

# PAK LAW PUBLICATION

## NEWS

## UPDATES

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NEWS OF  
THE DAY

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## Top Stories

# Election 2013: ECP plans to release details for greater transparency

September 16, 2014

Election Commission of Pakistan (ECP) plans to release next week details of polling station vote counts, accounting of ballot papers, consolidation of election results and polling schemes implemented on 11 May 2013 elections. An ECP official said it is not mandatory for Presiding Officers and Returning Officers to submit details of polling schemes, ballot papers and other essential documents related to the results of general elections as the Representation of People's Act 1976 does not make it binding on the commission.

All the election laws are silent on the subject of releasing election details on its website, he maintained. However, he said that on the request of the civil society, the ECP would post the details on its website in 10 days for the information of public. He emphasised that it was not binding on the ECP to release the data but added that it would strengthen ECP's claim that elections 2013 were not rigged.

The ECP has yet to release documents including Form XIV (Statement of the Count) and Form XV (Ballot Paper Account) for all polling stations for all National and Provincial Assembly constituency elections, as well as Form XVI (Consolidation of Statements of the Count), Form XVII (Result of the Count) and the Polling Scheme exactly as implemented on Election Day for all National and Provincial Assembly constituencies.

An election expert said that the Representation of People's Act 1976 relates primarily to conduct of elections; however, the ECP must release the data under the access to information act as it is now a public document. He hinted at the possibility that the details when released may provide evidence of irregularities and rigging in the general elections. European Election Observers, Free and Fair Election Network (FAFEN) and other civil society organisations have been requesting the ECP to fulfil its public commitment and meet legal standards for electoral transparency by releasing these documents. They have further urged the ECP to post essential documents related to the results without any further delay on its website - documents which are fundamental to any objective assessment of the elections and are required for electoral transparency.

In its final report, the EU observer mission asked ECP to introduce strong transparency measures, including making all notifications, decisions and election-related information immediately and easily available to the public. The ECP forms contain the records of polling station vote counts, accounting for ballot papers, consolidation of election results, and polling schemes implemented on election-day. All of the forms contain information of public importance and the Constitution and the law entails that these must be available to citizens, the civil society urged.

FAFEN states that the public release of all key documents is required in order to address questions being raised about the quality and transparency of the 2013 general elections. If

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election officials fail to fill out all forms completely and accurately, neither ECP nor independent observers can analyse election data properly or detect and correct any irregularities.

They claim that there are many examples of Forms XIV and XV that are not duly filled as required by law, or have many mistakes in basic recording of data and arithmetic, or do not have the signature or other required details of the presiding officer responsible at the polling station. In other instances, Form XIV issued on Election Day by presiding officers is different from the certified copies of the same form for the same polling station provided by RO. There are additional instances of erroneous transcriptions of Form XIV onto Form XVI. Additionally, any investigation must also compare Form XIV and XV issued at a polling station for both national and provincial seats in order to identify discrepancies in turnout, rejected votes etcetera.

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## **Misrepresentation of army's support: PTI chooses not to respond to apprehensions**

September 16, 2014

KHUDAYAR MOHLA

Submitting a reply to Supreme Court's directives in relation to anti-government protests case, Pakistan Tehreek-e-Insaf (PTI) on Monday did not say anything about Parliament's apprehension's over the party's 'misrepresentation' of army's support to party's sit-in in the Red Zone of Islamabad. Filing a reply in the apex court through its counsel Yousaf Khosa, PTI said that it did not have the "benefit of knowledge" of the concerns raised by parliamentarians and was, therefore, unable to respond to their apprehension specifically.

Appearing before larger bench of Chief Justice Nasirul Mulk on September 10 in the matter, senior Parliamentarian Raza Rabbani represented two political parties, Awami National Party (ANP) and the Balochistan National Party (BNP) raised three questions of high import. First, "Whether any political party or any other group could ask constitutional office-bearers to disengage from office under threat of violence or use of force in violation of the Constitution?"

Second, "Whether any political leader can legitimately involve the Pakistan Army in his design to achieve his unconstitutional objectives by attempting to reassure his followers that the army, by a 'yes' or 'no', will determine the future course of his action?" Third, "Whether a political leader can misrepresent the support of the Pakistan Army to their cause in public or private communications, thereby compromising the image of a national institution?"

The court had asked political parties including the PTI, to submit replies in response to the questions of Mian Raza Rabbani within three days. The PTI reiterated through its reply that it will never support any un-constitutional step in the prevailing political situation; adding it will rather oppose any such moves. The reply added that the guiding principles of Constitution, democracy, freedom, equality, tolerance and social justice are part of party's manifesto.

The PTI claimed that the party is only exercising its rights of existence by awakening the people

to their rights and obligations of the present government in a democratic society within the framework of the Constitution. In this regard, the PTI cited the Article 4 of constitution.

The Article deals with right of individuals to be dealt with in accordance with law, etc It says: "(1) To enjoy the protection of law and to be treated in accordance with law is the inalienable right of every citizen, wherever he may be and of every other person for the time being within Pakistan.

**(2) In particular-**

(a) no action detrimental to the life, liberty, body, reputation or property of any person shall be taken except in accordance with law;

(b) no person shall be prevented from or be hindered in doing that which is not prohibited by law; and

(c) no person shall be compelled to do that which the law does not require him to do."

It also referred to the Article 5 of the Constitution, saying that loyalty to the state and obedience to the Constitution is the obligation of every citizen of Pakistan.

The PTI further submitted that fundamental rights provided in part II of the Constitution, including Articles 19, 10, 10-A, 12, 13, 14, 16, 17, 18 and 19, must be upheld by the apex court with a holistic approach while enforcing each one individually.

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## **Banks bound under law that they must not accept scribbled notes**

September 16, 2014

The banks are bound under the law not to take the currency notes inscribed with slogans or messages of political, religious or commercial nature. Such notes under the 1977 Ordinance promulgated by the then President, Fazal Elahi Chaudhry, cease to be a legal tender.

As per that ordinance, "a bank note of any denomination which bears written, stamped, embossed or inscribed upon it any words or visible representation intended to convey or capable of conveying a message of a political, religious or commercial character shall, on and from such day as the federal government may, by notification in the official gazette specify, cease to be legal tender; and the State Bank of Pakistan shall, as from the day so specified, not be under any obligation to receive, exchange or refund the value of any such note.

"Any person in possession of any bank note referred to in sub-section (1) may, before the day specified in the notification under that sub-section, tender for exchange such note at any office, branch or agency, if any, of the State Bank of Pakistan, and any such office, branch or agency shall exchange the note."

The SBP also issued directives to banks regarding inscribed notes after it received complaints that SBP, Banking Services Corporation has issued directives to commercial banks not to accept slightly mutilated/clearly payable defective currency notes and as such commercial banks are not receiving defective currency notes which is causing great difficulties to the public in day to day transactions. The regulator, in this connection, reiterated that it has issued no such instructions. All the commercial banks are, therefore, directed to invariably accept notes simply bearing a line drawn on any portion or figures written thereon or ink spot appearing on any portion thereof or a bit torn while removing staples from a packet.

The SBP further stated that only such bank/currency notes of any denomination which contain any inscription in any form, including slogans or messages of political religious or commercial nature have ceased to be Legal Tender effective from 2nd June, 1977 in pursuance of the Legal Tender (Inscribed Notes) Ordinance 1977 (XXII of 1977). "You are, therefore, advised to ensure that Defective Currency notes other than those which cease to be Legal Tender as referred to above must not be refused and the General Public should not be put to harassment." Meanwhile, Chief of Pakistan Awami Tehreek (PAT) Tahirul Qadri has withdrawn his call through which he had asked people to write 'Go Nawaz Go' on every single currency note.

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## **Qadri suspends 'banknote campaign'**

September 16, 2014

TAHIR AMIN

Pakistan Awami Tehreek (PAT) chief Dr Tahirul Qadri Monday withdrew his decision of scribbling "go Nawaz go" slogan on currency notes in the aftermath of a strong reaction by State Bank of Pakistan. Addressing the participants of 'Inqilab march', Qadri said that according to the law all notes inscribed with slogans are legally invalid and therefore he had suspended his decision of scribbling "go Nawaz go" slogan on currency notes.

He further said that after research it was found that inscribing upon currency notes was illegal. However, Qadri announced that "go Nawaz go" campaign would be launched on social media, directing his followers and workers to launch the movement on social media networks. Every SMS, Email and every tweet should accompany "go Nawaz go" slogan. He further said that each and every corner, wall, shop and market should display anti-government slogans.

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# Complacency likely to creep in as Sindh flood fears lessen

September 16, 2014

WASIM IQBAL

Flood water is now moving towards Sindh after wreaking havoc across Punjab where 232 lost their lives whereas about 2.2 million got affected, reveals data released by National Disaster Management Authority (NDMA) on Monday. Pakistan Metrological Department (PMD) has issued a fresh flood flow forecast for Guddu and Sukkur Barrages on river Indus, according to which river Indus at Guddu and Sukkur may attain medium to high flood discharge ranging between 400,000 cusecs to 500,000 cusecs from September 16-to-18.

As per PMD reports, the risk of high to very high flood at Guddu and Sukkur has reduced due to hydrological conditions on account of breaching bunds between Qadirabad and Punjnad on River Chenab that reduced water discharge in the main flood plain. The report states the government of Sindh has directed people living along River Indus to move to safe places.

At present, flood water entered Muzaffargarh city after hitting Taliri canal and inundating the surrounding areas of Muradabad and Thatha Sialan. In order to release pressure from the canal, the district administration breached Doaba dyke Sunday to save Muzaffargarh city.

After passing through Punjab, the flood water is now moving towards Sindh province. NDMA has also issued advisory to all concerned departments and has directed to take precautionary measures for evacuation and other necessary needs in all low-lying and vulnerable areas to avert any situation of emergency. On Monday, the death toll reached 312 and the number of injured rose to 540 in Punjab and Azad Jammu and Kashmir as well as in Gilgit-Baltistan.

The NDMA has collected figures from provincial disaster management authorities. According to which, 232 people died in Punjab, 66 in Azad Jammu and Kashmir and 14 in Gilgit-Baltistan. The death toll in Gujranwala soared to 73 as 34 people died in Sialkot. It is followed by Lahore Division where deaths are counted as 62. Rains and flooding caused 30 deaths in Rawlapindi Division. In AJK, Haveli is more affected due to heavy rains and flash floods where 29 people lost their lives. The Gilgit-Baltistan Diامر is hit by a natural calamity where 9 people died. Crops spreading over at 1,683,966 acres of land in Punjab and Azad Jammu and Kashmir were destroyed. Around 3,100 villages were inundated due to which 2.27 million were badly affected.

According to details, the positions of the river inflows and outflows at Tarbela, Mangla and Chashma along with the reservoirs levels and the barrages Monday are: Panjnad at River Ravi: water level is 379,000 cusecs and at Trimmu is 153,000 cusecs; Indus at Tarbela: Inflows 86,000 cusecs and outflows 48,000 cusecs; Kabul at Nowshera: Inflows and outflow are 15,000 cusecs; Jhelum at Mangla: Inflows 71,000 cusecs and outflows 69,000 cusecs.

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## Nawaz promises to rebuild houses

September 16, 2014

Prime Minister Nawaz Sharif on Monday promised to rebuild houses of flood-affected people and ceaseless support of the government till their return to homes. Addressing a gathering of flood-affected people at a relief camp at Shershah Rural Health Centre, the prime minister said the government stood by people in the testing times and added that Chief Minister Shahbaz Sharif and he himself would continue to supervise the relief, rescue and rehabilitation process till the resettlement of all people in their homes in a dignified manner.

He said that all MNAs and MPAs also deserved commendation for their active role in supervising the rescue and relief operation. He lauded Rescue 1122, Pakistan Army and the administration for their untiring efforts to mitigate the suffering of the people and provide all basic facilities to them at relief camps and tent villages.

"The government will continue supporting the people till the danger is over completely and the last drop of floodwater goes into the sea," Nawaz Sharif said. Federal Minister for National Food Security Sikandar Hayat Bosan, Punjab Minister for Prisons Chaudhry Abdul Waheed Arain, MNA Abdul Ghaffar Dogar, MPAs Shahzad Maqbool Bhutta, Muhammad Ali Khokhar, PML-N district president Bilal Butt, Commissioner Asadullah Khan, DCO Zahid Saleem Gondal and other senior officials were present.

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## UJC suspends jihad to help flood efforts

September 16, 2014

An alliance of pro-Pakistani groups fighting in Indian held Kashmir announced Monday it was suspending jihadist activities to carry out rescue and relief work for flood victims. The umbrella United Jihad Council (UJC) was formed in 1994. Talking to AFP, Syed Salahuddin, the group's supreme commander accused the Indian government of not doing enough for ordinary flood victims in held Kashmir.

"The Indian government is rescuing only tourists and their troops and the news about relief for the people of Kashmir by the Indian media is a pack of lies," he said. He also blasted the Pakistani government for not caring about the flood victims in Kashmir and termed it "criminal negligence". He said: "We have suspend all operations against Indian troops in held Kashmir because we are working for the flood victims. "I appeal to the UN, International Red Cross and OIC (Organisation of Islamic Co-operation) to help the flood victims in Kashmir, our fighters will volunteer for them." The UJC includes al Qaeda and Taliban affiliated Lashkar-e-Taiba and Jaish-e-Mohammad militant groups, which are on US and UN lists of terror organisations.

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# Deaths caused by teargas shelling: Court orders registration of FIR against Prime Minister, others

September 16, 2014

FAZAL SHER

In a major development, a local court on Monday ordered registration of an FIR against Prime Minister Nawaz Sharif, Chief Minister Punjab Shahbaz Sharif, Interior Minister, three other federal ministers, Inspectors General of Police of Islamabad and Punjab over the killings of Pakistan Awami Tehreek (PAT) workers in the aftermath of heavy teargassing by riot police on August 31 in the Red Zone of Islamabad.

PAT had submitted an application in the court of District and Sessions Judge Raja Jawad Abbas under section 22-A, seeking the registration of a case against the Prime Minister, the Punjab Chief Minister, Interior Minister Chaudhry Nisar Ali Khan, Federal Minister for Railway Saad Rafiq and IGP Islamabad and Punjab and government officials over the killings of three protesting workers of PAT in the Red Zone on August 31. The court accepted the petition and issued orders to register a case pertaining to the deaths of PAT workers due to shelling of teargas by police.

The Secretariat Police also submitted a report before the court during proceedings, adopting the stance that the Prime Minister and the Federal Ministers have no connection with teargassing on protesters in Red Zone on August 31. PAT workers were trying to take over sensitive buildings located in the Red Zone. Police further said a case has already been registered on behalf of the state authorities and that complaint by PAT was received after four days of the incident. Police further informed the court that SSP operations, Asmatullah Junejo, and several other police personnel were badly injured by the protesters.

Defence lawyer Chaudhry Abdul Aziz told the court that the district administration did not issue a no-objection certificate (NOC) to PAT for entering the Red Zone. "The administration had issued NOC to PAT only for the Aabpara location, however, PTI and PAT violated the orders. The protesters pelted police with stones and broke open parliament's gate and fences," he said.

Ibrar Raza, the counsel of petitioner Umer Riaz Abbassi, told the court that on August 31 and September 1, police following the direction of Prime Minister Nawaz Sharif and Interior Minister Chaudhry Nisar carried out heavy teargas shelling on "peaceful" workers of PAT and Pakistan Tehreek-e-Insaf (PTI) which resulted in the deaths of three people while injuries to several others. PAT had filed an application with the Secretariat Police Station for registration of a case, but police turned a blind eye to it and took no action, he said.

The court after hearing arguments ordered the police to register a case. PAT has nominated Prime Minister Nawaz Sharif, Chief Minister of Punjab Shahbaz Sharif, Interior Minister Chaudhry Nisar, Railways Minister Saad Rafique, Defence Minister Khwaja Asif, IGS Islamabad, Punjab and Railways, Commissioner Islamabad and other high officials.

## **Divestment of GoP shares in OGDCL: transaction structure approved by CCoP**

September 16, 2014

Finance Minister Ishaq Dar on Monday chaired a meeting of Cabinet Committee on Privatisation (CCoP) and approved transaction structure for the divestment of up to 10% of GoP shares in Oil and Gas Development Company Limited (OGDCL) through capital markets. The Chairman Privatisation Commission, Muhammad Zubair gave the presentation and sought approval of transaction structure from the CCOP. An official said the meeting has approved the structure of transaction.

However, floor price has not been approved. The recommended Capital Market Transaction Structure envisages offering shares to the institutional international and domestic investors through a combined international Book Building process. International investors will get an option to buy either Ordinary Shares or GDRs or both. The offering to international investors will be made through an Offering Circular, fully compliant with the US Securities Act, 1933.

After completion of Book Building process, a domestic public offering for the general public and employees of the company will be carried out using the Subscription method. The offering to domestic investors will be made through an Offer for Sale Document, to be approved by the domestic Stock Exchanges and Securities and Exchange Commission of Pakistan (SECP).

The PC Board in its meeting held on April 22, 2014 had approved the appointment of consortium comprising M/S Merrill Lynch International, Citigroup and KASB Bank to act as Financial Advisor (FA) for the OGDCL transaction. The Finance Minister said that "unusual circumstances have delayed the transaction for almost three weeks but we are trying to make up for the loss of time, money and international standing in the shortest possible time. One feels a lot of pain that the hard work done by our government in the last fourteen months is threatened by the reckless behaviour of certain people. If things had not been so as they are for the last one month, I am sure that we would have saved the hassle of arranging road shows for such a profitable investment opportunity".

Omar Iqtidar, Management Director Citibank, in his presentation briefed the Minister that they have planned a 21-day execution window for the completion of this transaction. The international market road shows will be held in Hong Kong, Singapore, the UAE, Frankfurt/Stockholm, London, New York, Boston and Chicago.

The meeting was attended by Senator Pervaiz Rashid, Minister for Law, Justice and Human Rights, Ahsan Iqbal, Minister for Planning, Development and Reforms, Abbas Khan Afridi, Minister for Textile Industry, Muhammad Zubair, Chairman Privatisation Commission, Tahir Mehmood, Chairman SECP, M. Shahzad Arbab, Secretary Commerce Division, Dr Waqar Masood, Finance Secretary, Abid Saeed, Secretary Petroleum and Natural Resources, Hassan Nawaz Tarrar, Secretary Planning, Imran Afzal Cheema, Secretary BoI and other senior government officials.

# OECD chops growth forecasts as eurozone crimps recovery

September 16, 2014

The sickly eurozone recovery is a drag on the outlook for the global economy, the OECD warned on Monday as it cut growth forecasts for most major advanced economies. The sluggish recovery is also at risk from increased tension over conflicts in Ukraine and the Middle East, and uncertainty over the future of Scotland, the Organisation for Economic Co-operation and Development said.

"Continued slow growth in the euro area is the most worrying feature of the projections," the OECD said, as it updated its forecasts for major economies. It chopped by a third its 2014 forecast to 0.8 percent from the 1.2 percent expansion it had projected in May. While it said the moderate US economic expansion remains broadly on track, the OECD cut the 2014 forecast by a fifth to 2.1 percent from 2.6 percent.

