-bore along with four rounds from his possession. The police also recovered a pistol of 30-bore along ten rounds from another accused. The Kotli Sattain police arrested a man and recovered a pistol of 30-bore along with three rounds from his possession. The airport police busted an illegal gas-filling racket along with the seized material. The police have registered separate cases against all of them and further investigation is underway.

Peshawar: 2 arrested, looted money recovered

PESHAWAR: The city police on Thursday arrested two Afghan nationals and recovered the looted money from them. As per the police statement issued here, one Niaz Ali, a resident of Beri Bagh area, reported to the Gulbahar Police Station that two robbers snatched Rs40,000 from him on the Grand Trunk Road.

The communique stated that the Capital City Police Officer, Peshawar, Ijaz Ahmad Khan took notice of the case and constituted a special team. It said the police traced out the alleged robbers and stopped a vehicle they were travelling in at Hazarkhwani village. The police official stated that they arrested the robbers, including Daud and Tahir Shah, sons of Aslam Shah, residents of Afghanistan, presently living in Hazarkhwani area. The police said they recovered Rs40,000 looted money and arrested both the robbers.

Chakwal: 3 arrested with illegal arms and narcotics

Daniyal September 5, 2014 0

CHAKWAL: Three people were arrested with illegal arms and narcotics here on Thursday. City police arrested Ibrar Musaddaq of Sadwal village and recovered 110 gram charas from him.

Police also arrested Sajjad Khan of Mitta Tiwana, Khushab district, and recovered a pistol from him. Sadr police arrested Khalid Feroze of Saraal village from Dhab Morre and recovered 1.21kg charas from him. Separate cases have been registered.

Alleged militant arrested in Mingora

MINGORA: An alleged militant was arrested in the Matta tehsil of the Swat district, an official said on Thursday. The official of the Matta Police Station Amjad Ali said the police arrested a militant identified as Sherzada during a raid.

He said the alleged militant was wanted to the police in various cases of damaging government property, bomb blast and creating law and order in the district in 2009. The official said the militant had escaped abroad after the military operation in the Swat district and returned recently. The police shifted the militant to an undisclosed location for interrogation.

2 alleged killers held in Kohat

KOHAT: The police on Thursday arrested two alleged killers who had shot dead five persons of a family in Alizai area last week, Speaking at a press conference, District Police Officer (DPO) Salimullah said that the accused, Sadiq Ali along with his accomplice Gulfam killed Hashim Gul, his wife Shashina Bibi, son Amir, daughters, Fauzia and Sadia.

2 women swindlers arrested in Nowshera

NOWSHERA: The police on Thursday claimed to have arrested two female swindlers in Nowshera district. Police officials said Shazia Younas and Haleema were arrested when they were escaping while depriving a car driver of cash in the Cantonment area.

The police said the women used to take lifts from motorists and then would offer drivers intoxicated drinks to rob them. They said the women had deprived score of drivers of millions of rupees.

Daska: Man held with liquor

DASKA: Motra police arrested a man and recovered liquor from him on Thursday. On a tip-off, police intercepted Khurram and recovered 10-litre liquor from him.

2 shopkeepers held in Daska

DASKA: Two shopkeepers were arrested for overcharging here on Thursday. On a tip-off, the assistant commissioner raided and caught shopkeepers Younis and Mushtaq red-handed for overcharging. They were handed over to police.

Karachi: 81 suspects rounded up

KARACHI: Eighty-one suspects were arrested from different parts of Karachi during sweeps on Wednesday, according to Rangers and police sources. According to a spokesman for the Rangers, the paramilitary force carried out raids in Sultanabad, Baldia Town, Lyari and Federal B Area, during which seven suspects – including “criminals affiliated with political parties and gangsters involved in the Lyari gang war” – were arrested. The spokesman said weapons were also seized from the detainees. Police claimed to have arrested 74 suspects from different parts of the city.

Alleged extortionist arrested in Swat

MINGORA: The police arrested an alleged extortionist in Barikot tehsil in Swat district, official sources said on Wednesday.

They said the police during a raid in Parrai area in Barikot tehsil arrested an extortionist Daulat Khan. The extortionist had called a former Naib Nazim Fayyaz Khan and demanded Rs1 million.