Japan's forecast was cut by a quarter, to 0.9 percent from 1.2 percent, although the OECD said it expected the underlying recovery in the economy to reassert itself following the dent to growth caused by an April sales tax increase. Non-eurozone Britain saw its forecast trimmed by 0.1 points to 3.1 percent. The OECD did not provide an update to its forecast for global growth this year, which it forecast at 3.4 percent in May.

Among the major emerging economies which are not OECD members, China's forecast was held steady at 7.4 percent. The OECD said the world's number two economy "has so far managed to achieve an orderly growth slowdown to more sustainable rates." It slashed the forecast to Brazil to 0.3 percent growth in 2014 from 1.8 percent after the country fell into recession in the first half of this year. India was the sole gainer, with the OECD lifting its forecast to 5.7 percent from 4.9 percent thanks to a boost of confidence in the country that the new government will pursue growth-oriented reforms and progress in containing inflation.

**'Key risk'** - Inflation is also a concern in the eurozone, but in contrast to India, prices have been rising too slowly or have been falling. "The possibility that euro area inflation will stay low and exacerbate weak demand is a key risk," said the OECD, calling for "more vigorous monetary stimulus". The European Central Bank stepped up its support for the eurozone economy at the start of September, lowering interest rates and announcing it would inject money into the economy by buying up asset-backed securities after eurozone inflation touched 0.3 percent in August.

The eurozone economy failed to grow at all in the second quarter, after posting an anaemic expansion of 0.2 percent in the first quarter. "Excessively low inflation makes it more difficult to achieve the relative price adjustments that remain necessary to rebalance euro area demand without having to endure a prolonged period of slow growth and high unemployment," warned the OECD. The OECD forecast of 0.8 percent growth is below the 0.9 percent forecast the ECB made at the beginning of the month. In addition to conflicts and uncertainty over Scottish

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independence, the OECD also warned of the risk of US monetary policy tightening causing disruptive international financial flows and sharp exchange rate swings.

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## **IP pipeline talks anytime soon: Khaqan**

September 16, 2014

ABDUL RASHEED AZAD

Federal Minister of Petroleum and Natural Resources Shahid Khaqan Abbasi has said that Pakistani and Iranian delegates will hold talks over the construction of Iran Pakistan (IP) gas pipeline within the next few days. Addressing a press conference here on Monday, Abbasi said the government has allowed Compressed Natural gas (CNG) stations to start importing Liquefied Natural Gas (LNG) for meeting the demand of CNG sector.

He said this decision will enable CNG stations to keep operating throughout the year (at present, CNG stations are operating two days a week in Punjab and four days a week in Sindh). The minister said the decision will not only protect jobs of some 0.7 million people associated with CNG industry, but in future will create an estimated one million job opportunities.

The minister said in the first phase, all Pakistan CNG Association intends to start import of 200 Million Cubic Feet per Day (MMCFD) of LNG which finally will soar to 500 MMCFD. Answering a question, he said that during the current month high level Pakistani and Iranian delegations will meet to finalise the financial issues of the gas pipeline, adding that Pakistan is ready to start the work on the project once international sanctions against Iran are removed.

The minister said that an LNG terminal is under construction at Port Qasim in Karachi by Engro Pakistan which as per contract will be ready by the end of March 2015, but the Ministry of Petroleum and Natural Resources has urged the company to speed up the construction work and the contractor has assured the government that LNG terminal will be ready by January 2015 so the country will receive the first supply of LNG in January 2015.

He said that in first phase the country will start importing 200 MMCFD of LNG and in next phase it will go to 400 Mmcf while the terminal under construction at Port Qasim will have the capacity to deal with up to 650 mmcf of LNG. The move to import LNG for CNG sector is aimed at saving the CNG industry that has invested Rs 450 billion but is on the brink of financial collapse, especially in Punjab.

Khaqan abbasi said: "At present, about 3.7 million vehicles are equipped with CNG kits, but the government is unable to meet the rising demand of domestic and industrial sectors. With the start of LNG import for CNG sector about 300 MMCFD of gas being used for the sector will be secured for power generation or fertilizer sector which will also help grow the economy. The decision is also expected to save up to \$2.5 billion foreign exchange being used on the import of expensive crude oil. The government is expecting that within coming few years the number of CNG converted vehicles will touch 4.5 million mark."

The government is ready to facilitate each and every party interested in supplying LNG to Pakistan and in this regard an LNG terminals at Gwadar port is also under consideration which will have a total capacity of handling one BCFD of the commodity, he added. The ministry of petroleum had sought fiscal incentives, including exemption of imported LNG from sales tax and gas infrastructure development cess (GIDC) to make it affordable and keep a 30% difference between prices of petrol and CNG. Currently, all bulk buyers of natural gas are paying GIDC at the rate of Rs 300 per million British thermal units (mmbtu) and a 17% sales tax.

Speaking on the occasion, Ghiyas Abdullah Paracha, senior leader of APCNGA, said that the government decision will get a warm response from masses and the CNG community as it will ensure jobs for four hundred thousand people, help 3.7 million owners of CNG converted vehicles to save time and money, reduce fares, oil import bill and pollution, he added. Paracha said the decision has rescued a Rs 450 billion investment of CNG which will send a very positive signal across the globe.

He said that CNG stations across Punjab would become operational soon, helping investors as well as masses while the CNG outlets in the provinces of Sindh, Balochistan and Khyber Pakhtunkhwa would continue to get locally produced natural gas according to Article 158 of the constitution. Paracha said that import of natural gas from friendly countries was not possible due to international pressure and other considerations therefore LNG has emerged as the only option to bridge the gap between demand and supply and that any delay would hit the economy. He said that LNG would be 30 to 35 percent cheaper as compared to the petrol.

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## **Power consumers: Minister, secretary come under harsh criticism over over-billing**

September 16, 2014

ZAHEER ABBASI

Minister for Water and Power Khwaja Mohammad Asif and Secretary Water and Power Nargis Sethi came under severe criticism of an Economic Co-ordination Committee (ECC) of the Cabinet meeting over the issue of over-billing to electricity consumers.

Sources told *Business Recorder* that this was raised by Minister for Information and Broadcasting, Minister for Information Technology and Chairman Privatisation Commission of Pakistan during the ECC meeting. Ministers were quoted as stating that "there is restlessness among the masses due to over-billing by the Ministry of Water and Power".

They further reportedly stated "you haven't done well". Some participants reportedly accused some elements in the government including bureaucracy of creating problems for the government. The distribution companies have reportedly charged billions of rupees from electricity consumers on account of extra billing. The matter of over-billing also came under discussion during the Cabinet meeting and a statement issued after the meeting maintained that the Prime Minister took a serious notice of reports on over-billing of electricity bills during the

last two months across the country and directed Ministry of Water and Power to redress genuine grievances of the consumers, if any. Nawaz Sharif also constituted a committee chaired by Adviser to the Prime Minister on Energy Mussadiq Malik tasked to submit its report within a week - a report that would be discussed in the next cabinet meeting.

An official of the Finance Ministry said the increase in electricity tariff was one of the primary issues during the fourth quarterly review mandated under the International Monetary Fund's (IMF) Extended Fund Facility (EFF). The IMF staff level mission sought an explanation from the government on how electricity subsidy could be limited to the budgeted allocation without a tariff increase. Pakistan has committed to the IMF that tariff adjustment is expected to reduce electricity subsidies to 0.5 percent of GDP in fiscal year 2014-15 but the plan to raise tariff by Rs 1.30 per unit has been put on hold by the Ministry of Water and Power due to concerns that the action would merely increase public support for Pakistan Tehreek-e-Insaf (PTI) and Pakistan Awami Tehreek (PAT) protests.

Sources in the Finance Ministry, however, acknowledge that there is no sign of improvement in power sector which is facing a greater challenge with respect to recoveries. The power sector recoveries continue to decline, which entail greater subsidies. They added that Ministry of Water and Power has been unable to reduce line losses and if there is any credence in allegations of over-billing then the Ministry of Water and Power's claim that it has brought down power sector payables to Rs 238 billion from Rs 300 billion lacks credibility.

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## **ISAF Commander, Army Chief discuss security matters**

September 16, 2014

Pakistan Army took up the matter of co-ordination with International Security Assistance Force (ISAF) during a meeting between General John Campbell, Commander ISAF and Chief of Army Staff (CoAS) General Raheel Sharif, here at General Headquarters on Monday. According to ISPR, this is General John F Campbell's first visit to the General Headquarters after assuming command of the ISAF from General Joseph F Dunford Jr of the US Marine Corps on August 26, 2014.

During the meeting, the matters of mutual interest were discussed including the progress of ongoing Operation Zarb-e-Azb, latest situation in Afghanistan and co-ordination along Pak-Afghan border. Military operation Zarb-e-Azb was launched by the Pakistan Army on June 15 following a brazen militant attack on Karachi's international airport and failure of peace talks between the government and Tehreek-i-Taliban Pakistan (TTP).

In a recent briefing, Director General Inter Services Public Relations (DG ISPR), Asim Bajwa, affirmed that security had been reinforced along the border with Afghanistan before the launch of military operation. He said that Pakistan on diplomatic and military level launched protests and asked the Afghan government to cooperate with them. In July, the Foreign Office urged Afghanistan to take effective steps to stop the use of its territory for repeated cross-border firing



and attacks by terrorists. The Foreign Office statement said the country emphasised on the extension of all possible co-operation from the Afghan side and measures taken by Afghanistan to eliminate terrorist sanctuaries on its territory, at a time when Pakistan was undertaking a monumental effort against terrorists and their hideouts through the launch of operation Zarb-e-Azb. But cooperation has been missing by Afghanistan government.

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## **15 militants dead in airstrikes**

September 16, 2014

At least 15 militants were killed Monday when the military pounded positions in the troubled north-western tribal region, the army reported. The airstrikes were launched in the Tabai area of North Waziristan, one of seven districts where the army has been fighting militants along the Afghan border since June. "Aviation combat helicopters in precise strikes destroyed 10 explosive-laden vehicles and five terrorist hideouts," reported the army in a statement.

It also said that "15 terrorists were killed" in the attacks. The toll could not be verified through independent sources, as the area is inaccessible to most media. According to the army, more than 950 militants have so far been killed in the fighting in the district. Separately, a police official was killed Monday when unknown gunmen attacked a police station in Tall, in Hangu district of the north-western province of Khyber-Pakhtunkhwa.

A police official from the district told dpa that two policemen were also injured in the gun battle, after which the attackers fled. Also, two brothers of the head of Kolachi police station, in Dera Ismail Khan district of the same province, were killed when gunmen attacked his residence, Safirullah Khan from the district administration office said. Nobody took responsibility for the two attacks, but the Taliban often carry out such attacks at the security forces.

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## **Iran supreme leader spurns US overture to fight IS**

September 16, 2014

Iran's supreme leader said on Monday he had personally rejected an offer from the United States for talks to fight Islamic State, an apparent blow to Washington's efforts to build a military coalition to fight militants in both Iraq and Syria. World powers meeting in Paris on Monday gave public backing to military action to fight Islamic State fighters in Iraq. France sent jets on a reconnaissance mission to Iraq, a step towards becoming the first ally to join the US-led air campaign there.

But Iran, the principal ally of Islamic State's main foes in both Iraq and Syria, was not invited to

the Paris meeting. The countries that did attend - while supporting action in Iraq - made no mention at all of Syria, where US diplomats face a far tougher task building an alliance for action.

Washington has been trying to build a coalition to fight Islamic State since last week when President Barack Obama pledged to destroy the militant group on both sides of the Iraqi-Syrian border. That means plunging into two civil wars in which nearly every country in the Middle East already has a stake. And it also puts Washington on the same side as Tehran, its bitter enemy since the Islamic revolution of 1979.

In a rare direct intervention into diplomacy, Iran's supreme leader, Ayatollah Ali Khamenei, said Washington had reached out through the Iranian embassy in Baghdad, requesting a meeting to discuss co-operation against Islamic State. Khamenei said that some Iranian officials had welcomed the contacts, but he had personally vetoed them.

"I saw no point in co-operating with a country whose hands are dirty and intentions murky," the Iranian leader said in quotes carried on state news agency IRNA. He accused Washington of "lying" by saying it had excluded Iran from its coalition, saying it was Iran that had refused to participate.

US Secretary of State John Kerry said Washington was "not co-operating with Iran", but declined to be drawn on whether it had reached out through the embassy in Baghdad for talks. "I am not going to get into a back and forth," he said. "I don't think that's constructive, frankly." Islamic State fighters set off alarms across the Middle East since June when they swept across northern Iraq, seizing cities, slaughtering prisoners, proclaiming a caliphate to rule over all Muslims and ordering non-Sunnis to convert or die.

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## THE RUPEE: dollar climbs

September 16, 2014

The dollar managed to gain sharply in relation to the rupee on the money market in the process of trading, dealers said on Monday. The rupee came under pressure in terms of the dollar, dropping 45-paisa for buying at Rs 102.95 and it also shed 43-paisa for selling at Rs 102.98, they said. At a time, during the session, the rupee hit barrier of 103 versus the dollar, they added.

**INTERBANK MARKET RATES: OPEN MARKET RATES:** The rupee depreciated versus the dollar, losing 40-paisa for buying and selling at Rs 102.75 and Rs 102.95 respectively, they said. The rupee also gave up 25-paisa against the euro for buying and selling at Rs 132.75 and Rs 133.00 respectively, they said.

In the first Asian trade, the greenback held just below a six-year peak of 107.39 yen set on Friday. The euro was steady at \$1.2965, having drifted up from a 14-month trough of \$1.2859 last week.

The Australian dollar slid to a six-month low as worries about slower Chinese growth hit a

nerve, but other major currencies held their ground ahead of this week's Federal Reserve policy meeting. The dollar was trading against the Indian rupee at Rs 61.00, the greenback was at 3.2100 versus the Malaysian ringgit and the US currency was at 6.1393 in relation to the Chinese yuan. Interbank buy-sell rates for the taka against the dollar on Monday: 77.40-77.40 (previous 77.40-77.40). Call Money Rates: 05.50-07.00 percent (Previous 05.50-06.75 percent) (revised).

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Open Bid   Rs.102.75  
Open Offer   Rs.102.95  
=====

**Interbank Closing Rates:** Interbank Closing Rates For Dollar on Monday.

=====  
Bid Rate    Rs.102.95  
Offer Rate   Rs.102.98  
=====

**RUPEE IN LAHORE:** The national currency remained under pressure and was declined against the major currencies including US dollar and British pound on the local currency market on Monday.

According to the currency dealers, the dollar was opened on a healthy note and kept on rising following fresh demand. At close of trading, the dollar was ended at Rs 102.65 and Rs 102.90 as its buying and selling rates against Rs 102.50 and Rs 102.75 of last Saturday, the dealers said.

Likewise, the Pak rupee was depreciated against the pound sterling that was traded at Rs 166.50 and Rs 166.75 on buying and selling counter compared with last week closing of Rs 166.25 and Rs 166.50, respectively, they added.

**RUPEE IN ISLAMABAD AND RAWALPINDI:** The rupee remained firm against the dollar on the open currency markets of Islamabad and Rawalpindi here on Monday.

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

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

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# July-August net foreign investment down 20 percent

September 16, 2014

The net inflow of foreign investment in the country declined by 20 percent during the first two months of current fiscal year 2014-15 (FY15). Economists said although the investment inflows are still on decline, however the statistics are much better than first month (July 2014), in which Foreign Direct Investment (FDI) posted over 80 percent decline.

According to State Bank of Pakistan (SBP) the net foreign investment inflows in the country contracted by \$43.2 million to \$172.6 million in July-August of FY15 compared to \$215.8 million of corresponding period of last fiscal year. During the period under review, Foreign Direct Investment (FDI) fell by 37 percent. With the current decline, FDI stood at \$87.1 million in first two months of this fiscal year down from \$138.3 million in same period of last fiscal year, depicting a decline of \$51.2 million.

Similarly, with an increase of 216 percent or \$83.5 million, the country's stock market managed to attract \$122 million portfolio investment compared to last year's \$38.6 million. "The decline in FDI was witnessed in some selected sectors, including oil and gas, pharmaceuticals and cement," said Mohammad Sohail, Chief Executive at Topline Securities.

Though inflows of foreign investment are lower than the same period last year, it does not signal any significant change in the pattern, he added. Sohail attributed the month-on-month uptick in FDI to continued growth in investors' interest in Pakistan's telecommunication sector. "FDI in telecommunication continued to increase," he added. During the period under review, the foreign public investment, however, moved in red zone and stood at negative \$36.6 million compared to \$39 million of FY13.

Month-on-month basis, account of foreign investment, the State Bank reported, the volume of foreign investment during August 2014 increased by over 92 percent to \$81.6 million compared to \$42.4 million in August 2013. The month saw the offshore capitalists investing over \$63 million in August 2014 as FDI compared to \$19.3 million in the same period of last year. July, the first month of FY15, was an upset for the country's economic managers as FDI inflows witnessed a drastic decline of 80 percent to \$24 million.

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## Bilawal to contest elections from NA-207 in 2018

September 16, 2014

Pakistan Peoples Party (PPP) Patron-in Chief Bilawal Bhutto Zardari announced that he will be contesting the 2018 general elections from his mother's home constituency NA-207 Ratto Dero. Bilawal emphasised that there was no question of Sindh being divided. Speaking to reporters, on the occasion of handling over of 50 trucks of relief goods for flood affectees of Punjab here on Monday, Bilawal said that at a time when the country was dealing with devastation of floods, the sit-ins were a matter of ego.

Bilawal added that the politics of sit-ins was frivolous. The PPP Patron-in-Chief also termed the Tehreek-e-Taliban Pakistan (TTP) Punjab statement of stopping attacks on Pakistan as positive. Bilawal said the TTP Punjab's announcement did not mean that there should be no action on the acts of violence which took place in the past.

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## Tickets issued directly: Airlines told to collect advance tax on applicable rates

September 16, 2014

SOHAIL SARFRAZ

The Federal Board of Revenue (FBR) has directed the airlines issuing tickets directly to passengers to charge and collect advance tax at the applicable rates from them. In this regard, the FBR has issued SRO 817(I)/2014 to amend the Income Tax Rules, 2002.

In budget (2014-15), section 236L was introduced through the Finance Act, 2014 which provides for collection of advance tax on air tickets of classes other than economy for journeys originating from Pakistan. Every airline issuing tickets for journey originating from Pakistan shall be the prescribed withholding agent for this section. According to the FBR, airlines issuing tickets directly to passengers, either manually or electronically, shall charge and collect advance tax, at the rates applicable under sections 236B and 236L, directly from the passengers and, which shall be paid within the time as prescribed.

For the purpose of fulfilling the rule, airline means airline issuing tickets for uplifting passengers of any airline, whether having its head office or registered office or an agent in Pakistan or not, if the journey originates in Pakistan. The obligation to charge, collect and deposit tax is in respect of the airline uplifting the passengers for journey originating in Pakistan.

Where the tickets are issued by persons, other than the Airlines, and the persons issuing tickets on behalf of the Airlines, are charging and collecting advance tax from the passengers and

making payment of tax to the Airlines directly, or through IATA, or through any other entity authorised in that behalf the tax so collected by the airlines from such persons shall be paid as per sub-rule (4), it said.

Tax collected by the airlines under sub-rule (3), shall be paid by the 15th day of the following second month in respect of tickets issued up to the last working day of each calendar month. Provided that for the month of May and June the tax shall be paid by 15th day of June on the basis of average tax paid in respect of July to April. Any short or excess tax paid in respect of tickets issued during May and June shall be adjusted in the tax required to be paid by the 15th day of July.

Every Airline issuing international air tickets shall make adequate arrangements for collection of tax under this rule from the persons issuing tickets on its behalf or through electronic means, and in case of default, the said tax shall be collected from the airline, without prejudice to any other liability which it may incur under the Ordinance.

Notwithstanding anything contained in Second Schedule to the Income Tax Rules, 2002, monthly and annual statements of tax collected under section 236B and 236L, shall be submitted by every airline to the respective Commissioner Inland Revenue, in the form and verified in the manner as indicated in sub-rule (8), rules said. Monthly statement for the tax deposited by 15th of each month, under sub-rule (4), shall be filed by 21st of that month provided that the monthly statement for the month of September, 2014 shall be furnished along with the monthly statement of October, 2014. The rules have also specified the forms and manner in which the monthly and annual statements are to be filed.

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## **Obituary: Professor SM Rab dies**

September 16, 2014

Professor Dr S.M Rab passed away here yesterday. He was 83. He is survived by wife, a son and two daughters. He was buried in the DHA Phase-VII graveyard. Soyem will be held tomorrow between Asr and Maghrib at Rahmania Mosque, Block 17, Gulshan-e-Iqbal. Born in Bihar, India, in 1931, he received his medical education at Dhaka Medical College and post-graduate medical education in the UK.

Dr Rab joined the Jinnah Post-Graduate Medical Centre (JPMC) in Karachi as professor of Medicine in 1972 where his tenure spanned over two decades. He succeeded founding President Lieutenant General W.A. Burki as President of College of Physicians and Surgeons of Pakistan (CPSP), Karachi. A recipient of Sitara-e-Imtiaz, he was also the overseas advisor to the Royal College of Physicians, the UK.

Though his death was not sudden, his illness was. "He's not well, dua keejeay," was the answer of his wife, Masooma, who administers their hospital, to a question of this writer as she was unusually leaving the hospital for home by not accompanying her husband in their car a couple of weeks ago. Before he fell ill, Dr Rab had been regularly attending to his work at his hospital that he founded in the neighbourhood of Gulshan-e-Iqbal in Karachi several years ago. While at

work, he was always seen going to the nearby mosques. During Friday prayers in particular, he would be spotted in the milling crowd of mosque-goers easily because of his pattern of brisk steps at a ripe age of 80 plus and a traditional cotton fabric white "dau pallee" cap on head. Contrary to a scientific research that an individual's hand-grip could be a great way to measure real age, his handshake was always strong to make a positive first impression.

At his clinic, he would be receiving patients from across the country and even abroad. Patients willing to see him would always be required to pre-book or get prior appointment. He was known as a strict disciplinarian whose word was considered law by his colleagues. His ubiquitous influence would be felt by everyone—from a security guard to a senior practitioner.

He fell ill and remained bed-ridden for several weeks—perhaps for the first time in the history of his professional career spanning over a period of over half a century—and never came back to his clinic where he could examine the pulse of a patient or use stethoscope to listen to the actions of someone's heart or breathing.

Despite old age, Dr Rab's mind was quite fertile. As an old timer he would often reminisce about the days when the profession of medicine was not so much corrupted or compromised by commercialism. He was a staunch proponent of medical ethics or a system of moral principles that apply values and judgements to the practice of medicine.

Dr Rab will be remembered for bequeathing to the medical profession a large number of able medical practitioners in the country and abroad who have seen him as a teacher responsible for the teaching and supervision of their assigned jobs that they undertook as undergrad and post-graduate students before they joined this profession. He will also be remembered for his life-long adherence to high principles of medical profession and efforts that he consistently made towards promotion of specialists' medical practice and arrangements of postgraduate medical training in hospitals strictly in accordance with the mission statement of CPSP. May his soul rest in peace. Amen.

**The writer, Sarfaraz Ahmed, is newspaper's News Editor**

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## **PPL announces second discovery in Sindh**

September 16, 2014

In less than six weeks after its last discovery in exploratory well Sharf X-1 in company-operated Gambat South Block on August 5, Pakistan Petroleum Limited (PPL) has announced another gas-condensate discovery from exploratory well Adam West X-1 in Hala Block, District Matiari, Sindh. Hala Block is a joint venture with PPL as operator with 65 percent working interest and the remaining 35 percent stake held by Mari Petroleum Company Limited.

Exploration well Adam West X-1 was spud on May 21, 2014 and reached final depth of 4,057 meters on July 29, 2014. Based on wire line logs, potential hydrocarbon-bearing zones were identified, which are currently under testing. Initial testing in the Massive Sand of Lower Goru Formation flowed 18.6 MMscfd of gas along with 31 barrels per day condensate at 32/64" choke,

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thereby confirming the presence of commercial quantities of natural gas and condensate at Adam West X-1.

At current estimates, flow potential of Adam West X-1 translates into approximately 3,200 barrels per day in oil equivalent, resulting in potential foreign exchange saving of USD 355,000 per day. However, the well is being flowed at different choke sizes to measure gas flow, full potential of which will be determined after completion of the test.-PR

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## **Detained PTI, PAT workers: LHC issues notice to government**

September 16, 2014

The Lahore High Court here on Monday issued notices to Punjab government and inspector general of police for September 18 in response to a petition filed by a local leader of PTI Zubair Khan Niazi. The petitioner has sought the initiation of contempt proceedings against respondents for arresting Pakistan Tehreek-e-Insaf (PTI) workers in violation of a judicial order.

Earlier, the petitioner counsel Shiraz Zaka argued that the LHC had restrained police from extending any illegal harassment to the workers. However, he said, raids were being conducted at houses of the party workers and their families were being harassed and humiliated.

The counsel said workers wanted to participate in 'Azadi march' at Islamabad to exercise their constitutional right to hold a peaceful protest. He said police committed contempt of court by arresting workers. He asked the court to initiate contempt proceedings against the respondents and order them to release the detained workers immediately. The court also adjourned another petition against alleged detention of Pakistan Awami Tehreek (PAT) workers as law officer concluded his arguments. Assistant advocate general Wali Muhammad argued that the government detained the PAT workers owing to their possible involvement in anti-state activities. He said the government had the powers to detain any person for his likely involvement in illegal activities. The law officer, however, sought time to submit the exact numbers of the arrested workers. The court adjourned the hearing for Tuesday (today) and asked the officer to come up with a complete record.

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## 'War in Afghanistan': Diplomat summoned over Punjabi Taliban's declaration

September 16, 2014

Afghanistan's foreign ministry summoned Pakistan's Charge d'Affaires over recent declarations by Punjabi faction of Tehrik-e-Taliban Pakistan (TTP) regarding declaration of war in Afghanistan. A statement released by MoFA said the government of Afghanistan conveyed its deep concerns to Pakistani Charge d'Affaires Muazzam Shah regarding the war declarations by Punjabi Taliban militants in Afghanistan.

The statement further added that the Ministry of Foreign Affairs strongly condemned the declaration by Punjabi Taliban militants to wage insurgent activities in Afghanistan. Abdul Samad Samad, head of the political affairs in the ministry of foreign affairs of Afghanistan, insisted that such remarks and movements by Punjabi Taliban are clear conspiracies against the stability and security of Afghanistan.

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## UN troops withdraw from Syrian Golan

September 16, 2014

Hundreds of UN troops withdrew from the Syrian to the Israeli-occupied sector of the Golan on Monday, an AFP correspondent said, two weeks after al Qaeda-linked rebels kidnapped dozens of the peacekeepers. They crossed in a UN convoy in the afternoon into the Israeli-occupied sector, the correspondent said. There was no confirmation from the United Nations Disengagement Observer Force (UNDOF), which monitors a 1974 cease-fire between Israel and Syria on the Golan Heights.

In late August, rebels on the Syrian side including al Qaeda affiliate Al-Nusra Front seized the Quneitra crossing and kidnapped more than 40 Fijian UNDOF troops, before they were released two weeks later. They also clashed with 75 Filipino members of the force, who eventually fled a nearby outpost. Rebels including Al-Nusra have now taken control of most of the Syrian side of the Golan Heights from forces loyal to Syrian President Bashar al-Assad, a Britain-based Syria monitoring group said on Saturday.

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# Index posts minor gains

September 16, 2014

The Karachi share market Monday closed higher led by cement and banking stocks on strong valuations. The benchmark KSE-100 index moved slightly up by 25 points to close at 30,070 points compared to 30,045 points Friday. Analysts said the benchmark KSE-100 index saw a muted session and managed to post minor gains. "Concerns over political situation remained high as negotiations collapsed on the pretext of the government choosing to deal with protestors with an iron hand by trying to arrest the main leadership together with a sizable number of workers," they added.

The oil sector led the decline as a sharp downturn in crude prices created a negative sentiment in exploration stocks. PSO -0.6 percent declined on fears that OMCs could face inventory losses this quarter due to declining international oil prices. The banks led by UBL +3.3 percent and HBL +5 percent moved the market into the green as earnings growth of over 25 percent in the sector is anticipated for the full year driven by a change in asset mix favoured towards high yielding Pakistan government bonds and tamed the NPL provisioning, they mentioned.

During the intraday trading, the market fluctuated in red and green zones. The KSE-100 index touched 30,096 points highest and 29,890 points lowest level. Despite a positive trend, volume at the ready counter declined by 20 percent as overall some 133 million shares were traded Monday against 168 million shares Friday. Market capitalisation witnessed an increase of Rs 5.4 billion to Rs 7.020 trillion up from Rs 7.014 trillion. Trading took place in 399 companies, of which 180 closed in green zone, 203 in the red while 16 remained unchanged.

Among top 10 volume leaders, seven recorded a positive trend. Pak Elektron Ltd emerged the volume leader with 15.5 million shares, losing Re 0.09 to close at Rs 30.46. Lafarge Pak stood second, up Re 0.33 to close at Rs 15.78 on 8.6 million shares. Summit Bank ranked third with 6.9 million shares, gaining Re 0.35 to Rs 3.22. With a trading volume of 6.1 million shares, Faysal Bank gained Re 0.39 to Rs 17.62.

Fauji Cement inched up by Re 0.15 to close at Rs 20.03 on 5.4 million shares. Some 5.4 million shares of Pervez Ahmed were traded and the scrip closed at Rs 3.73, up Rs 0.29. PICIC Inv Fund increased by Re 0.48 to Rs 15.78 on 5.4 million shares. Engro Corp gained Rs 2.13 to Rs 177.72 on 3.6 million shares. With a trading volume of 3.3 million shares, K-Electric lost Re 0.16 to close at Rs 8.31. Netsol Tech closed at Rs 27.29, down Re 0.38 on 3 million shares.

Rafhan Maize and Packages Ltd were the top gainers with Rs 61.11 and Rs 11.94 to close at Rs 10,561 and Rs 579.52, respectively. Siemens Pakistan and Bhanero Tex were the top losers with Rs 23.60 and Rs 23.56 to close at Rs 1,056.40 and Rs 450.26, respectively. Commenting on the market situation, Ahsan Mehanti an analyst at Arif Habib Securities, said that stocks continued to post a positive trend and on Monday closed higher led by cement and banking stocks on strong valuations.

Rising PIB yields, expected rise in cement and fertilisers sales in upper Punjab, strong earnings outlook in auto and pharma sectors due to flood losses played a catalytic role in the bullish activity amid concerns for falling revenues of LDI operators in telecom sector, he added. Falling

FDI, exports data and reports for expected delay in \$550 million IMF 5th tranche release due to prevailing political crisis impacted the sentiment, he said.

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## Business and Economy: *Pakistan*

# Punjab approves 10 uplift schemes worth Rs 7,349 million

September 16, 2014

The Punjab Government approved ten infrastructure schemes of different development Sectors with an estimated cost of Rs 7349.135 including Improvement / Rehabilitation / Dualisation of Sheikhpura Muridke Road length 24 km in District Sheikhpura at the Cost of Rs 2659.851 million.

These schemes were approved in the 13th meeting of Provincial Development Working Party of current fiscal year 2014-15 presided over by the Punjab Planning and Development Board Chairman, Muhammad Irfan Elahi, Chief Economist Dr Khalid Mushtaq, members of the Planning & Development Board, Provincial Secretaries concerned and other senior representatives of the relevant Provincial Departments also attended the meeting.

### **According to P&D spokesman the approved development schemes included:**

1. Improvement / Rehabilitation /Dualization of Sheikhpura Muridke Road length 24 km in District Sheikhpura at the Cost of Rs 2659.851 million,
2. Dualization of Road from National Model School to Faisalabad Road / Sharqpur Chowk Via Sarwar Shaheed Road, Stadium and Qila City Sheikhpura length 3.54 km, Distt Sheikhpura at the Cost of Rs 1257.820 million,
3. Widening Improvement of road from Kot Nainan to Sukho Chak (length=26.50 km) in District Narowal at the Cost of Rs 465.466 million,
4. Widening / Improvement of road from Kot Sujjan Singh to Jandiali Banglow length=19.00 km in District Khanewal at the Cost of Rs 226.276 million,
5. Construction of Overhead Bridge on the Railway Lines Between Jahanian Road to Police Station Sadder & Abdul Ghafoor Road, Khanewal at the Cost of Rs 661.057 million,
6. Widening of road from Tranda Muhammad Panah to Allah Abad (length: 16.00 km) Rahimyar Khan at the Cost of Rs 235.103 million,
7. Construction of Dual Carriage Way from Burewala to Chichawatni Road, Vehari (Remaining Portion) from km 3.00 to 23.14 length:20.14 km in District Vehari at the Cost of Rs 980.233 million,
8. Widening & Extension (10-20 Feet) of Mattle Road Pull Qadira Kot Mithan to Head Hamid length=14.60 km at the Cost of Rs 271.945 million;

9. Widening / Improvement of road from Fazilpur to Hajipur (Phase-I) from 12 Feet to 20 Feet length 15 km, District D.G. Khan at the Cost of Rs 259.468 million and 10. Extension (10-20 Feet) of Metalled Road Bait Sountra to Sahanwala length=23.88 km, D.G. Khan at the Cost of Rs 331.916 million.

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## **Minister reviews ongoing development projects**

September 16, 2014

Minister for Overseas Pakistanis and Human Resource Development (OP&HRD), Pir Syed Sadaruddin Shah Rashdi chaired the quarterly performance appraisal meeting at Workers Welfare Fund Secretariat to discuss the status of ongoing and approved projects.

The minister proclaimed that new benchmarks have been set by Workers Welfare Fund (WWF) in education sector to facilitate the children of workers. While sharing his thoughts with the media persons on the progressing educational and health projects at Sanghar, Hingoria, and Chundko District Khairpur, the minister said, "This chain of hospitals and primary and high schools will gradually reach every worker's child throughout Pakistan which is highly valuable for the promising future of Pakistan."

He said the development work of the 50 bed hospital at Chundko District Khairpur will be starting in December as all the pre-requirements have been strictly met. He also appreciated the quick pace of construction of 208 flats and labour colony at Warburton District Nankana. He further informed the construction of another 1000 Family Flats and allied works at Regilalma Phase-II will be accomplished as per schedule. Responding to a question the minister said that labourers in the remote and underdeveloped areas are equally taken care of. While elucidating the pressing issues currently faced by labourers, the minister shared the notion of establishing small and medium sized hospitals, vocational training institutes and schools as per requirement in workers concentrated districts throughout Pakistan to ensure better quality of life for the workers.-PR

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## **'Videoconference facility ample proof of commitment'**

September 16, 2014

Videoconferencing facility at the LCCI is an ample proof of PIAF-Founders Alliance's commitment with the business community and it would continue to take such initiatives to ensure maximum facilities for the business doing people. The Alliance leaders Mian Anjum

Nisar and Mian Muhammad Ashraf in a joint statement on Monday said LCCI Videoconferencing facility would give its members an opportunity to save their time and money and they could expand their businesses in short time.

Mian Anjum Nisar and Mian Muhammad Ashraf urged the LCCI members to vote to the PIAF-Founders Alliance candidates in the LCCI elections scheduled for September 22 and 23 in their larger interest. They said that PIAF-Founders Alliance has planned to provide maximum facilities to the business community from the platform of Lahore Chamber of Commerce and Industry. Meanwhile, traders of Abkari Road, Cooper Road, Glass Market, Ashrafia Complex, Rehmat Market, Bano Bazar, Anarkali and Kasir have assured their full support to the PIAF-Founders Alliance.

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## **Iran, KP decide to implement bilateral treaties in letter and spirit**

September 16, 2014

The Islamic Republic of Iran and Khyber Pakhtunkhwa have decided to implement the agreements of bilateral development in letter and spirit that were inked in the past as well as form committees on minister's level to benefit each other from expertise in energy generation and education sectors.

Talking to Acting Consul General of Iran, Saeed Zenati, the KP Chief Minister Pervez Khattak made it clear that friendly relations and co-operation with neighbouring countries are the top most priorities of Pakistan Tehrik-e-Insaf (PTI) saying the coalition provincial government of his party is strictly following the same principles. The Acting Consul General of Iran Saeed Zenati called on KP Chief Minister here in CM Secretariat Peshawar and offered extended co-operation of Iran in different sectors as well as repeated the invitation of the visit of Iran by the Chief Minister to witness the progress there himself.

Saeed Zenati revealed that Iranian President is taking keen interest in speedy development of Khyber Pakhtunkhwa and furthering bilateral relations among the people and governments on both sides. "He also wants to declare more Iranian cities and provinces other than Sheraz and Isfhan as twins and signing agreements for developmental purposes", he maintained.

During the meeting the chief minister and the Consul General of Iran discussed matters of bilateral interest and agreed on enhancement of co-operation and exchange of delegations in different sectors including energy generation, exploration of oil and gas, education, health, agriculture, livestock and tourism.

The Chief Minister said that his govt is keen for promotion of cordial relations with all neighbours to turn the region that is victim of poverty and backwardness into the cradle of peace and development. He acknowledged that Islamic Republic of Iran is our brotherly Islamic state and both countries are enjoying durable friendly relations, which will be further strengthened and stable with the passage of time.

He said that Iran is the principles-loving state and the pace of its development despite international sanctions is a precedent for the Ummah. Hinting at the re-invitation of visit to Iran for reviewing the co-operation in various sectors and witnessing progress and development in Iran; he said he believed in foreign trips at high level with the soul agenda of public interest and candid targets and this very fact has also been explained to the federal government for accompanying with the Prime Minister for official visits abroad. Therefore, he said first the experts of Iran and government of Khyber Pakhtunkhwa will have to sit together to review the possibilities of co-operation in different sectors. He said that bilateral co-operation in different sectors for development will bear positive and far reaching impacts and will help in bringing the people of both countries closer to each other. He said that it is requirement of the region to go forward jointly.