Batkhela: Drug inspector held on corruption charges

BATKHELA: The Anti-Corruption Department arrested a drug inspector on the charges of corruption in Malakand Agency here on Wednesday, official said.

Talking to reporters, Assistant Director Anti-Corruption Shah Hassan said that the anti-corruption team headed by the Circle In-charge Abdul Haleem raided the office of the drug inspector Nazir Hussain and arrested him. He said the official was allegedly involved in supplying ‘not for sale’ and foreign drugs to the medical stores.

Mardan: 3 arrested on murder charge

MARDAN: The police claimed to have arrested three young men on the charges of murdering an employee of a local newspaper and cameraman of a private television channel, a police official said on Wednesday.

District Police Officer Gul Afzal Khan Afridi said a pistol and a cell-phone were also recovered from the accused. On Friday evening, unidentified gunmen killed Mohammad Ihsan near his office on the Mall Road.

2 profiteers arrested in Karachi

KARACHI: Two shopkeepers were arrested and 63 more were fined on Wednesday for profiteering. A total of 34 milkmen, 11 grocers, six fruit sellers, seven vegetable sellers and a flour seller were fined a collective amount of Rs73,500 for violating the official pricelist. The raids were conducted in Saddar, Civil Lines, Garden, Site, Baldia, Ferozabad, Jamshed Quarters, Gulzar Hijri, Bin Qasim, Ibrahim Hyderi, Gulshan-e-Iqbal, Orangi, Liaquatnagar, Nazimabad, North Nazimabad, New Karachi, Model Colony, Landhi and Korangi.

5 booked for fraud in Lakki Marwat

LAKKI MARWAT: The Anti-Corruption Establishment (ACE) booked five persons, including two officials of the Revenue Department, on Wednesday. "On the directives of ACE Provincial Director Ziaullah Toru, a team headed by local circle officer Shahid Adnan probed a complaint of Hanifa Bibi regarding transfer of her land fraudulently," said an official.

He said that ACE Bannu Assistant Director Abdul Hai Baber supervised the investigation into the complaint of Hanifa Bibi. He said that ACE officials probed the complaint and found that brothers of complainant, including Syed Azam and Sher Zaman, were involved in transferring the land of their sister illegally.

"Both in connivance with Patwari Altaf and former Qanoongo Khan Zaman and another accused Imam Khan made forged mutation documents and transferred the land," he maintained.

He claimed that one of the accused persons, including Sher Zaman, had died while another culprit Imam Khan was arrested by ACE Lakki team. He said that efforts were underway to bring the remaining culprits into the clutches of law.

2 girls gang raped in Jhang

JHANG: 2 girls were raped in two separate incidents took place here on Wednesday. In Millat Colony of Jhang City, accused Sjad along with his friend Abdullah abducted the girl and took her to an unknown house where Sajad raped allegedly her while his friend helped him in the heinous act. After raping, they threatened the victim of dire consequences for disclosing

the incident. On the application of **Shamim Bibi**, **Jhang City police** registered a case against **Sajad** and **Abdullah**.

In **Mauza Khorra**, **accused Nawaz** along with his companion **Hassan** abducted a young girl of the same locality. **Nawaz** raped her forcefully.

Miscellaneous News

Forbes 2000 list: PSO enters elite club of biggest publicly traded firms

By Zafar Bhutta

Published: September 5, 2014

ISLAMABAD:

Pakistan's oil market leader and dominant state-owned company – Pakistan State Oil (PSO) – has joined the prestigious club of world's biggest publicly traded companies on the Forbes 2000 list in the wake of initiatives undertaken by the present management.

Forbes has screened the company in four categories – sales, profits, assets and market value with a minimum cut-off value – paving the way for it to qualify for inclusion in the list.

In financial year 2013-14, according to a PSO official, the company improved its refining base with an increase in equity stake in Pakistan Refinery Limited from 18% to 22.5%. It also completed groundwork for diversifying into liquefied natural gas (LNG) import business by developing the structure of the LNG project in consultation with all stakeholders.

The company notched up all-time high sales revenue and crossed the Rs100-billion mark in market capitalisation, becoming one of the few Rs100 billion-plus large-cap companies on the Karachi Stock Exchange.

Pakistan Credit Rating Agency (Pacra) upgraded PSO's outlook from 'stable' to 'positive' with AA+ and A1+ long-term and short-term ratings respectively.