The chief minister said that durable peace is the largest need of the region. He said, we are concentrating all attentions on these peace related issues. He said that without peace no development could take place. Similarly, he said, measures and arrangements for the elimination of the cancer of corruption and better utilisation of resources were also continued. He said that all doors of corruption are closed for good and fair and judicious distribution of resources is being guaranteed.

The Chief Minister also informed the Iranian diplomat of the measures taken for progress and development in other social sectors and for promotion of co-operation in this regard he announced taking benefit from the offer and expertise of Iran. He said that after mutual consultations and identification they will convene departmental meetings in this regard to promote bilateral co-operation and relations in real senses. He also expressed satisfaction that with the passage of time relations between Pakistan and Iran are strengthened. He stressed the need for making the resources, development, experience and manpower more beneficial for each other. Later, gifts were also exchanged.

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## **Population census through electronic system: PCJCCI President appreciates government decision**

September 16, 2014

Pak-China Joint Chamber of Commerce and Industry (PCJCCI) President Shah Faisal Afridi highly appreciated the decision of the Federal Government for conducting population census through an electronic system with China's co-operation.

Faisal Afridi in a statement said the electronic population census would incorporate E-forms specifically generated and monitored by programmed software that would collect a detailed information regarding number of people in a house with regard to gender, age, education and occupation that would be collected in a more efficient way, he added.

The population is increasing at a fast pace annually but the country does not know the exact number of its citizens. "At the moment, all our economic policies including the growth rate are based on assumptions," he said, adding that census is a multi-dimensional phenomenon and the government should conduct it on priority basis, he added.

"It is a universal truth that most important asset of any country is the census data as the current and future economy as well as planning of the country depends on census data. The governments and industrialists of the world also emphasise the significance of population statistics that is inevitable for future planning," said Afridi while "highlighting the importance of Census," he maintained.

The PCJCCI chief said the government cannot devise public-friendly policies without knowing its resources and expenditures. "Fast urbanisation is taking place in some districts and cities but the government remains oblivious to its consequences in the absence of census," he said. Census is required to know the exact growth rate of population and their demographic location in the country to deal with the problems, he said.

"The first census was held in 1951, the second in 1961, the third in 1972 (the one-year delay was attributed to the war with India) and the fourth in 1981. Thenceforth the census became controversial and the 1998 census was the last one held. It has been 16 years since the last census and one hopes that the government does initiate action in this regard on an emergent basis," he added.

Afridi said there are various issues such as infant mortality rate, child labour; Child marriages, youth unemployment, etc, that remain unaddressed due to unavailability of valid data to measure the extent of issue. Faisal Afridi further suggested that government should organise seminars, workshops and conferences to inculcate awareness among people about the importance of census so they respond conscientiously when needed. He further apprised that this system will collect information from A to Z of all our provinces and based on this information, distribution of resources among the provinces will be facilitated.

He said it is the time that we need actual population data based on proper and reliable census; therefore, we are thankful to China for helping to achieve the goal by Electronic Census System that would, undoubtedly, be an effective method to collect authentic information.

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## **MCCI concerned over colossal losses in Multan**

September 16, 2014

President of Multan Chamber of Commerce and industry (MCCI) Khawaja Muhammad Usman expressed his deep concern over the colossal loss in flood-affected areas of Multan and rest of South Punjab during the distribution of hampers of dry food among the flood-affected ones at Shershah. Khurram Javed Secretary-General of MCCI was accompanied by him. He generously announced contributions towards the relief and rehabilitation.



Khawaja Usman said the MCCI is the pioneer body of businessmen of South Punjab which has prepared ration packs for flood-affected areas. He said these packets, carrying ration for families who took refuge on the protective bunds. In 2010, MCCI contributed handsome donations towards flood-affected persons.

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## **PALPA and PIAMS refrained from interfering in academic activities**

September 16, 2014

IQBAL MIRZA

Sindh High Court has ordered Pakistan Airline Pilots' Association (PALPA) and the management of PALPA Institute of Aviation Management Sciences (PIAMS) to refrain from interfering in academic activities of the institution. While hearing the plaintiff Captain Haroon Abdullah and other students of the said institute against the defendants (the management of PIAMS and Pakistan Airline Pilots Association), the court passed the order through which the defendants were restrained from taking any adverse action against the rights of the plaintiff and/or any other student.

PIAMS is an independent body being run as per original plea of the pilots association which got the amenity plot for imparting education to students. The control of PIAMS was earlier this year was taken over forcefully by newly elected PALPA body that suspended electricity and the air conditioning and harassed students.

Captain Haroon Abdullah through an application under order 39 rule 1&2 CPC prayed to the court that the court declare the actions of the defendants unconstitutional and the Palpa (defendant number 2) cannot interfere with and/or intrude upon the operations of the PIAMS (defendant number 1) in any administrative capacity and/or otherwise. The plaintiff, who was a post graduation student there, submitted to the court that PIAMS is affiliated with the University of Karachi and the management of the institute is prejudicing the currency of affiliation which is unconstitutional. Further, he submitted, the plot of PIAMS is an amenity plot acquired by Palpa in 1980 for the purpose of establishing a school and library, so the association cannot extend its operations/affairs beyond the mandate of law.

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## Marble sector: SMEDA, PCSIR join hands for development

September 16, 2014

Small and Medium Enterprise Development Authority (SMEDA) in collaboration with Dimension Stone Centre of Pakistan Council of Scientific and Industrial Research (PCSIR) organized a series of training programs on Marble Value Addition. These programs included the marble mining, marble mosaic marketing and marble mosaic processing for the SMEs of KP/FATA.

The training on marble mosaic remains to be of great interest for the participants in special and stakeholders in general. A certificates-distribution ceremony was held at PCSIR-Dimension Stones Centre where Provincial Chief SMEDA, Khyber-Pakhtunkhwa Javed Iqbal Khattak and Officer in Charge PCSIR, A. Ghani distributed the cheques. Both organisations have expressed their desire to continue their co-operation for the improvement in the marble sector.

Speaking on the occasion, Provincial Chief SMEDA Javed Iqbal Khattak stated that the utilisation of the marble waste into high value marketable products like mosaic is the need of the day. He said it not only utilises the waste to protect environment but also fetches good returns for the SMEs while generating employment in the labour/skill intensive project.

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## Pakistan and India to discuss tourism today

September 16, 2014

M RAFIQUE GORAYA

A delegation of Punjab government has reached New Delhi to discuss promotion of bilateral and religious tourism and turn tourism sector into an industry in Pakistan, official sources told *Business Recorder* here on Monday. During the discussion, affairs of Indo-Pak religious tourism will be highlighted and streamlined by both sides. Pakistan will facilitate Sikhs, Hindus and followers of Jainmat visiting Punjab by providing lodging, boarding, food and issuance of visas they added.

They said that the Punjab Government has decided to promote international religious tourism for strengthening the economy of the country. In the first phase, the Punjab Government has given task to the Planning and Development Board, Provincial Departments of Tourism, Archives, Archaeology, Law and Justice to prepare reports relating to renovation and uplifting the faces of Gurdwaras and Mandirs by the Federal Evacuee Trust Property Board and the Archaeology department on priority basis.

The Chief Minister Punjab has also constituted a high-level committee chaired by the Minister for Law and Education for preparing plan for protection of Sikh religious pilgrims places. In this

regard advice and help from Federal Minister for Planning Ahsan Iqbal will also be sought. It is pertinent to mention here that there is a great potential for promoting of tourism in Pakistan but it has unfortunately not been fully exploited and promote as hundreds religious and sacred places of Buddhists, Sikhs and Hindus are located in Pakistan.

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## Activity at Karachi & Qasim ports

September 16, 2014

The Karachi Port handled 291,419 tonnes of cargo comprising 256,782 tonnes of import cargo and 34,637 tonnes of export cargo including 3,920 loaded and empty containers during the last 48 hours ending at 0700 hours on Monday. The total import cargo of 256,782 tonnes comprised of 68,426 tonnes of containerised cargo; 2,368 tonnes of general cargo; 63,264 tonnes of bulk cargo: 54,812 tonnes of coal; 2,202 tonnes of wheat; 5,000 tonnes of soyabean meal; 1,244 tonnes of rape seed and 122,724 tonnes of oil/liquid cargo.

The total export cargo of 34,637 tonnes comprised of 31,037 tonnes of containerised cargo and 3,600 tonnes of oil/liquid cargo. As many as 3,920 containers comprising 1,783 containers import and 2,137 containers export were handled during the last 24 hours on Monday. The break-up of imported containers shows 884 of 20's and 250 of 40's loaded while 175 of 20's and 112 of 40's empty containers, whereas that of exported containers shows 210 of 20's and 310 of 40's loaded containers while 789 of 20's and 259 of 40's empty containers were handled during the business hours.

There were fourteen ships namely Northern Guild, APL Guangzhou, UASC Ajman, RHL Aqua, PAC Aries, Hyundai Jakarta, Cape Bille, FPMC P Glory, Fortune Glory, Positive Star, Grand Dolphin, Ikan Salmon, Baltic Cougar and New Legend Sapphire carrying containers, oil tankers, car carriers, coal and general cargo respectively sailed out to sea during the reported period.

There were eleven vessels viz. PAC Aries, RHL Aqua, AS Carelia, MT Karachi, MT Quetta, Tradewind, Positive Star, Grand Dolphin, Ibis Bulker, Osam Jumbo-5 and Bofors carrying containers, oil tankers, car carriers, coal and tugs respectively currently at the berths.

There were two ships namely AS Carelia and MT Karachi carrying containers and oil tanker respectively sailed out to sea on Monday. There were two vessels viz. Han Yi and Maha-B carrying project cargo and general cargo respectively due to arrive on Monday, while seven vessels viz. KMTC Mumbai, MOL Dignity, Shahr-e-Kord, Kota Kasturi, TDT-3, Leader and El Gurdabia carrying containers and oil tankers respectively are due to arrive on Tuesday.

### PORT QASIM

A cargo volume of 79,968 tonnes comprising 57,168 tonnes of import cargo and 22,800 tonnes of export cargo inclusive 2,400 loaded and empty containers (TEUs) was handled at Port Qasim during the last 24 hours on Monday.

The total import cargo of 57,168 tonnes includes 14,500 tonnes of edible oil; 7,096 tonnes of coal; 12,500 tonnes of rape seed; 272 tonnes of general cargo and 22,800 tonnes of containerised cargo. The total export cargo includes 22,800 tonnes of containerised cargo. As many as 2,400 containers comprising 1,200 containers import and 1,200 containers export were handled during the last 24 hours on Monday.

There was one ships namely MV Han Yi with general cargo sailed out sea on Monday morning, while four ships namely CV MSC Didem, CV Seroja Tiga, MV Mega Lohari and MV Chembulk King Point are expected to sail on the same day afternoon. A total number of six vessels viz. CV MSC Didem, CV Seroja Tiga, MV Han Yi, MV Mega Lohari, MV Chembulk King Point and MT Ever Mighty currently occupied berths to load/offload containers, general cargo, rape seed, coal and chemical respectively during the last 24 hours.

As many as six ships namely Mandrion Ocean, MT Lito, BBC Pilbara, Amsel, Ikan Salmon and Stolt Viking with rape seed, wheat, project cargo, iron ore, coal and chemical are currently at the outer anchorage of Port Qasim. There were six vessels viz. CV MSC Atlanta, CV Safmarine Ngami, MV Ikan Salmon, MV Lito, MV BBC Pilbara and MV Stolt Viking carrying containers, diesel oil, rape seed and chemical expected to take berths at Qasim International Containers Terminal, Multi Purpose Terminal, FAP Terminal and Engro Vopak Terminal respectively on Monday. There are no ships due to arrive on Monday.

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## **Minister inaugurates IMC's 21st annual QCC convention**

September 16, 2014

Advisor to Chief Minister Sindh for Finance and Energy, Murad Ali Shah, has said the merit, creativity and search for better ways as practised by Indus Motor Company (IMC) are absolutely essential elements for our national progress as well and highlighted some of the initiatives undertaken by the government in this regards. He was the chief guest at Indus Motor Company's (IMC) 21st Annual QCC (Quality Control Circle) convention under the theme "Achieving Together-Self-reliance".

While inaugurating the convention, he appreciated the efforts of the IMC for regularly holding the QCC convention and expressed satisfaction at the participation from the industry to promote Kaizen initiatives for continuous improvement. The event was aimed at recognising the spirit of "Continuous Improvement" prevalent at IMC and its business partners. The convention was attended by around 500 people comprising of IMC Suppliers, Senior Management of IMC and House of Habib (HoH), eminent business personalities from the automobile and engineering industry, educational institutions, government officials and the participating IMC teams.

Meanwhile, a total of 12 teams presented their efforts in improving their respective areas based on the philosophy of Kaizen (continuous Improvement). The winner of the 21st QCC

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Convention 2014 will represent Indus Motor Company Limited in the Global QC Convention scheduled in October 2014 in Japan.

The Production Control and Logistics Department bagged the Bronze Medal whereas the Silver Medal was presented to the Paint shop. The coveted gold medal was won by the Maintenance shop and the winning team will represent IMC at a global quality competition in Japan later this year. Ali Asghar Jamali, the Chief Operating Officer of IMC, congratulated the Indus family members on their achievement and appreciated the efforts made by the employees and suppliers for contributing to the success of Toyota In Pakistan and emphasised on the need to continue the spirit of Kaizen in meeting future challenges.

Earlier, Sr Director Technical, Tariq Ahmed Khan, gave a brief overview of various Kaizen activities in IMC and emphasised the importance of Kaizen and teamwork spirit among the team members. He added that keeping in view of market demand; IMC has increased its production and is constantly making efforts to enhance the production even further.

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## **PALPA and PIAMS refrained from interfering in academic activities**

September 16, 2014

IQBAL MIRZA

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## **Commissioner expresses dismay over slow pace of work on flyovers**

September 16, 2014

Commissioner, Peshawar Division, Munir Azam inspected work on five under construction flyovers for facilitation of pedestrians and motorcyclists for cross the roads on different spots on G.T. Road and Ring Road in the city and expressed anguish over the slow pace of work on the schemes.

During the visit the Divisional Commissioner was given detailed briefing by OTI authorities on the pace of work, standard and construction of bridges to facilitate the people. The commissioner was told that construction of one flyover on G.T. Road near Amin Hotel and five spots on Ring Road near Jameel Chowk, Dir Colony, Landi Arbab and Achni Bala will be completed in November this year, which will facilitate pedestrians and motorcyclists in crossing roads. The construction of these flyovers will also enable smooth traffic of vehicular traffic on roads and their reaching on destination without any hurdle.

The commissioner was further informed that the installation of solar sodium lights on Ring Road, G.T. Road to Kohat Road will be completed during the current month. On this occasion, Divisional Commissioner, Munir Azam while expressing severe anguish over the slow pace of work and difficulties faced by the people due it directed the authorities of Peshawar Development Authority (PDA) for registration of FIRs against the owners of CNG stations and hotels for establishing self-pro-claimed U-turns and abolition of all such turns.

Similarly, while expressing anguish over the lack of plantation on Ring Road, he directed the initiating of plantation without any delay. During the visit, on the complaints of the people, the commissioner also slammed the contractor concerned and directed him for the removal of the unnecessary blocks before Monday night and in case of failure in the implementation of the directives ordered the cancellation of the contract.

He directed the starting of double shift work on all projects to complete them within the stipulated time period in any circumstances and furnishing of performance report on daily basis to him. He directed in unequivocal terms for minimising the hardships of the people. In the end of the visit, he announced direct monitoring of all under construction schemes and daily based visits without protocol, stern action against the negligent employees and on slow-pace of work the cancellation of the contract of contractor concerned.

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## Company News: *Pakistan*

### Azgard Nine Limited

September 16, 2014

Azgard Nine Limited (KSE: ANL) was incorporated in Pakistan as a public limited company and is listed on Karachi stock exchange. The company, headed by Ahmed Sheikh as CEO, company's principal business is the vertically integrated composite spinning, weaving, dyeing and stitching unit engaged in the manufacture and sale of yarn, denim and denim products.

ANL operates in two business segments: textile and apparel segment, which relates to denim and other textile products; and the other, is fertilizer segment, which carries on the business of manufacture and marketing of nitrogenous and phosphatic fertilisers through its subsidiary Agritech Limited. The registered office of ANL is situated at Ismail Aiwan-e-Science, off Shahrah-e-Roomi, Lahore. The company has three production units with Unit I located at 2.5km off Manga, Raiwand Road, District Kasur, Unit II at Alipur Road, Muzaffargarh and Unit III at 20km off Ferozpur Road, 6km Bandian Road on Ruhi Nala, Der Khud Lahore.

**PERFORMANCE 9M YF14** During the period 9M FY14, the rupee appreciated against the dollar and euro at rate of almost 10 percent. Its generally adverse effect on unrealised export bills and in process orders was around Rs 200 million. However, net sales of the company have rebounded somewhat over last year and increased by 2.6 percent in 9M FY14. This paltry top line increase has been small enough to take the firm out of choppy waters.

The gross profit margin also increased as the cost of sales decreased by 2.8 percent year on year. The company's main textile processes have been hit hard since 2009 due to stark working capital constraints. This has led to capacity underutilization and weakening in bargaining power for raw material procurement.

At the same time, 9M FY14 painted even a grimmer picture as the firm's bottom line was painted all red, recording a massive loss of over a billion rupees. In Pakistan, the textile sector remains under continuous stress thanks to grave shortage of both electricity and gas even as utility tariffs rise. The elevated cost of cotton on account of failure to build sufficient cotton stock and the condensed level of production owing to lack of working capital magnified the negative impact on the company's profitability.

Diminishing profits have steered to major decays on the return on shareholders' equity from 32.9 percent in 9M FY13 to -34.7 percent in 9M FY14. The net margin also fell considerably from 18.2 percent in 9M FY13 to -11.7 percent in 9M FY14.

Reportedly, ANL continues to run at sub-optimum levels as it has not received Rs 700 million from divestment of its remaining shareholding in Agritech Limited. The short-term capital status of the company is not good as the current ratio witnessed a drop in its current ratio to 0.53

**FUTURE OUTLOOK** The outlook for textile and apparel is primarily positive with the award of GSP+ status. However, the company's operation have been negatively impacted by the

country's worsening law-and-order situation as well as growing utility costs, continuous energy crisis and high interest rates. The management of the firm has been able to carry on its operations because of the financial re-profiling and wishes to raise the production rates necessary for optimal manufacturing efficiencies and margins.

=====9MFY13 9MFY14

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Profitability

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Gross profit margin	3.2%	8.3%
Operating profit margin	-8.1%	0.8%
Net profit margin	18.2%	-11.7%
ROE	32.9%	-34.7%
ROA	8.4%	-6.0%
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Liquidity

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Current ratio	0.59	0.53
Quick ratio	0.37	0.37
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Turnover

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Total asset turnover	0.46	0.51
Fixed asset turnover	0.78	0.82
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Market

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EPS - Rs	4.06	(2.68)
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# Cotton and Textiles: *Pakistan*

## Cotton market: ginnerers, farmers resort to panic selling

September 16, 2014

Panic selling of seed cotton seen on the cotton market on Monday in the process of trading, dealers said. The official spot rate was unchanged at Rs 5,650, they added. In the session, nearly 12,000 bales of cotton changed hands between Rs 5700 and Rs 5850, they said. In Sindh, in the late evening rates of seed cotton fell sharply by Rs 300 to Rs 2500 and Rs 2650, in Punjab prices followed same trend, dropping Rs 200 to Rs 2200 and Rs 2550, they said.

Cotton analyst, Naseem Usman said that the ginnerers and farmers, who hoard stock of unsold cotton in expectations of better profit, started selling after report of less damage to the crop. During the last several sessions, prices stabilised due to fears of heavy damage to standing crop, but phutti arrivals showed improvement, which propelled growers to sell seed cotton in a big way, other experts said.

The following deals reported: 2200 bales of cotton from Sanghar at Rs 5725-5775, 1000 bales from Hyderabad at Rs 5750-5800, 1800 bales from Mirpurkhas at Rs 5700-5775, 2000 bales from Tando Adam at Rs 5750-5800, 2000 bales from Shahdadpur at Rs 5750-5800, 200 bales from Mongi Bangla at Rs 5725, 600 bales from Vehari at Rs 5725-5775, 600 bales from Haroonabad at Rs 5725-5760, 200 bales from Toba Tek Singh at Rs 5750, 200 bales from Gojra at Rs 5750, 200 bales from Hasilpur at Rs 5750, 400 bales from Bakhar at Rs 5750, 200 bales from Multan at Rs 5775, 200 bales from Mian Chano at Rs 5830 and 200 bales from Khanewal at Rs 5850, they said.

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The KCA Official Spot Rate for Local Dealings in Pak Rupees

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

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MICRONAIRE VALUE BETWEEN 3.8 TO 4.9 NCL

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Rate	Ex-Gin For Price	Upcountry Ex-Karachi	Spot Rate Ex-Karachi	Spot Rate Ex. KHI. As Ex-Karachi	Difference
37.324 Kgs	5,650	150	5,800	5,800	NIL

on 13.09.2014

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Equivalent

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40 Kgs	6,055	160	6,215	6,215	NIL
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## Agriculture and Allied: *Pakistan*

### Daily trading report of PMEX

September 16, 2014

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

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### Vegetable prices move up ahead of Eid-ul-Azha

September 16, 2014

N. H. ZUBERI

Vegetables prices have started moving up ahead of Eid-ul-Azha and retailers say the prices may further go up in coming days. The price of tomato has doubled during last few days and crossed Rs 80 per kg in retail market. Earlier, it was available at Rs 40 per kg. However, shopkeepers blamed wholesalers for the hike in vegetable prices.

They said that floods in Punjab, which swept roads, bridges and destroyed crops, had hit supply of vegetables. Apart from this, profiteers and hoarders have also become active to gain maximum benefit of Eid-ul-Azha during witch consumption of onion, tomato, ginger, garlic, chilly and lemon increased considerably.

Onion price also registered sharp increase in retail market of the city and the retailers blamed short supply of the commodity from upcountry and its hoarding for the sharp increase in its price. The price of potato has been stagnant at Rs 50 per kg. Potato is also one of the most consumed vegetable by low income group of the society.

It may be mentioned that duties on import of potato were withdrawn and imposed on exports with the objective of providing the vegetable at Rs 30 per kg at retail market. On May 2, 2014 the government had imposed 25 percent regulatory duty on potato export and on May 5 allowed import of 200,000 tonnes of potatoes on zero duty until July 31, 2014.

Federal Board of Revenue (FBR) once aging in August extended tax holiday upto November 15, 2014 to bring down price of potato. All these government measures made no impact on potato price.

While best quality ginger is being sold at Rs 280 per kg against the official price of Rs 193 per

kg in the retail market, medium quality ginger was being sold at Rs 190 kg in retail outlets in the city. Deputy commissioners of the five districts of the city despite having magisterial powers, have failed to check the prices of vegetables and edible items.

Onion price has also registered increase and now being sold at Rs 40 per kg. Green chilly is being traded at Rs 30 per 100 gram, garlic at Rs 150 to Rs 200 per kg, cabbage and Cauliflower at Rs 90 and Rs 70 per kg, respectively, lemon China Rs 100 per kg and lemon desi Rs 130 per kg, cucumber at Rs 70 per kg, eggplant Rs 60 per kg, Okra Rs 100 per kg, spinach Rs 40 per kg and Zucchini at Rs 60 per kg.

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## **CCP can help government enforce anti-tobacco convention: experts**

September 16, 2014

The regulatory agencies such as Competition Commission of Pakistan (CCP) can play its role to assist government in smooth implementation of the Framework Convention on Tobacco Control (FCTC) to reduce the crop farming by looking into possible collusion between tobacco growers and manufacturers for the promotion of the crop.

Experts told *Business Recorder* here on Monday that CCP is the only regulatory body empowered to check collusive behaviour, deceptive marketing practices and possible collusion between undertakings. It is apprehended that there might be some kind of collusive arrangement between the cigarette manufactures and farmers for selling of whole tobacco crop to the manufacturing units.

So far, no development has been witnessed as far as enforcement of the FCTC laws is concerned. When contacted, sources were of the view that the FCTC enforcement is a new avenue for the commission and it is yet to be seen whether competition issues are involved in the context of manufacturer's link with the tobacco farmers.

Enforcement of FCTC was the priority when Pakistan first signed the international treaty (FCTC) back in 2003 and under the treaty guidelines, the Tobacco Control Cell (TCC), dedicated for development and enforcement of tobacco control policies was formed, said Khurram Hashmi, National Co-ordinator for Coalition of Tobacco Control Pakistan (CTC-Pak). Pakistan's tobacco control law "Prohibition of smoking and Protection of Non Smokers Health Ordinance 2002" ensured the FCTC guidelines were implemented in the country with genuine spirit, but despite achieving the 'Smoke Free Status', 100 percent enforcement of the law remains a challenge up till now, he said.

Still, the law only addresses the hazardous consumption side of tobacco products it still needs to cater the violation of rights of farmers under the deceptive communication by the tobacco industry." Khurram added. Pakistan had signed and ratified the FCTC, which is a treaty of the World Health Organisation (WHO), Article 17 & 18 obliges parties to accept treaties that adopt sustainable alternatives to tobacco crops, and create measures for the protection of the

environment and people's health.

Experts said that the cigarette manufacturers and leaf buying companies are primarily responsible for tobacco farmers' problems. The exploitative buying practices and unfair contracts of cigarette makers and leaf buying companies trap farmers in cycles of poverty, push farmers into debt, and create conditions that promote child labour. Keeping this in view, CCP can analyse the anti-competitive practices of unfair contracts of cigarette makers and leaf buyers.

Tobacco companies and leaf buyers exploit farmers whereas the use of child labour is prevalent in tobacco growing countries. The majority of profits from tobacco farming go to leaf buying companies and cigarette manufacturers, while many farmers and farm workers remain poor and in debt.

Tobacco companies often entice farmers to produce tobacco leaf by offering farming loans and a guaranteed buyer. However, low leaf prices set by the tobacco industry as well as manipulation of leaf prices often trap farmers in a vicious cycle of poverty and indebtedness. The industry claims that it is "protecting livelihoods of farmers" but its exploitative buying practices in countries around the world, including Malawi, Indonesia and Bangladesh, often lock farmers and farm workers into cycles, experts said.

This manipulative argument by tobacco industry is as much discreditable as their claim to market their products to consumers especially youth in the name of freedom of personal rights among others. CTC-Pak have highlighted such tactics by tobacco industry and even won litigation cases against the industry in the past when it comes to enforcement of tobacco control laws as per outlined by FCTC, The National Co-ordinator said.

According to experts, the FCTC also calls the member states to restrict/stop all financial and technical support for tobacco farming but the measures would be devastating for tobacco farmers especially considering alternative crops or livelihoods to viably replace tobacco have not yet been identified. FCTC recommended governments help tobacco farmers, assuming they would be affected in the long-term by reduction in demand for tobacco.

"The Coalition for Tobacco Control understands the limitations of Government when it comes to a legally produce cultivation but CTC-Pak is also willing to assist the Government of Pakistan when it comes to tackle the issues related to tobacco cultivation and alternate cropping. Our successful (government - civil society) partnership for achieving "Smoke-free status: is already a significant proof and a success story, if government shows a commitment to enforce FCTC guidelines on tobacco cultivation, as always as, CTC-Pak will be there to support the efforts of the government." Khurram said.

Pakistan had signed a Framework Convention on Tobacco Control (FCTC). Article 6 of FCTC says price and tax measures are an effective and important means of reducing tobacco consumption by various segments of the population, in particular youth. Article 17 and 18 are related to promoting economically viable alternatives for tobacco workers, growers and individual sellers and to give due regard to the protection of the environment and the health of persons in tobacco cultivation and manufacturing. The Coalition for Tobacco Control - Pakistan, based in Islamabad, is a coalition of more than 200 civil society organisations working for translating and adoption of FCTC guidelines in Pakistan since 2007 and is a technical partner of Tobacco Control Cell, Government of Pakistan for implementing tobacco control laws in the

country.

Tobacco cultivation in Pakistan is legally protected and as per law, tobacco firms are bound to purchase the entire tobacco crop from growers. Prior to sowing season, a multi faceted session incorporating all the stakeholders is held in the country annually where participants take stock of the entire season ahead and multinationals (MNCs) submit tobacco demand for the next session.

FCTC is now finding ways to limiting the land under tobacco but the measure is practically not possible as farmers do not have other alternative and empty tract of land is immediately occupied due to tribal vendetta in Khyber-Pakhtunkhawa, they added.

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## **Terrorism threats: 'fish harbour lacks security arrangements'**

September 16, 2014

ANWAR KHAN

The country's largest fisheries harbour, located in the vicinity of naval installations, is exposed to security threats owing to lack of security arrangements. "The harbour lacks security shields to meet the untoward challenges of terrorism," said an official of Karachi Fish Harbour Authority (KFHA).

The guards of fisheries harbour located close to naval installations are neither fully trained nor they are equipped with latest security gadgets required for patrolling the sole navigational channel and monitoring inland vehicular traffic, he added. The KFHA Director (Operations) Zahoor Hussain Abbasi said that although Rangers had been repeatedly requested to take over the security of the harbour, permanent checkpoints have not yet been set up there to foil acts of terrorism. Admitting that KFHA cannot make security arrangements at its own, he attributed improper security arrangements to fishermen's agitations and political government interference into the affairs of the KFHA.

A plan for the harbour's security, amounting to Rs 60 million, has been submitted to the government, he said, adding that the plan envisages raising boundary walls, installing CCTV cameras, setting up of watch towers and other security systems. He said: "Placing rules to ask everyone entering the harbour to follow them have always created troubles for the KFHA. The political interference and fishermen's agitations have also rendered the security measures ineffective," he claimed.

KFHA in a letter sent to the authorities concerned has stated that with a view to preventing incidents of bomb blasts and other terror activities, its staff deployed at the harbour's entry points for checking vehicles should be provided with metal detectors and explosive screening machines. "The harbour doesn't have fire fighting system and, as such, KFHA has no choice but to seek external help in case of a fire," he said, adding that wooden boats are usually gutted before the arrival of fire tenders. *Copyright Business Recorder, 2014*

## Taxation: *Pakistan*

### PTBA critical of FBR ST registration system

September 16, 2014

Pakistan Tax Bar Association (PTBA) has expressed concern over the FBR system of granting sales tax registration. In a letter sent to FBR Chairman Tariq Bajwa, PTBA said the present system was cumbersome, difficult and time-consuming. It takes at an average 2-3 months to get sales tax registration for a manufacturing concern. Change in profile of taxpayers who are sales tax registered takes months, it added.

The letter termed it unfriendly for taxpayers, saying that the system instead of facilitating taxpayers was used to encourage unethical practices. The PTBA urged the FBR to introduce a simple and quick system for sales tax registration. It also lashed out at Pral for not sensing the seriousness and difficulties being faced by taxpayers in getting registration.

The association said if immediate steps were not taken to simplify the registration process, number of sales tax registered persons would not increase, ie, nearly 100,000 at present. It further said that tax professionals and taxpayers were facing serious difficulties in dealing with issues related to all three taxes - income tax, sales tax and Federal Excise Duty. The association said there was a need to set up regional hubs immediately to resolve the Pral-related issues within five working days.

It said that ambiguities in tax return forum for Tax Year 2015 had so far not been removed even after the lapse of two months. The form has not been uploaded on the FBR e-portal for e-filing as yet.

The letter said all IT solutions to the FBR were provided through Pral and this system instead of responding to the needs of stakeholders was encountering with several problems - improper sales tax data, unable to process sales tax refunds timely and its incapability to facilitate customs, income tax and sales tax departments in cross matching of data besides costing heavily to the national kitty on account of fraudulent tax refunds and other malpractices.

It opined that that over 70 percent of the ongoing problems being faced at operational level in the FBR were due to Pral and its non-dynamic software platform. The association strongly recommended to the board to outsource its IT systems on build, operate and transfer (BOT) basis to create a state-of-the-art IT infrastructure.

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## Energy equipment: EDB working with FBR to determine local manufacturing status

September 16, 2014

The Federal Board of Revenue (FBR) and the Engineering Development Board (EDB) are working in tandem to facilitate both importers and local manufacturers in energy sector to finalise guiding principles for the EDB to determine 'local manufacturing' status of energy-related equipment.

Sources told *Business Recorder* here on Monday that the EDB is closely working with the FBR for the determination of local manufacturing status of engineering/capital goods for energy sector. In order to develop a framework for determining local manufacturing status of engineering/capital goods used by energy sector, a meeting has been convened under the Chairmanship of Secretary, Ministry of Industries & Production.

Sources said that the alternate energy sources are not only the most sought after sector in Pakistan, but are now a prime global. Rapid industrialisation has increased the demand/supply gap besides increasing demand of high energy consuming equipment such as air conditioners due to efficient production and low prices of similar consumer and industrial products. In Pakistan alternate energy & relate products are more in demand due to import of fuel which directly impacts conventional energy production system.

In order to promote industrialisation and provide a healthy and growing environment to both local manufacturers and importers, the government through Fifth Schedule (Part-I) of the Customs Act has facilitated all the stakeholders whereby goods not manufactured locally can be imported at concessionary rate of taxes/duties viz-a-viz those manufactured locally to attract higher tariff. The task of determining whether a product is manufactured locally or otherwise has been entrusted to the Engineering Development Board (EDB).

The list of locally manufactured goods is available under Customs General Order (CGO-11/2007) and energy related equipment is mentioned in the list. As per conditions of the above policies EDB is the final body to determine the manufacturing status of equipment for facilitating the above stakeholders.

Recently the energy sector equipment utilisation gained tremendous momentum, however; on the other hand it provides an equal opportunity for local manufacturers to meet the rising demand. Few cases related to power projects including boilers, solar panels etc, have generated disputes on local manufacturing capabilities on the basis of technology, capacity, quality, delivery etc.

In view of the foregoing, proposals are invited to accommodate all stakeholders, ie, importers and local manufacturers to firm up principles as guidelines for the EDB to determine local manufacturing status of energy related equipment in future, sources added.

Under the said CGO of FBR, the goods detailed in the appended list of CGO 11 of 2007 are manufactured locally. The list is compiled and updated by the Engineering Development Board in consultation with all the stakeholders. Henceforth, the appended list of locally manufactured

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goods is applicable for reference purposes to all the exemptions/concessionary notifications.

The Collectors of Customs and the staff responsible for allowing concessions under different notifications/orders are advised to follow the list for the purposes of concessions from customs duties and sales tax etc. The information if any, along with evidence regarding the local manufacture of goods, not indicated in the list, may be forwarded to the FBR forthwith so that the list of locally manufactured goods/items is up-dated in consultation with the Engineering Development Board.

Collectors are, however, authorised to allow release of goods/items indicated in the list of locally manufactured goods/items against bank guarantee for a period of three months if the importer produces a certificate issued by the renowned local manufacturers of the disputed items from Engineering Development Board stating that the imported item is not being manufactured locally and the importer shall produce a clarification from FBR to this effect within the above stated period of three months, the CGO added.

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## Transfers, postings in FBR

September 16, 2014

The Federal Board of Revenue (FBR) has transferred and posted 26 officials (Grade 19 to 21) of Inland Revenue Service with immediate effect. According to a notification issued here on Monday, Khawaja Tanveer Ahmad (Inland Revenue Service/BS-21) Member, (Accounting) Federal Board of Revenue (Hq), Islamabad has been given new assignment as Member, (HRM) Federal Board of Revenue (Hq), Islamabad.