The official said PSO, being one of the largest taxpayers in the country, made the highest-ever contribution of Rs289 billion to national coffers in duties and taxes in the year 2013-14, higher by 10% than the previous year.

In comparison with the US Fortune 500 companies, PSO being the largest Pakistani company in terms of turnover would rank around 211.

The official pointed out that the high performance benchmarks were achieved without any rise in margins during the year and despite an escalating financing cost because of higher receivables from power plants.

“The company optimised sales of its products to strike an effective balance between growth and profitability while realising substantial cost efficiency,” Managing Director Amjad Parvez Janjua commented.

A member of PSO board linked the company entering Forbes 2000 to efficiency in administration, distribution and marketing, restricted increase in expenses to 3% compared to average rise of 14% over the last three years and inflation rate of 8.5% in 2013-14.

“The board unanimously resolved on Wednesday to place on record its commendation for the management, particularly Amjad Parvez Janjua, the MD, for achieving outstanding yearly results,” he added.

During the period under review, the company met the challenge of timely and continuous supply of fuel oil for electricity production despite the damaging impact of circular debt as receivables grew sharply from the power sector. It achieved this by efficiently managing the supply chain, inventory and finances.

It introduced various system-based controls and automated a number of business functions during the year.

An online order management system was implemented, enabling PSO’s customers to login to the e-portals and place orders for products, make payments and view the accounts status. It helped reduce operational cost, enhance controls, eliminate potential irregularities due to human intervention and improve payment collection by establishing online connectivity with the banking network across the country.

During the year, a human resource development initiative for building capacity and developing leadership was also launched and an internship programme for students of universities across Balochistan was started.

Being aware of its corporate social responsibility and to support relief activities, PSO contributed Rs40 million to the Prime Minister’s Relief Fund for Internally Displaced Persons from North Waziristan in addition to donating part of its employees’ salaries for the IDPs.

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Pakistani company receives WHO recognition

By APP

Published: September 5, 2014

ISLAMABAD:

A Pakistani pharmaceutical company, Getz Pharma, has received recognition by the World Health Organization (WHO) for its Quality Control Laboratory, becoming one in 33 countries worldwide and the first in Pakistan to have received the ‘WHO Pre-Qualification’.

The WHO Qualification is a three-year process beginning with a series of reviews and audit by their inspectors; after which the lab receives a Pre-Qualification if it complies with WHO Standards.

These standards and practices have to be maintained for three years after which the laboratory can receive a qualification, said a statement on Thursday. A WHO Pre-Qualified Laboratory holds the authority to test and verify the quality of any drug, medication or formulation.

Such a lab's verdict is recognised worldwide by all related international agencies and organisations. Speaking at the ceremony held to celebrate the event, Getz Pharma Director Quality Management and Regulatory Affairs Syed Sultan Ghani said, "The recognition is a testament to the strict quality standards maintained by us in the laboratory as well as in other functions."

Getz Pharma has also received the Export Award for eight consecutive years, ranking first among all pharmaceutical exporters and contributing approximately 40% towards total pharmaceutical exports. Its anti-ulcerant has secured second position among all pharma brands in the country.

Being the third largest tax-payer, the company has reached third position amongst national and multinational companies by investing and reinvesting in technology, systems and facilities.

"The company has put the country on the world map and other pharma companies should also strive for this success," said Dr Murtaza Mughal, president of the Pakistan Economy Watch.

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Shariah-compliant: Country's insurance market set for takaful boost

By Reuters

Published: September 5, 2014

KUALA LUMPUR:

Pakistan's insurance sector is set for a boost in competition which could help spread the uptake of insurance after the industry regulator allowed conventional firms to offer sharia-compliant products (takaful) earlier this year.

The regulator, the Securities and Exchange Commission of Pakistan (SECP), has now granted two takaful licenses and has up to 10 applications currently being finalised, said Faraz Uddin Amjad, Joint Director of the SECP's insurance division.

"In another one year we are expecting 20 to 25 new takaful window operators in the market. Competition will increase, but also the size of the market," Amjad said on the sidelines of an industry conference.

Pakistan introduced new takaful rules in 2012, allowing the use of takaful windows, which enables insurers to offer sharia-compliant and conventional products side by side, provided client money is segregated.