He is assigned the additional charge of the post of Member (Accounting), FBR (HQ) till the posting of regular incumbent; Salim Raza Asif (Inland Revenue Service/BS-20) from Chief, Federal Board of Revenue (Hq), Islamabad to Chief, (Accounting Wing) Federal Board of Revenue (Hq), Islamabad; Khalid Mehmood-III (Inland Revenue Service/BS-20) from Commissioner-IR, (Zone-X) Regional Tax Office II, Lahore to Commissioner Inland Revenue (IP/TFD/HRM) Regional Tax Office II, Lahore; Dr Ashfaq Ahmad Tunio (Inland Revenue Service/BS-20) from Chief, (Automation & Sales Tax) Federal Board of Revenue (Hq), Islamabad to Commissioner Inland Revenue (Zone-I) Regional Tax Office, Karachi; Abdul Hameed Sangi (Inland Revenue Service/BS-20) from Commissioner-IR, (Zone-II) Regional Tax Office, Sukkur to Commissioner Inland Revenue (IP/TFD/HRM) Regional Tax Office, Karachi; Rajabuddin (Inland Revenue Service/BS-20) from Commissioner-IR, (Zone-III) Regional Tax Office III, Karachi to Commissioner Inland Revenue (Zone-I) Regional Tax Office, Bahawalpur; Muhammad Sharif Awan (Inland Revenue Service/BS-20) from Commissioner-IR, (Inland Revenue (Appeals-IV)) Karachi to Director, Directorate of Internal Audit (Inland Revenue), Hyderabad; Dr Muhammad Tariq Masood (Inland Revenue Service/BS-20) from Chief, Federal Board of Revenue (Hq), Islamabad to Chief, (International Taxes, IR

Policy wing) Federal Board of Revenue (Hq), Islamabad; Muhammad Nadeem Arif (Inland Revenue Service/BS-20) from Commissioner-IR, (Special Zone) Regional Tax Office, Multan to Commissioner Inland Revenue (Zone-X) Regional Tax Office II, Lahore; Muhammad Ashfaq



Ahmad (Inland Revenue Service/BS-20) from Chief, (International Taxes, Inland Revenue Policy wing) Federal Board of Revenue (Hq), Islamabad to Commissioner Inland Revenue (Zone-I) Regional Tax Office, Islamabad; Nawab Khan (Inland Revenue Service/BS-20) from Commissioner-IR, (BTB)Regional Tax Office, Peshawar, to he is assigned the additional charge of the post of CIR (Zone-III), RTO, Peshawar till the posting of regular incumbent; Zulfiqar Hussain Khan (Inland Revenue Service/BS-20) from Chief, (Inland Revenue Policy Wing) Federal Board of Revenue (Hq), Islamabad to Commissioner Inland Revenue (Enforcement-II) Large Taxpayers Unit, Islamabad; Bakhtiar Muhammad (Inland Revenue Service/BS-20) from Chief, (FATE Wing) Federal Board of Revenue (Hq), Islamabad to Chief, (TPA Wing) Federal Board of Revenue (Hq), Islamabad; Ghulam Shabbir Memon (Inland Revenue Service/BS-19) from Commissioner-IR, (OPS) (IP/TFD/HRM) Regional Tax Office, Hyderabad to Commissioner Inland Revenue (OPS) Inland Revenue (Appeals), Hyderabad. He is assigned the additional charge of the post of CIR (OPS) (Appeals), Sukkur till the posting of regular incumbent; Naheed Azhar (Inland Revenue Service/BS-19) from Additional Commissioner-IR, Large Taxpayers Unit, Karachi to Commissioner Inland Revenue (OPS) (IP/TFD) Large Taxpayers Unit, Karachi; Lubna Ayub Asif (Inland Revenue Service/BS-19) from Additional Commissioner-IR, Regional Tax Office III, Karachi to Commissioner Inland Revenue (OPS) (Zone-III) Regional Tax Office III, Karachi; Dr Shafquat Hussain Kehar (Inland Revenue Service/BS-19) from Commissioner-IR, (OPS) (Zone-I) Regional Tax Office, Karachi to Commissioner Inland Revenue(OPS) (Inland Revenue (Appeals-IV)) Karachi; Khalid Mehmood Lodhi (Inland Revenue Service/BS-19) from Secretary, (Admin Pool) Federal Board of Revenue (Hq), Islamabad to Chief, (Directorate General of BTB, FBR (HQ) Islamabad. He is assigned the additional charge of Commissioner (Hq)(BTB), Islamabad till the posting of regular incumbent; Tehmina Aamer (Inland Revenue Service/BS-19) from Additional Director-IR, Directorate General of Internal Audit (Inland Revenue), Islamabad to Commissioner Inland Revenue (OPS) (BTB) Regional Tax Office, Islamabad; Mohammad Farooq Azam Memon (Inland Revenue Service/BS-19) from Additional Commissioner-IR, Regional Tax Office, Hyderabad to Commissioner Inland Revenue (OPS) (WHT) Regional Tax Office, Hyderabad; Fouzia Fakhar (Inland Revenue Service/BS-19) from Additional Commissioner-IR, Regional Tax Office II, Lahore to Commissioner Inland Revenue (OPS) (Zone-XII) Regional Tax Office II, Lahore; Abid Mehmood (Inland Revenue Service/BS-19) from Commissioner-IR, (OPS) (Zone-III) Regional Tax Office, Peshawar to Commissioner Inland Revenue (OPS) (Zone-I) Regional Tax Office, Peshawar; Muhammad Tariq Arbab (Inland Revenue Service/BS-19) from Additional Commissioner-IR, Regional Tax Office, Peshawar to Commissioner Inland Revenue (OPS) (Zone-I) Regional Tax Office, Abbottabad.

He is assigned the additional charge of the post of CIR (OPS) (BTB), RTO, Abbottabad till the posting of regular incumbent; Asif Rasool (Inland Revenue Service/BS-19) from Additional Commissioner-IR, Regional Tax Office, Multan to Commissioner Inland Revenue (OPS) (Special Zone) Regional Tax Office, Multan; Abdul Rehman Bullo (Inland Revenue Service/BS-19) from Commissioner-IR, (OPS) (Zone-I) Regional Tax Office, Sukkur to He is assigned the additional

charge of the post of CIR (OPS) (Zone-II), RTO, Sukkur till the posting of regular incumbent and Yasir Ali (Inland Revenue Service/BS-19), Additional Commissioner-IR, Regional Tax Office, Multan has been transferred and posted as Commissioner Inland Revenue (OPS) (WHT) Regional Tax Office, Multan. He is assigned the additional charge of the post of CIR (OPS) (BTB), RTO, Multan till the posting of regular incumbent.-PR

## **Companies, AOPs: FBR uploads IT returns through E-FBR Web Portal**

September 16, 2014

The FBR has uploaded income tax returns for companies and Association of Persons (AOPs) for timely sub-mission of the same electronically through E-FBR Web Portal. An FBR official told *Business Recorder* here on Monday that the Return of Total Income/Statement of Final Taxation for Companies for Tax Year 2014 and Income Tax Return Form for AOPs for Tax Year 2014 have been uploaded on the web portal.

Meanwhile, FBR said that it has introduced a new end-to-end integrated system "Iris" which is currently available only for e-filing of returns for tax year 2014. For e-filing of return for tax year 2014 taxpayers have to login to "Iris" and for other transactions login to "e-portal" as usual. For "Iris" login, User ID is 13 digits CNIC No without dashes (-) for individual and 7 digit NTN without dashes (-) for Foreigner Individual, Company& AOP. However, Passwords are the same as are already being used for logging in to "e-portal", FBR added.

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## Fuel and Energy: *Pakistan*

### Divestment of GoP shares in OGDCL: transaction structure approved by CCoP

September 16, 2014

Finance Minister Ishaq Dar on Monday chaired a meeting of Cabinet Committee on Privatisation (CCoP) and approved transaction structure for the divestment of up to 10% of GoP shares in Oil and Gas Development Company Limited (OGDCL) through capital markets. The Chairman Privatisation Commission, Muhammad Zubair gave the presentation and sought approval of transaction structure from the CCOP. An official said the meeting has approved the structure of transaction.

However, floor price has not been approved. The recommended Capital Market Transaction Structure envisages offering shares to the institutional international and domestic investors through a combined international Book Building process. International investors will get an option to buy either Ordinary Shares or GDRs or both. The offering to international investors will be made through an Offering Circular, fully compliant with the US Securities Act, 1933.

After completion of Book Building process, a domestic public offering for the general public and employees of the company will be carried out using the Subscription method. The offering to domestic investors will be made through an Offer for Sale Document, to be approved by the domestic Stock Exchanges and Securities and Exchange Commission of Pakistan (SECP).

The PC Board in its meeting held on April 22, 2014 had approved the appointment of consortium comprising M/S Merrill Lynch International, Citigroup and KASB Bank to act as Financial Advisor (FA) for the OGDCL transaction. The Finance Minister said that "unusual circumstances have delayed the transaction for almost three weeks but we are trying to make up for the loss of time, money and international standing in the shortest possible time. One feels a lot of pain that the hard work done by our government in the last fourteen months is threatened by the reckless behaviour of certain people. If things had not been so as they are for the last one month, I am sure that we would have saved the hassle of arranging road shows for such a profitable investment opportunity".

Omar Iqtidar, Management Director Citibank, in his presentation briefed the Minister that they have planned a 21-day execution window for the completion of this transaction. The international market road shows will be held in Hong Kong, Singapore, the UAE, Frankfurt/Stockholm, London, New York, Boston and Chicago.

The meeting was attended by Senator Pervaiz Rashid, Minister for Law, Justice and Human Rights, Ahsan Iqbal, Minister for Planning, Development and Reforms, Abbas Khan Afridi, Minister for Textile Industry, Muhammad Zubair, Chairman Privatisation Commission, Tahir Mehmood, Chairman SECP, M. Shahzad Arbab, Secretary Commerce Division, Dr Waqar Masood, Finance Secretary, Abid Saeed, Secretary Petroleum and Natural Resources, Hassan

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Nawaz Tarrar, Secretary Planning, Imran Afzal Cheema, Secretary BoI and other senior government officials.

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## **Power consumers: Minister, secretary come under harsh criticism over over-billing**

September 16, 2014

ZAHEER ABBASI

Minister for Water and Power Khwaja Mohammad Asif and Secretary Water and Power Nargis Sethi came under severe criticism of an Economic Co-ordination Committee (ECC) of the Cabinet meeting over the issue of over-billing to electricity consumers.

Sources told *Business Recorder* that this was raised by Minister for Information and Broadcasting, Minister for Information Technology and Chairman Privatisation Commission of Pakistan during the ECC meeting. Ministers were quoted as stating that "there is restlessness among the masses due to over-billing by the Ministry of Water and Power".

They further reportedly stated "you haven't done well". Some participants reportedly accused some elements in the government including bureaucracy of creating problems for the government. The distribution companies have reportedly charged billions of rupees from electricity consumers on account of extra billing. The matter of over-billing also came under discussion during the Cabinet meeting and a statement issued after the meeting maintained that the Prime Minister took a serious notice of reports on over-billing of electricity bills during the last two months across the country and directed Ministry of Water and Power to redress genuine grievances of the consumers, if any. Nawaz Sharif also constituted a committee chaired by Adviser to the Prime Minister on Energy Mussadiq Malik tasked to submit its report within a week - a report that would be discussed in the next cabinet meeting.

An official of the Finance Ministry said the increase in electricity tariff was one of the primary issues during the fourth quarterly review mandated under the International Monetary Fund's (IMF) Extended Fund Facility (EFF). The IMF staff level mission sought an explanation from the government on how electricity subsidy could be limited to the budgeted allocation without a tariff increase. Pakistan has committed to the IMF that tariff adjustment is expected to reduce electricity subsidies to 0.5 percent of GDP in fiscal year 2014-15 but the plan to raise tariff by Rs 1.30 per unit has been put on hold by the Ministry of Water and Power due to concerns that the action would merely increase public support for Pakistan Tehreek-e-Insaf (PTI) and Pakistan Awami Tehreek (PAT) protests.

Sources in the Finance Ministry, however, acknowledge that there is no sign of improvement in power sector which is facing a greater challenge with respect to recoveries. The power sector recoveries continue to decline, which entail greater subsidies. They added that Ministry of Water and Power has been unable to reduce line losses and if there is any credence in allegations of

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over-billing then the Ministry of Water and Power's claim that it has brought down power sector payables to Rs 238 billion from Rs 300 billion lacks credibility.

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## **USAID strengthens Discos' capacity in load management**

September 16, 2014

The United States Agency for International Development (USAID) Power Distribution Programme is strengthening Pakistan's energy sector to improve the supply and distribution of power. In this effort, the USAID Power Distribution Programme is training the staff of government-owned power distribution companies (Discos) in power load management, which will eventually help in reducing unscheduled load shedding.

In this context, the USAID Power Distribution Programme organised a three-day training session for Sukkur Electric Power Company (Sepco) officials in Sukkur. Chief Executive Officer Sepco Munawar Nazir Abbasi distributed certificates among the training's participants.

The training was attended by 22 Sepco officers, including Executive Engineers (XENs), Sub-divisional Officers (SDOs) and Chief Engineer (CE) Transmission and Generation levels. The USAID Power Distribution Programme has successfully implemented its "Load Data Improvement (LDI) Programme" in Discos, aimed at minimising unscheduled load shedding. Automatic Meter Reading (AMR) devices were installed on a fast track basis in all Discos. The project also included the upgrade of each Disco's Power Distribution Center (PDC) and accordingly Sepco's PDC was upgraded and made functional on September, 2013 with live data now being acquired from all of its grid stations and outgoing feeders.

The National Power Control Center (NPCC) supplies electricity to Discos which then distributes it to the end consumer. Previously, the actual load data on incoming and outgoing feeders of grid stations was read manually by operators and transmitted telephonically to the Disco's PDC.

This information was then manually transmitted to the NPCC for generation dispatch, in a process that was both time-consuming and opened the information to easy manipulation, with a distinct absence of accountability and oversight. Currently, under USAID's LDI Programme, the Sepco PDC is outfitted with multiple screens displaying live load data by grid substation and feeder. power factor information is also displayed indicating when capacitor banks should be deployed to improve the voltage level. AMR meters have been installed on all grid stations of SEPCO that are reporting live load data information to perform effective load management and curtailing unscheduled load shedding..-PR

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## Fuel and Energy: *World*

# Brent little changed after dipping to 26-month low

September 16, 2014

Brent crude oil futures ended little changed on Monday after weak Chinese economic data sent prices to a 26-month low earlier in the day, while US crude rose after bouncing off a technical support level near a 16-month low reached last week. Oil prices dropped early on data showing China's factory output grew in August at the weakest pace in nearly six years, while growth in other key sectors also cooled, raising fears the world's second-largest economy may be at risk of a sharp slowdown.

"The Chinese data was sufficiently negative to create real worry again about the outlook for demand there and globally," said John Kilduff, a partner at Again Capital LLC in New York. News of Russian Energy Minister Alexander Novak's meeting on Tuesday with Opec officials in Vienna, an annual get-together coming as falling oil prices pressure Moscow's budget, was cited as helping to pull oil prices off lows on Monday. Oil sales account for 40 percent of Russia's budget.

October Brent dropped by 46 cents to settle at \$96.65 a barrel, after earlier falling to \$96.21, its lowest since July 2, 2012. November Brent fell by 8 cents to settle at \$97.88, putting its premium to October's crude at more than a dollar. US October crude rose by 65 cents to \$92.92, recovering by more than \$2 a barrel after falling earlier in the session to \$90.63, near a 16-month low of \$90.43 hit last week. Brent's premium to US crude settled at \$3.73, the narrowest since April. "Today's low is \$90.63, so we're running into significant technical support here," said Stephen Schork, editor of The Schork Report in Villanova, Pennsylvania, who noted that \$90.63 represented the Fibonacci retracement number, a figure used by chart-watching technical traders.

-- Russian oil exports seen lower in fourth quarter

-- Brent October crude contract expired Monday

The US October contract expires on September 22. Brokers also cited news that seaborne Russian oil exports were seen declining in the fourth quarter of 2014 from the previous quarter as softening Brent's fall. Some US economic data on Monday was not supportive for oil. US manufacturing output fell for the first time in seven months in August. Factory production dropped 0.4 percent last month after surging in July, the Federal Reserve said. July's factory output gain was revised lower to show a 0.7 percent increase rather than the previously reported 1.0 percent rise. Chinese data, which showed a drop in power generation for the first time in four years, came on the heels of downward revisions in 2014 and 2015 global oil demand growth estimates by the International Energy Agency last week. "Struggling global economic growth has resulted in falling growth in global oil demand," PVM oil analyst Tamas Varga said, adding that concerns over conflict in the Middle East, North Africa and Russia had not translated into supply disruptions.

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## China to ban import, sale of coal

September 16, 2014

China will ban the import and local sale of coal with high ash and sulphur content starting from 2015 in a bid to tackle air pollution, with tough requirements in major coastal cities set to hit Australian miners the hardest. China imported about 54 million tonnes of Australian thermal coal and another 13 million tonnes from South Africa in 2013 - most of which would not meet the proposed restrictions on ash and sulphur content.

The policy, previously reported by Reuters, comes as prices on the GlobalCOAL Newcastle index slump to a five-year low amid a supply glut and slowing demand from China, the world's top importer. Under the new regulations, to come into effect in January, the government has set different level of requirements on coal grades for mining, local sales and imports.

The most stringent requirements are for cities in the southern Pearl River Delta, the eastern Yangtze River Delta and three northern cities including Beijing, Tianjin and Hebei. These will be banned from burning coal that has more than 16 percent ash and 1 percent sulphur, according to a statement published on the National Development and Reform Commission website. Since the coastal regions such as Guangdong and Zhejiang province are some of China's top coal importers, the regulations are set to block a sizeable amount of imports.

"Coal that does not meet these requirements must not be imported, sold nor transported for long distances," the NDRC said, adding that the customs authority will check the quality of coal imports. The government will also implement a blanket ban on domestic mining, sale, transportation and imports of coal with ash and sulphur content exceeding 40 percent and 3 percent respectively.

For coal that will be transported for more than 600 kilometres from their production site or receiving ports, the minimum energy requirement was set at 3,940 kcal/kg, with a maximum ash and sulphur content of 20 percent and 1 percent respectively. When the regulation is implemented, Australian and South African coal with a heating value of 5,500 kcal/kg will be worst hit, since their ash content hovers around 23-25 percent and they contain sulphur of 0.8-1.0 percent, traders have said.

Top steam coal exporter Indonesia, which largely ships fuel with low heating value, sulphur and ash content, will be the least affected. "This new law will hit Australian exporters the hardest. But the 2015 rollout has offered some relief to miners and traders because it gives them some time to come up with a plan to reduce their ash content," said a Shanghai-based coal trader.

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## Banking & Finance

# Currency note bearing any slogan, ceases to be legal tender SBP

Monday, 15 September 2014 18:05

Posted by Imaduddin

ISLAMABAD: The State Bank of Pakistan wishes has clarified in the interest of general public and banks that any note which bears written, stamped, embossed or inscribed any slogan/statement or messages of political, religious or commercial nature ceases to be legal tender and loses its exchange value.

"Any such act will result into the financial loss to the holder of such notes", says a statement issued by the SBP .

The Central Bank reminded the general public that banknote is critical for sovereignty of our country and it is our responsibility to handle and use the same with due care.

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## Markets

### LSE downs by 18.44 points

Monday, 15 September 2014 20:59

Posted by Imaduddin

LAHORE: Lahore Stock Exchange here Monday witnessed bearish trend by losing 18.44 points, as the LSE Index-25 opened with 5466.19 points and closed at 5447.75 points.

The market's overall situation, however, corresponded to an upward trend as it remained at 552,100 shares to close against previous turnover of 465,700 shares, showing an upward move of 86,400 shares. While, out of the total 89 active scrips 14 moved up, 21 shed values and 54 remained equal.

The Major Gainers of the day were Cyan Limited (Central), Habib Bank Limited and PICIC Growth Fund by recording increase in their per share value by Rs 6.59, Rs 2.10 and Re 0.64 respectively.

Pakistan Oil Fields Limited, United Bank Limited and Pakistan Petroleum Limited lost their per share value by Rs 6.10, Rs 3.16 and Rs 2.50 respectively.

Top three Volume Leaders of the day included NIB Bank Limited with 113,000 shares, Worldcall Telecom Limited with 53,000 shares and Gul Ahmed Textile Mills with 48,000 shares.

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# BR Research: *All*

## Roots of agitation

September 16, 2014

BR Research

Are protests the new fad? The lawyers' movement wanting top judiciary's restoration; doctors and mid- to low-level government servants on strike for pay raise; and civil society protesting against general socio-economic injustice. There is no debate on the point that the brains behind recent protests in the heart of Islamabad wanted to give vent to the public's pent-up agitation concerning deep injustices.

The roots of the unrest may lie in the deep-rooted economic disparity and government's service delivery and security failures. The country has faced the terror of numerous suicidal attacks, and the street crime in urban centers is unprecedented. This implies that the establishment's security control apparatus has failed to provide adequate security to common man despite high budgetary spending.

There is a serious breakdown in basic amenities to be provided or facilitated by the government. The long hours of electricity load-shedding and limited availability of gas to households, businesses and transportation have increased the stress level amongst masses.

On top of it, a few economic indicators are clearly exhibiting the misery of masses, especially for the urban youth. BR Research has dug up some shocking indicators.

The core of the rising economic burden on an average household is owed to exceptionally high inflationary era. The average yearly inflation historically remained in the band of 5-7 percent except for the last few years. The country could never really come out of the economic crises that badly hit the country in 2008.

Consumer price index has more than doubled in the last seven years: about 112% increase between FY08 and FY14, with average annual inflation at 12%. The more worrisome fact is that food prices have soared by an even bigger margin. On real terms (adjusting for CPI), the food sub-index increased by 33 percent while in absolute terms, the prices hike is 2.5 times in the last seven years.

Further analysis shows that people belonging to low-income group and urban dwellers are the hardest hit. BR Research compared the income of household in various incomes quintiles from the data published in the household integrated economic survey (HIES) between FY08 and FY12. A simple analysis demonstrated that urban low-income households have not even been able to beat the inflation.

The data is segregated in five quintiles based on number of households and the real income (adjusted for inflation) in the lowest two quintiles has decreased by eight and six percent, respectively. On the other hand, it's increased by 35 and 30 percent in the top two quintiles.

The rising income disparity is never welcomed by the underprivileged groups and the resentment is pronounced by fall in the purchasing power in the 40 percent of urban inhabitants. In case of rural population, the overall income across the households stagnated in real terms. No wonder low-income people need a platform to register their protests irrespective of their political leaning.

This is a no-brainer to logically deduce from the facts presented above that poverty may well be on the rise. Although official poverty numbers are not available, an SPDC study narrates that in FY11 38 percent or 71 million people were poor as against 30 percent poor people in FY05. The estimates are based on applying calorific approach, which computes the amount in rupees required to have minimum required calories.

More recently, the multidimensional poverty approach has been adopted by researchers in which various dimensions of health, education and basic living standards are identified and measured to arrive at the poverty level. And according to this methodology, half of the population is poor in Pakistan.

These economic realities imply that protests, while overtly about electoral reforms or change of “system”, are deep down about the social and economic injustices.

Yet more middle-class and educated youth are seen on the protest sites than those who are really marginalized. One reason to explain is that poor people are too busy in earning two meals a day and they don't have energy or time to even protest against their misery. On the other hand, educated youth have spark, energy and ambition. Besides, during the night, protest sites give the image of a carnival. But, there also are some unemployed youth seen on the site.

Data suggest that there are 7.4 million young boys and men in age of 15-34 in Pakistan who are not participating in the labour force and only 4.1 million are enrolled in high school, colleges and universities, while the rest are idle. They want and need to work but system is not providing them with adequate opportunities to do so. That's a serious issue, one of the main causes of street crime in the country.

According to Dr. Hafeez Pasha, the official unemployment rate for educated people (matriculation and above) is higher (6.8%) than that of uneducated people (5.4%) while the eight percent of educated group are under-employed. These are somber facts and exhibit the fragility in Pakistan's socio-economic fabric. Better take the recent protests—arguably underwhelming in numbers—as a warning sign and do something about the disparities.

## **Engro Powergen Qadirpur IPO**

September 16, 2014

BR Research

Much in line with the Group's apparent policy to list assets, Engro Corp's power generation business is all set to list Engro Powergen Qadirpur Limited. And it wouldn't be wrong to say that realising Engro Corp's value could be a motive behind the Initial Public Offering (IPO).

As per the offer for sale document of Engro Powergen Qadirpur Limited (EPQL), expanding and diversifying the capital base, improving governance structure of the company, raising liquidity and accessing alternate capital resources are the key reasons for the public listing. The proceeds from the IPO are planned to be used for financing key projects like LNG terminal and paying-off liabilities.

The offer consists of sale of 4.475 million ordinary shares of EPQL, which is 12.5 percent of the total paid up capital of the company. The offer price has been decided at Rs30.2 per share, which includes a premium of Rs20.2 per share. The company will be formally listed on October 27, 2014.

Currently, Engro Corp (ECL)—the group—directly owns 9.88 percent of EPQL, while the biggest slice of the cake (84%) is held with Engro Powergen ((EPL). The remainder is owned by the International Finance Corporation (IFC) and employees. In this IPO, ECL is divesting 100 percent shareholding in the company, while EPL is offering 2.62 percent out of its shareholdings in the EPQL.

EPQL is an unlisted public limited company with 217MW gas based thermal-power project near Qadirpur, District Ghotki, Sindh. The plant is of Chinese origin purchased new in 2007-2009. A distinguishing feature of the plant is that it is the only power plant in the country that converts low-BTU, high sulphur content permeate gas, which was earlier being wasted and flared, into much needed electricity. This permeate gas is the main fuel which makes EPQL one of the lowest tariff plants compared to other thermal-power plants both in terms of economic and net energy saving. Over the three years of operations the plant has operated at a healthy average availability factor of 95 percent. In terms of profitability, EPQL's gross margins and net margins dropped in 2013 when compared to 2012 mainly because of a machinery malfunction that forced plant shutdown. However, profits are expected to lift back to 2012 levels after the repair this year.

Market makers do not see extraordinarily towards this IPO as (a) it is in congruence with Engro's setting-nurturing-listing philosophy, (b) the public offering is already well perceived in the private placement with a premium of Rs20.2 per share—Rs810 million in total. The firm has reached the offer price through private book building process with only corporate clients as public book building has been prohibited by the SECP after the Hascol transaction.

However, some experts also think that the IPO will be received better by the public as the project established under the Power Policy 2002 is guaranteed an IRR in dollars of around 15 irrespective of the electricity dispatch/off take.

In all this, the key risk faced by the firm going public is the availability of permeate gas. Though the firm is immune to gas curtailment, a decrease in Qadirpur permeate gas will force the company to move to run both on gas and HSD and eventually furnace oil until such time that gas from other fields is abundant, accessible and compatible.

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## Falling FDI

September 16, 2014

BR Research

After a poor show in July, FDI has rebounded in August. As per SBP's latest data, last month, the net FDI—gross inflows minus outflows—went up 227 percent on a year-on-year basis. The August tally is still a paltry \$63.1 million, but the massive improvement compared to July, when net FDI had gone down 80 percent, could be seen as a slight reprieve.

Yet detailed data show that even this small improvement in August is inauspicious. August was a better month for net FDI only because outflows went down by nearly 50 percent over previous year to \$62.7 million. That is welcome, but gross inflows—which actually highlight the pace of new investments—declined during the month by 12.4 percent year on year to come down to about \$126 million. FDI patterns were the same in August. Fresh inflows were received primarily in financial sector, oil and gas exploration, chemicals, and thermal power industries. Major FDI origins were Switzerland, United States, United Kingdom and United Arab Emirates. The \$62.7 million outflows were mostly seen in telecommunication and IT, thermal power, and financial sectors, with the divested funds going back majorly to countries like UAE, Saudi Arabia and China.

Cumulatively, the Jul-Apr net FDI is still in the dumps, down 37 percent year on year to \$87 million. After the July hemorrhage, the fact that the relative amelioration in August was not on the basis of gross inflows is a bad omen. Due to recent political chaos, things are already not looking good for the economy. Even if political situation improves tomorrow, it's going to take a lot of time and effort to recover.

And, if things deteriorate, expect FDI statistics to cast long gloomy shadows over the economy in coming months. The only saving grace so far this fiscal has been the foreign portfolio investment. But, its migratory nature is not reassuring. Besides, the country needs hard investments and technology transfer in key productive and infrastructure sectors, which only fresh FDI can deliver.

## Political instability—the governance conundrum

September 16, 2014

BR Research

Governance is one key issue raised in the ongoing political and social instability. And for a country like Pakistan, social and political unrest indeed perpetuate the vulnerability of poor. Institute for Policy Reforms Pakistan, an independent and non-partisan think tank's recent report is aptly timed as it reveals how poor governance has taken its toll on the state, society and democracy.

According to World Bank’s annual governance index (WDI), the three criteria for governance include: voice and accountability, political stability and absence of violence, effectiveness of government and its quality as well as rule of law and control of corruption. In order to measure governance along these lines, the report has conducted a detailed assessment of the country’s performance in the three areas. And the results are appalling: Pakistan scores low on majority (13 out of 18) of the sub-indices. Weak relations between the state and the people, poor and non-existent service delivery, weak institutions and precarious law-and-order situation are some instances that are living proof of the lack of any improvement in governance in Pakistan over the past decade or so.

Competition for power among the elite, building national consensus, fragile institutions, unattended devolution, capacity issues in civil services and courts and corruption are some of the key issues in the report titled, ‘Strategy not Tactics: Better Governance for Social Stability in Pakistan’ that have been particularly blamed for weak governance.

Time and again problems have been identified; root causes have been highlighted; recommendations and frameworks have been proposed. The study proposes a set plan of reforms, objectives and strategy to improve governance. Furthermore, it gives out detailed recommendations for improving systems and processes, building capacity, enforcing law and order and project execution. (See illustration). The dilemma is that is all depends when the leadership(s) wants to pick the course of implementation and enforcing.

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Recommendation for Improving governance

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- 1 Government systems: Corporatise government working by incentivising, prioritising, devolving and decentralising
- 2 Build capacity (for all civil servants: service delivery officials, project managers, and policy makers)
- 3 Cult Culture change through information access, innovation and ownership to maximise delivery, parliamentary oversight
- 4 Policy making and implementation through consultation, feedback best practices and timely execution
- 5 Project planning, execution, and problem solving
- 6 Public private partnerships
- 7 Rule of law: Uniform and fair application of law
- 8 Sopped environment through media, academia, civil society, NGOs
- 9 Structural reforms rightsizing of government
- 10 Restructuring of PSEs and their privatization
- 11 Improvement of tax administration

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## Crime News

### Rawalpindi: 31 outlaws arrested; drugs, weapons seized

**RAWALPINDI:** The police under its ongoing drive against the anti-social elements have arrested 31 accused including seven gamblers for their alleged involvement in immoral activities.

The police also recovered over five kilogrammes of charas, 52 bottles of liquor, 120 litres of wine, four pistols of 30-bore with 26 rounds, one dagger, and 25 litres of petrol from the possession of the arrested accused. According to the Rawalpindi police spokesperson, the Naseerabad police held an accused for having 1,050 grammes of charas.

The Pir Wadhai police also recovered 510 grammes of charas from the possession of another accused. The Kalar Syedan police netted an accused for having 520 grammes of charas. The Saddar Wah police booked a man for possessing 600 grammes of charas. The Naseerabad police nabbed an accused for having 610 grammes of charas.

The Wah Cantt police arrested a man for having 500 grammes of charas. The Rawat police recovered 530 grammes of charas from another accused. Moreover, the Saddar Wah police conducted a raid and recovered 50 bottles of liquor from the custody of another accused. The Airport police, acting on a tip-off raided at an illegal petrol agency and arrested an accused while 25 litres of petrol was also recovered.

Others accused were sent behind the bars for having illegal weapons, drugs, and liquor. Meanwhile, the Airport police, on information conducted a raid in Khayaban-e-Tanveer and rounded up seven accused persons, as they were allegedly involved in betting while playing cards. The police also recovered Rs 39,000 cash stake money, eight mobile phones, and other items from their possession.

### Landikotal: Security forces arrest 4 terrorists

**LANDIKOTAL:** Security forces raided a house near Landikotal College and arrested four terrorists. According to security officials, during the raid, they also seized a suicide jacket. The accused have been shifted to Frontier Corps headquarters in Landikotal.

### Karachi: Target killer affiliated with political party arrested

**KARACHI:** Rangers continued conducting raids in different areas of the city on Friday and arrested ten suspects, including a target killer affiliated with a political party.

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According to the **Rangers'** spokesman, the raids were conducted in **Gulzar Hijri, Landhi, Arafat Town, Dastagir, Azizabad and Saiful Marri Goth**. "The **arrested target killer** was involved in the **murder of Akmal Qari Rahim** and affiliated with a **political party**", he told media.

## Lahore: 4 held over fake documents

**LAHORE: FIA Immigration** staff on Friday **arrested four passengers** trying to board a **Greece bound flight on fake travel documents**.

Spokesman for **FIA** said that immigration staff **arrested a blacklisted passenger Muhammad Qadri**, resident of **Gujrat**, who was trying to escape **Damam**. Another **blacklisted passenger Amjad Ali** resident of **Gujranwala** was trying to escape **Jeddah through flight Ek-625**. **Wafadar Khan**, resident of **Banu**, was **arrested** since his **passport was fake** and he was **travelling on a passport** of another person.

**Rafaqat Ali** resident of **Muzafar Garh** was trying to board Athens bound **flight Pk-764** but his **passport was fake** and **immigration staff arrested him**. All **four passengers** were sent to **Anti-Human Trafficking Circle Lahore** for further action.

Meanwhile, **Excise and Taxation (E&T)** staff during last week **seized registration documents** of more than **600 vehicles** and dozens of **vehicles** were taken into custody due to nonpayment of **token tax**, said spokesman for **E&T** on Friday.

## Narcotics seized in Daska

**DASKA: Police** Friday **arrested three accused** and **recovered illicit arms and drugs** from them. On a tip-off, **police arrested acused Liquman, Bashrat Ali and Muhammad Adnon**, who were **selling narcotics**.



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## Miscellaneous News

# Energy solutions: LNG import a game changer, to save \$2.5b in oil imports

By Our Correspondent

Published: September 16, 2014

ISLAMABAD:

**Federal Minister for Petroleum and Natural Resources Shahid Khaqan Abbasi has said that consumption of liquefied natural gas (LNG) in the compressed natural gas (CNG) industry will prove to be a game changer as it will save \$2.5 billion per annum in oil imports and ensure employment to about one million people.**

Speaking at a press conference along with All Pakistan CNG Association supreme council Chairman Ghayas Paracha here on Monday, Abbasi said gas utilities – Sui Northern Gas Pipelines Limited and Sui Southern Gas Company – would provide infrastructure for transporting 500 million cubic feet of LNG per day (mmcfd) to CNG filling stations.

“Gas supply to CNG stations will be for seven days a week and CNG will be 30% to 35% cheaper than petrol,” he said, stressing Pakistan had a wide infrastructure network in place for CNG pumps and provision of LNG would lead to consumption of clean energy in the country.

He pointed out that CNG stations had provided jobs to 500,000 to 700,000 people and the number would go up to one million following revival of the industry on the back of LNG injection.

“The private sector will import LNG worth billions of dollars and 250 to 300 mmcfd will be left after its supply to CNG stations. This saved gas will be provided to power or fertiliser plants,” he said.

The private sector would also bear the impact of unaccounted-for-gas (UFG), he added, referring to gas theft and leakage.

The country can transport 500 mmcfd of LNG by using the current transmission infrastructure of gas utilities, but additional infrastructure will be developed to handle more LNG supplies.

The minister made it clear that LNG price would depend on market forces, ruling out any role for the Oil and Gas Regulatory Authority (Ogra) in that regard.

However, he said, it would be 30% to 35% cheaper than petrol and the government would give tax relief to make it affordable for the consumers. It will take 18 months to induct LNG into the CNG industry.

Blaming long marches by two political parties for having a negative impact on foreign investment, he expressed the hope that the issue would be resolved and foreign capital would continue to land in the oil and gas sector.

The long marchers were creating a negative perception about LNG price, which the government had not yet finalised with any party, he said, adding he had written a letter to parliamentary leaders including Sheikh Rasheed, asking them to bring any party with LNG supply offer at a cheaper rate. But nobody has responded.

Abbasi pointed out that construction of an LNG terminal had got under way after past governments failed for five times, adding they were following a transparent process.

All Pakistan CNG Association Chairman Ghayas Paracha claimed that the CNG industry's worth would jump from Rs450 billion to Rs600 billion after LNG supply to the filling stations.

“The number of CNG-powered vehicles will reach 4.5 million compared to existing 3.7 million and consumers will be able to save Rs12,000 per month in the wake of continuous LNG supply,” he said.

*Published in The Express Tribune, September 16<sup>th</sup>, 2014.*

## Gas exploration: PPL announces second hydrocarbon find

By Our Correspondent

Published: September 16, 2014

KARACHI:

**The Pakistan Petroleum Limited (PPL) has announced a gas and condensate discovery in Hala block, located in Sindh's Sanghar and Matiari districts. This is its second hydrocarbon find within six weeks.**

The company said that it found 18.6 million standard cubic feet per day (mmcf) of gas and 31 barrels per day (bpd) of condensate in exploratory well Adam West X-1.

“Exploration well Adam West X-1 was spud on May 21, 2014 and reached final depth of 4,057 metres on July 29, 2014,” the company said.

“At current estimates, flow potential of Adam West X-1 translates into approximately 3,200 barrels per day in oil equivalent, resulting in potential foreign exchange saving of \$355,000 per day.”

Hala is a joint venture between PPL and Mari Petroleum Company Limited, with 65 and 35 percent working interest, respectively. It covers an area of about 395 square kilometres. The exploration licence for Hala was granted to PPL in March 2004. Subsequently, the first

exploratory well Adam X-1 was drilled in 2007, resulting in the discovery, according to PPL's website.

The recoverable gas reserves from the field are stated to be around 18 billion cubic feet. Hala supplies gas to Sui Southern Gas Company and condensate to National Refinery Limited.

PPL currently produces 10 mmcf of gas and 150 bpd of condensate from another well in the same block.

It announced two other discoveries in the Gambat South block, located in Sanghar district of Sindh, last year.

In August, the company discovered 42 mmcf of gas in the Gambat South block, its third and biggest discovery in that particular block. At the time, production from the well was expected to go up to 60 mmscf.

“Two additional zones have been identified that will be tested later, resulting in an expected cumulative production of 60 mmscf, translating into approximately 7,400 barrels per day in oil equivalent and foreign exchange saving of \$0.75 million per day,” the company announced.

PPL has a portfolio of 47 exploration blocks and has been aggressively searching for new hydrocarbon finds since last year to compensate for the decrease in production from its established fields like Sui. It has also been trying to cut the depletion rate of its fields by installing compressor plants and drilling more wells.

The company accounts for 22% of the country's gas production. In fiscal year 2013-14, it posted a profit of Rs51.41 billion, up 23% over the previous year. During last fiscal year, Rs10 billion were earmarked to be spent on exploration activities with focus on Gambat South.

PPL's six producing fields include Sui, Kandhkot, Adhi, Mazrani, Chachar and Hala, while it has working interest in eight partner-operated fields. It also has working interest in offshore fields in Iraq and Yemen.

*Published in The Express Tribune, September 16<sup>th</sup>, 2014.*

## **2MFY15: FDI drops 37%, clocks in at \$87.1 million**

By Kazim Alam

Published: September 16, 2014

KARACHI:

**Pakistan received foreign direct investment (FDI) of \$87.1 million in the first two months of 2014-15, which is 37% less than the FDI received during the same months of the preceding fiscal year.**

According to data released by the State Bank of Pakistan (SBP) on Monday, FDI decreased by \$51.2 million year-on-year in July-August, as it amounted to \$138.3 million in the first two months of 2013-14.