This prompted a legal challenge by the country's five full-fledged takaful firms claiming the rules gave conventional insurers an unfair advantage, with the legal dispute finally being resolved in May of this year.

The regulator expects at least half of Pakistan's 50 conventional insurers will eventually offer takaful products.

Takaful is seen as a bellwether of consumer appetite for Islamic finance products. It is based on the concept of mutuality: the takaful company oversees a pool of funds contributed by all policyholders, and from which claims are paid.

Pakistan's conventional insurers have been barred from offering Islamic products since the first takaful rules were introduced in 2005, but regulators have been keen to increase overall insurance coverage in the country.

Insurance penetration, measured as total premiums to gross domestic product, has hovered at 0.7% of GDP for the last decade and now stands at 0.9% of GDP, Amjad said.

This ranks as the third-lowest level in Asia, against 4.1% of GDP for India, a report by Swiss Re said.

Takaful has contributed marginally; the sector represents about five percent of the total insurance market, although this is expected to change in the coming year.

"At least in the first year (2015) it should go into double digits. On price and service I think it will have a lot of impact," Amjad said.

United Insurance Company of Pakistan has said it plans to enter the takaful market. EFU Group, Pakistan's largest insurer, plans takaful windows for both its life and general businesses.

Conventional insurers are bigger in size and have operated for longer, whereas takaful companies are on average five to six years old, but sharia compliant products can have greater appeal to consumers, Amjad said.

"The conventional ones have a bigger branch network, more outreach, more assets – because of that they would be able to provide the products to a larger part of the population.

"Individuals would, of course, care about price and service, but they would be more concerned about the religious ethos."

The regulator sees greater opportunity in life insurance although commercial lines of business could also find appeal in rural markets where the demand for products like crop, agricultural, livestock insurance is increasing, said Amjad.

Such an increase in activity could face challenges, in particular a lack of experienced staff as well as the need for Islamic re-insurance products to help manage excess risk.

“The risk which I see is capacity risk, both at insurer level and the regulatory level, technical capacity, human capacity.”

Conventional insurers must allocate 50 million rupees (\$506,000) in capital to their window operations, a requirement that was not in the original rules introduced in 2012.

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Improving: Foreign currency reserves rise \$164m

By Our Correspondent

Published: September 5, 2014

KARACHI:

Foreign currency reserves held by the State Bank of Pakistan (SBP) increased \$164.2 million in the week ended August 29, standing at \$8.719 billion, according to figures released by the central bank on Thursday.

The week-on-week rise in reserves came following release of \$371.4 million by the US under the Coalition Support Fund. The central bank also made payments of \$54 million on account of external debt and other official commitments during the week.

However, total foreign currency reserves of the country, including foreign exchange held by banks other than the SBP, stood at \$13.578 billion, a slight fall of \$3.9 million from the reserves held in the week ended on August 22.

The foreign reserves with banks other than the central bank dropped \$168.1 million at \$4.859 billion in the week under review.

In the previous fiscal year 2013-14, Pakistan's foreign exchange reserves had surged more than 50%, which earned the SBP accolades from the International Monetary Fund (IMF).

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Visiting KCCI: Still a long way to go, Swiss consul general says

By Our Correspondent

Published: September 5, 2014

KARACHI:

There is potential to improve the volume of bilateral trade between Pakistan and Switzerland, which currently stands at around \$749 million, said the Consul General of Switzerland in Karachi Emil Wyss.

Talking to the Karachi Chamber of Commerce and Industry (KCCI) office bearers during a visit, Wyss said, "I am very happy to share that your country is on the radar of the Swiss Small and Medium Enterprises (SMEs). Later this year, a multi-sector delegation of these SMEs will visit Pakistan."

KCCI President Abdullah Zaki expressed gratitude to the Swiss government for supporting Pakistan in securing European Union's (EU) GSP Plus status and hoped to receive similar assistance and cooperation in the future too.

"Switzerland ranks fifth in terms of foreign direct investment (FDI) in Pakistan. Both countries have enjoyed cordial, friendly and multifaceted ties," said Zaki, highlighting the significance of enhanced bilateral trade. "Many Swiss companies are successfully operating their businesses in Pakistan in various sectors including energy, chemicals, pharmaceuticals, agriculture, catering, food, telecommunication, and machinery and construction material."

He further pointed out that Pakistan exported goods worth \$71.28 million to Switzerland whereas goods imported from Switzerland stood at \$677.52 million during the fiscal year 2013-14, making trade balance favourable for Switzerland.

"There is a huge potential for investment in Pakistan on 100% equity basis or joint ventures with local industries. Pakistan can also benefit from Swiss expertise in energy sector, mining, agriculture and equity market. Cooperation is also possible in supplying raw materials and finished products for fertilizers and chemicals in Pakistan," said the KCCI president.

He said the present level of trade volume is not in favour for both nations. There are many business options where both countries can create lasting and highly valuable commercial partnerships.

Pakistan's exports to Switzerland mainly include leather, apparel, textiles and beverages while major imports from Switzerland are pharmaceutical products, machinery, organic chemicals, electric and electronic equipment.

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ICCI concerned over delay in Metro Bus Project

By PPI

Published: September 5, 2014

ISLAMABAD:

The local business community has shown concern over delayed construction work on the Metro Bus Project, calling for measures to be taken in order to mitigate problems arising for business activities and citizens.

In a meeting, Islamabad Chamber of Commerce and Industry (ICCI) President Shaban Khalid said that the Metro Bus Project Committee chairman had assured the completion of the project two months before its target date. However, the current pace of slow construction work has dashed hopes of its timely completion.

Many roads in Islamabad have been closed due to construction work, which has created problems for industrialists and traders to move goods.

“Schools have reopened and commuters face great inconvenience due to closure of main arteries in the city,” he said. “People are constantly stuck in traffic jams during rush hours.”

Khalid added that the project has caused many areas of Islamabad to be dug up and the prevailing rain showers have turned the city into a puddle of mud, making life difficult for its inhabitants. The issue carries a significant risk at night as it is difficult to not damage your vehicle while driving.

He said keeping in view the current pace of work, it seems unlikely that the project would be completed on time and he urged upon the Metro Bus Project Committee as well as the Capital Development Authority to look into these problems and take urgent measures to speed up the pace of work.

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Consumer Choice Awards: IMC bags two awards this year

By Press Release

Published: September 5, 2014

KARACHI: The Indus Motor Company (IMC) has won the Consumer Choice Award for the second consecutive year.

While the company won the award for the best car for 2012 with its best-selling sedan in Pakistan, Toyota Corolla GLI, this year, it has bagged the award in two categories.

With its Corolla GLI, it secured the best car award and with its newly introduced Toyota Fortuner, it won the best four-wheel drive award.

The 9th Consumer Choice Awards were held in Karachi, where industrial minister Rauf Siddiqui presented the award to the chief operating officer for IMC, Ali Asghar Jamali.

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Corporate farming eating up small poultry farms

By Shahzad Anwar

Published: September 5, 2014

RAWALPINDI:

Corporate farms are gradually swallowing small poultry farms as more than 50% of small businesses have packed up following failure to sustain pressure and compete with rapidly growing state-of-the-art poultry sheds over the last six years.

“Although the number of farms has decreased, the production of broiler birds has increased manifold,” said Dr Hasan Sarosh, former president of the Rawalpindi Chamber of Commerce and Industry (RCCI) and an expert on poultry industry.

He said earlier around 25,000 poultry farms were producing chicken, but it had now dropped to 8,000 to 10,000. However, average production has increased to 30,000 per shed.

The number of open-house poultry farms is declining sharply while the figure for environmentally controlled poultry sheds is increasing exponentially. Also, the farm owners who run open houses are transforming them into controlled sheds, he said.

Poultry Industry of Pakistan President Dr Aslam claims that the industry is expanding 10% annually and creating 50,000 new jobs, adding its annual turnover is around Rs700 billion and 1.5 million people are directly and indirectly associated with the sector.

Sarosh put the demand in Pakistan at around 2.5 million birds in a week and for the first time Rs20-30 million was needed to place the flock in controlled sheds. The amount includes the cost of land acquisition, construction expenses and cost of birds along with vaccines and feed.

However, Sarosh admitted that around 25% of the manpower engaged with the poultry sector had been laid off after the rapid shift from open-house farms to environmentally controlled sheds.

The largest transformation from open to controlled sheds is seen in Lahore, Faisalabad, Chakwal, Rawalpindi, Sahiwal, to some extent in Peshawar and Karachi on a limited scale.

“There is no cartel working in the poultry industry because it is impossible to form a cartel in the field of perishable products,” an industry player said, dismissing the perception and stressing that prices were fixed by market forces.

Aslam said chicken was priced at Rs190 per kg in the retail market during the month of Ramazan and is now available at Rs120 per kg.

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Corporate results: NIT posts net income of Rs5.4b in FY14

By Our Correspondent

Published: September 5, 2014

KARACHI:

National Investment Trust (NIT), the largest asset management company of Pakistan, has declared a net income after taxation of Rs5.4 billion for its premier fund National Investment Unit Trust (NIUT) for 2013-14, according to a notice sent to the Karachi Stock Exchange on Thursday.

NIUT’s net income for the last fiscal year is almost 300% higher than the net income of Rs1.3 billion that it posted at the end of 2012-13.

The substantially higher profits seem to be a result of the smaller capital losses included in the price of units issued (less those in units redeemed). They amounted to Rs248.9 million in 2013-14, about 95% less than Rs5.7 billion recorded in 2012-13.

This is why the net profit increased substantially despite 18.7% reduction in the fund’s net income from operating activities, which equalled Rs5.7 billion in the last fiscal year.

Interestingly, NIUT’s dividend income, capital gains, income from government securities, profit on bank deposits, and income on issue of units – i.e. all but one item under the income head – showed a year-on-year decrease in 2013-14. Similarly, expenses of NIUT also rose 9.5% during the last fiscal year.

Yet the earnings per share of NIUT in 2013-14 clocked up at Rs5.13 as opposed to Rs1.22 in 2012-13, thanks to capital losses included in the price of units issued (less those in units redeemed).

As for NIT’s Government Bond Fund, the net profit for 2013-14 remained Rs304.7 million, down 20.8% from the earnings of Rs385.1 million recorded in the preceding fiscal year. This

was despite the fact that the fund's decrease in income from operating activities was relatively low (5.9%) during the last fiscal year.

The net profit of NIT's Income Fund amounted to Rs227.8 million in the last fiscal year, which was 34% less than the earnings recorded in the preceding 12 months.

This appears to be on the back of higher expenses, which totalled Rs103.1 million in 2013-14, up 87.3% from the comparable figure in the preceding fiscal year.

This is why net income from operating activities decreased 15.3% on a year-on-year basis despite a nominal increase of 1% in the fund's income in 2013-14.

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OPEN MARKET FOREX RATES

Updated at: 5/9/2014 1:43 PM (PST)

Currency	Buying	Selling
Australian Dollar	94.5	94.75
Bahrain Dinar	269.5	269.75
Canadian Dollar	93	93.25
China Yuan	16.45	16.6
Danish Krone	17.85	18
Euro	131.25	131.5
Hong Kong Dollar	13.1	13.2
Indian Rupee	1.67	1.69
Japanese Yen	0.972	1
Kuwaiti Dinar	356.75	357
Malaysian Ringgit	31.9	32.15
NewZealand \$	84.85	85.1
Norwegians Krone	16.35	16.5
Omani Riyal	263.75	264
Qatari Riyal	27.75	28
Saudi Riyal	27.05	27.3
Singapore Dollar	80.5	80.75
Swedish Korona	14.4	14.55
Swiss Franc	111	111.25
Thai Bhat	3.17	3.19
U.A.E Dirham	27.65	27.9
UK Pound Sterling	165.5	165.75
US Dollar	101.8	102.05

INTER BANK RATES

Updated at: 5/9/2014 1:42 PM (PST)

Currency	Bank Buying TT Clean	Bank Selling TT & OD
Australian Dollar	94.82	95
Canadian Dollar	93.33	93.52
Danish Krone	17.64	17.67
Euro	131.3	131.56
Hong Kong Dollar	13.1	13.12
Japanese Yen	0.9636	0.9655
Saudi Riyal	27.06	27.12
Singapore Dollar	80.85	81.01
Swedish Korona	14.36	14.39
Swiss Franc	108.88	109.1
U.A.E Dirham	27.63	27.69
UK Pound Sterling	165.58	165.9
US Dollar	101.5	101.7