Pakistan has faced political uncertainty amid month-long sit-ins by opposition groups demanding the resignation of the prime minister.

FDI in FY2013-14 clocked up at \$1.63 billion after increasing by 11.99% on an annual basis. The increase during the last fiscal year was mainly on the back of the auction of the telecom spectrum that fetched the government \$610.9 million in May.

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There was a net outflow of FDI amounting to \$21.7 million from the telecommunications sector in July-August. In contrast, the same sector had registered a net outflow of \$49 million of FDI during the same period of the last fiscal year. FDI in the telecommunications sector in August amounted to a negative \$10.2 million.

The largest increase in FDI in July-August was in the category of oil and gas exploration, which attracted \$42.6 million. However, it was 34.7% less than the foreign investment received during the same months of the preceding fiscal year when it totalled \$65.3 million.

Financial businesses attracted the second highest FDI in July-August, with net foreign investment of \$23.7 million, down 9.2% from the corresponding two-month period of the preceding fiscal year.

Other sectors of the economy that received major FDI in July-August include tobacco and cigarettes (\$20.1 million), chemicals (\$19.8 million), food sector (\$16.3 million), trade (\$10.3 million), personal services (\$10.2 million), textiles (\$6.9 million) and power (\$5 million).

Sectors of the economy that experienced a considerable net outflow of FDI in the first two months of the current fiscal year were pharmaceuticals (-\$48.5 million), cement (-\$7.6 million) and IT services (-\$5 million).

As for foreign portfolio investment (FPI), which includes foreign public investment, Pakistan attracted \$85.5 million during July-August, which is 10.3% higher than the FPI worth \$77.5 million received in the comparable months of 2013-14.

FPI in 2013-14 was \$2.74 billion, up 21 times from \$124.2 million received in the preceding fiscal year.

Countries that brought significant amounts of FDI into Pakistan in July-August include the United States (\$36.2 million), Hong Kong (\$27.3 million), United Kingdom (\$22.4 million), France (\$11.9 million), Norway (\$11.4 million), Japan (\$8.9 million) and Italy (\$5.3 million).

Countries that took out major investments out of Pakistan during the last two months are Qatar (-\$9.9 million), Saudi Arabia (-\$9.8 million), United Arab Emirates (-\$8.9 million), Singapore (-

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\$7.6 million), Malaysia (-\$6.4 million), China (-\$5.7 million), Canada (\$4.1 million), Finland (-\$4 million) and Switzerland (-\$2.5 million).

*Published in The Express Tribune, September 16<sup>th</sup>, 2014.*

## **In demand: 3G user base expanding, market surges forward**

By Our Correspondent

Published: September 16, 2014

**KARACHI: On the back of strong public interest in the arrival of third-generation (3G) services, Telenor Pakistan announced its plans to expand its 3G network to 32 cities by the end of 2014.**

“We have witnessed a strong surge in the uptake of services. Majority of our customers – who used free or test service – have been opting for the paid service,” said Telenor Pakistan Chief Marketing Officer Irfan Wahab Khan in the company’s first post-3G media roundtable here on Monday.

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Though 3G mobile users are just a small fraction of the company’s 8-million internet user base, the average data volume usage of its 3G customers is more than double compared with the average data volume of its 2G users. Applications such as Facebook, Twitter, Line and online classified services have mainly spurred this growth.

“Users of 3G services are consuming high amounts of data because of better user experience and internet speed,” said Khan, adding that the Pakistani subsidiary of the Norwegian telecom giant is the country’s fastest growing mobile broadband network.

Referring to the company’s strategy, Khan said the company did not want to confine only to urban centres but expand to rural areas as well.

In its fourth phase of commercial rollout, Telenor – the country’s second largest telecom operator by subscriber base – will add 13 more cities to its 3G network, according to officials. These cities include Attock, Bahawalpur, Bannu, DI Khan, Jhelum, Kohat, Mardan, Muzaffargarh, Okara, Pakpattan, Sahiwal, Wah and Taxila.

Sharing statistics about the Telenor App Store, which they launched in July 2014, Khan said a 55% month-on-month increase in traffic has been witnessed. “There are 137,000 unique users who have downloaded more than 50,000 apps.”

Telenor App Store is providing access to global content, such as Gameloft, EA games, Disney and features 90% free-to-download games, officials say. The store is powered with mobile

payments company Fortumo's direct career billing feature, Khan added, which allows its customers to make purchases with their mobile phone balance.

"Our app store is an opportunity for local developers," he said, noting most of the apps were developed for international audience. "There are many local developers who are developing high-quality apps for international market. They can translate this into the local market as well."

Khan also announced the launch of the company's upcoming entertainment app, which will provide Pakistani, Indian and international music – the app is currently in a testing phase.

While being optimistic about the industry's growth prospects, he used the platform to put forward challenges facing the telecom sector.

Pakistan's telecom sector is the third highest-taxed industry, Khan said, adding the government should make the services more affordable by reducing the rate. He also insisted the government should come up with a telecom policy that can address challenges and has a technology neutral regime.

*Published in The Express Tribune, September 16<sup>th</sup>, 2014.*

## Value-added products: Poultry industry faces hurdles, but expansion plans go on

By Shahram Haq

Published: September 16, 2014

**LAHORE:** The concept of processed chicken is not new in Pakistan. Many firms are now coming up with innovative means of providing healthier poultry and its byproducts for consumers.

Though the brands supplying value-added chicken products to local and multinational retail outlets are numerous and the trend is on the rise, the pioneers of this industry are facing many obstacles because of import duties. Owing to this many have quit production and have found it more lucrative to import value-added chicken and market it under their name. However, some local players are still committed to pressing on with their operation.

"Import duties are a hurdle. Indonesia and Malaysia have zero import duty, while China has 25%. But still we would like to grow and continue as per our future expansion plans," said K&N's Chief Executive Officer Khalil Sattar in an interview to *The Express Tribune*. "For a progressive company, there is never an end, whether conditions are favourable or not."

K&N's was established in 1964 by Sattar when he was still studying in college. He started with an aim to provide better nutrition to people, with a broiler chicken farm and a thousand chicks, providing them the best feed.

He established the first state-of-the-art environmentally-controlled shed in 1982. Initially, people thought the idea was ridiculous, but later other industry players followed suit and started making investment.

The company has 97 outlets nationwide and its products are sold in other retail stores as well. Over the years it has added more products and business activities to its portfolio and is entirely self-sufficient; right from poultry breeding to producing ready-to-cook products. The only exceptions are a few spices that are imported to meet requirements of local clients.

A number of foreign experts have also been hired to help treat chicken under the watchful eye of poultry nutrition, health and housing specialists. Chicken is kept in large, clean and airy sheds equipped with latest heating, cooling and ventilating equipment, making K&N's a leading player in the processed chicken segment.

In coming years, Sattar feels it might be difficult to purchase live chicken from open market as with growing health consciousness, people are making healthier choices. Increased urbanisation and higher disposable income will help further, as people will spend a chunk of their incomes on healthier food options.

“Majority of the public is still unaware of what processed chicken really is. Annual growth of the industry is merely 3% to 4%, which is not enough.”

In Pakistan, there is still a lot of room to expand, since the processed chicken industry is in its infancy and comprises only 1% of total chicken market of the country, Sattar said, adding a 1% improvement in the gross national income leads to a 2% rise in chicken demand.

The company currently is not contemplating processing other meat items like mutton and beef. Sattar believes that there is still much to be covered in processed chicken items.

*Published in The Express Tribune, September 16<sup>th</sup>, 2014.*

## **Opportunity beckons: Eying to tap the Russian fruit, vegetable market**

By Our Correspondent

Published: September 16, 2014

**KARACHI: Russia's ban on importing food items from Europe and North America has caused Pakistani exporters to turn their attention towards that market.**

Sensing the opportunity, a delegation of 20 Pakistani companies has left for Russia to participate in the three-day World Food Moscow exhibition that will conclude on September 18.

Pakistan Fruit and Vegetable Exporters, Importers and Merchant Association (PFVA) Co-Chairman Waheed Ahmed told The Express Tribune that chances to secure big import orders is high after the Russian ban.

## ” Association has already chalked out a strategy to increase the exports to Russian markets

PFVA Co-Chairman Waheed Ahmed

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“Our association has already chalked out a strategy to increase our exports to Russian markets,” he said.

The World Food Moscow is Russia’s premier international exhibition for the food and drink industry. This is its 23rd year and it expects to welcome exhibitors from 70 countries.

Six of the companies that have left for Russia were also setting up their stalls in the exhibition where they display fruits, vegetables and their value-added products, added Ahmed.

“To increase the penetration of Pakistani food exports to Russia, our government needs to make some efforts on the diplomatic level as well,” he stressed.

The delegation will conduct meetings with Russian fruit importers as well as their officials during the event to create business opportunities, he said. However, the absence of direct banking channels between Russia and Pakistan are creating problems for Pakistani businesses, which is a big problem that needs to resolve immediately.

Fruit and vegetable exporters say that Russia is in search of alternative markets to import fruits and vegetables worth \$2 billion. Pakistan can manage to capture 5-10% of this market, added the exporters.

Apart from fruits and vegetables, exporters say there is also a big opportunity for poultry, red meat, dairy and wheat exports as Russia is looking forward to find alternative markets for these items.

Pakistan’s noticeable exports to Russia are kinnow (mandarin) and potato, while other commodities are also sent but in small quantities.

Exporters say that a lack of understanding and collaboration between the two countries on quarantine protocols often creates problems.

In 2012, Russia warned Pakistan that it may completely ban fruit import and vegetable imports from Pakistan because of serious quality issues and non-implementation of quarantine standards. Russian quarantine department also raised serious reservations over the lack of government control on Pakistani fruit and vegetable exports.

But, diplomatic efforts from the Pakistani government partially resolved the issue.

*Published in The Express Tribune, September 16<sup>th</sup>, 2014.*



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## State-of-the-art: MoIT working on system for crop estimation

By APP

Published: September 16, 2014

**ISLAMABAD: The Ministry of Information Technology and Telecommunications (MoIT) is working to develop a Crop Estimation and Geographic Mapping System (CEGMaS) to improve tobacco crop acreage estimation.**

The CEGMaS will use state-of-the-art technology tools to acquire updated crop acreage estimates and quality pallets of the tobacco crop in the pilot regions of Shergarh (District Mardan) and Sawabi – two of the most tobacco producing regions of the Khyber-Pakhtunkhwa (K-P).

The project is being executed by the National ICT Research and Development Fund, in collaboration with University of Engineering and Technology, Peshawar at a cost of Rs25.5 million. The project is expected complete in 2016.

Official sources have stated that the system will involve minimal complexity and provide user-friendly interfaces for users of varying backgrounds.

They said a robust and reliable ground-truth surveying mechanism would be developed, using mobile development tools and communication technologies. “The handheld devices will have a CEGMaS mobile application that will enable mobile equipment to acquire location information from GPS satellites and send the location and field information in a pre-designed form to a secure web-server,” they said.

The information acquired during the field surveys will be compared with the crop estimates obtained through the hyper-spectral remote sensing data for establishing and re-calibrating the accuracy of the estimation process.

Sources said after the successful development and field trials of CEGMaS, it can further be used for other crops such as wheat, cotton, rice, sugarcane among others. Tobacco is one of the main cash crops for farmers, and its growing is regulated by the government through Pakistan Tobacco Board to establish a measure of quantitative estimates yield.

*Published in The Express Tribune, September 16<sup>th</sup>, 2014.*

## Unaware: ‘Lack of knowledge bringing down productivity’

By Our Correspondent

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Published: September 16, 2014

RAWALPINDI:

**Pakistan, a predominantly agrarian economy, lacks investment and poor infrastructure that renders much of the country's agriculture produce uncompetitive in the global market, said Dr Rasheed, a former director general at the Ayub Agricultural Research Institute.**

“Despite the increased use of fertilisers, there is no increase in productivity, making it a matter of great concern. Farmers’ unawareness on the use of balanced fertilisers is rendering the soil infertile,” said Dr Rasheed.

“The use of nitrogen in the agricultural fields has increased exponentially, while the trend is continuously decreasing in the case of phosphorus and potassium which is a clear depiction of imbalanced use of fertilisers.”

He added that the reasons behind the increasing use of nitrogen was the low cost of urea (nitrogen source) compared to DAP (phosphorus source).

*Published in The Express Tribune, September 16<sup>th</sup>, 2014.*

## **Islamabad killings: Court orders FIR against PM, top aides**

By Obaid Abbasi

Published: September 16, 2014

Express News screengrab of a protester covering his face against smoke.

**ISLAMABAD: A district and sessions court on Monday ordered police to register a case against Prime Minister Nawaz Sharif and key cabinet ministers for their alleged involvement in the deaths of Pakistan Awami Tehreek (PAT) workers in clashes between protesters and police in Islamabad's Red Zone.**

Judge Raja Jawad Abbasi of the session court ordered the Station House Officer (SHO) in Secretariat police to register a first information report (FIR) against PM Nawaz and members of his immediate cabinet including Interior Minister Chaudhry Nisar Ali Khan, Minister of Defence Khawaja Muhammad Asif, Minister of Railway Khawaja Saad Rafique and former Inspector General of Police (IGP) against the killing of PAT workers.

The decision comes in response to a petition filed by PAT leader Umar Riaz Abbasi, against the Secretariat police for not registering an FIR against the killings in Islamabad following intense clashes between anti-government demonstrators and security forces.

During Monday's hearing, the petitioner's counsel contended that police had not registered a case even after two weeks.

Abbasi, through his counsel Ishtiaq Mir, maintained that peaceful PAT protesters were killed by police during sit-ins on August 30, but Secretariat police was still hesitant to register a case against Prime Minister Nawaz Sharif and his cabinet minister. Blaming the premier for last month's killings in the capital, Mir said that the government was responsible for the 'assault' on 'peaceful protesters' that resulted in several deaths.

Advancing his argument, the lawyer informed the court that PAT leadership had approached the police station in a bid to lodge a complaint but police officials refused to register a FIR leaving the party with no option than to approach the court. Subsequently, the petitioner's counsel requested the court to direct the police to register an FIR against the perpetrators of the Islamabad incident.

At least 13 FIRs were registered in different police stations against the leadership of PAT and Pakistan Tehreek-i-Insaf (PTI), after their supporters clashed with security forces during a failed bid to storm the Prime Minister's official residence last month.

*Published in The Express Tribune, September 16<sup>th</sup>, 2014.*

## Death toll ratchets to 312 as waters enter Muzaffargarh

By Owais Qarni / Peer Muhammad

Published: September 16, 2014

**MULTAN/ ISLAMABAD: As water entered Muzaffargarh city on Monday morning, the National Disaster Management Authority said the death toll due to floods has reached 312 in the country. While an estimated 2.3 million have been affected by the devastating floods, roughly 1.9 million acres of crops have also been damaged, the NDMA said.**

After passing through Punjab, the floodwater is now moving towards Sindh and the Pakistan Meteorological Department (PMD) has issued a fresh flood flow forecast for Guddu and Sukkur Barrages on River Indus, according to which the Indus at Guddu and Sukkur may attain medium to high flood discharge ranging between 400,000 cusecs to 500,000 cusecs from tomorrow (Tuesday) until Thursday this week.

On Monday, all roads connecting the city to Bahawalpur, Dera Ghazi Khan, Mianwali, Multan and Layyah, as well as other sub-districts, were submerged. The water entered Muzaffargarh city after Taliri canal was breached completely due to the water pressure. The Muzaffargarh-Dera Ghazi Khan national highway was also submerged. The water has been decreasing at Head Muhammad Wala and by Monday evening, the water level was at 412 feet, just three feet down from the limit of 415 feet.

An estimated 100 villages have been submerged in the last 24 hours in district Multan and one body was recovered in the Shujabad sub-district of Multan, where six relief camps were set up. The death toll so far after the water entered Multan division on Friday stands at 15. The water level at Trimmu headworks on Monday evening was 153,000 cusecs, 27,000 at Head Sidhnaayi and at Sher Shah dyke the water level stood at 394 feet, just one foot down from the limit of 395 feet.

The flow of water at Head Punjnad crossed 500,000 cusecs on Monday morning, indicating a very high pressure on all supporting dykes. In district Rajanpur, 10 villages were submerged and water from the River Indus also entered the home of a wanted gangster Chotu, who heads a gang in Dera Ghazi Khan division.

Former DCO Muzaffargarh Tahir Khursheed took command of relief activities after continuous protests over a reported lack of arrangements for the flood victims by the district government. Twenty-one protests were held against the provincial government at different spots over the absence of adequate food and shelter in Multan, Muzaffargarh, Bahawalpur and Khanewal districts in the last 48 hours. More than 1,100 protestors taking shelter in the Government Post Graduate College Muzaffargarh protested on Sunday night due to lack of food for the last 24 hours.

### **Rising toll**

The NDMA stated that 232 people have been killed in Punjab, 66 in AJK and 14 in Gilgit-Baltistan since September 4. The floods have also damaged 32,243 houses and affected 2,852 villages, the authority said. In AJK, as many as 66 people have been killed and 46,486 affected due to the heavy rains and flash floods. The floods have also damaged 2,731 houses and affected 2,048 acres of crops.

In Gilgit-Baltistan, 14 people have died and 1,976 affected. An estimated 127 villages were also affected. According to the PMD, isolated thundershowers are expected over Rawalpindi, Sargodha, Gujranwala, Faisalabad, Lahore and D.G. Khan Divisions along with Gilgit Baltistan and Kashmir.

As per PMD reports, the risk of high to very high flood level at Guddu and Sukkur has reduced due to hydrological conditions and the breaching of bunds between Qadirabad and Punjnad on River Chenab.

The government of Sindh has directed people living along River Indus to move to safer places including Larkana, Shikarpur, Kashmore-Kandhkot district.

*Published in The Express Tribune, September 16<sup>th</sup>, 2014.*

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# Political standoff: Military says it sides with no one

By Our Correspondent

Published: September 16, 2014

ISLAMABAD:

**Military's media spokesperson Major General Asim Saleem Bajwa has once again clarified that the army is neither involved in politics nor it is siding with any stakeholder in the current political standoff.**

“It has been our standpoint since day one that it is a political crisis which should be resolved through political means,” Inter-Service Public Relations’ (ISPR) chief said while talking to *BBC Urdu* on Monday.

He said the army could not afford to side with any particular group as the army is for the whole nation. “We have neither supported any party in the past nor will do in the future,” he added.

Talking with reference to operation Zarb-e-Azb, he said the ongoing military offensive in North Waziristan Agency (NWA) had dealt a heavy blow to Tehreek-e-Taliban Pakistan (TTP).

However, he said, the TTP leadership, including its chief Mullah Fazullah and shura members, had managed to flee to Afghanistan before the start of the offensive and are hiding now in Afghan province of Kunar. Pakistan has repeatedly requested Afghan government to hand over the TTP leadership, he added.

“The impression that Taliban are resurfacing is wrong,” he said, adding that the outfit was dispersed and was making sporadic attempts as its ability to plan and carry out coordinated attacks in different parts of the country had been eliminated through operation Zarb-e-Azb.

He claimed that the operation was successfully advancing towards its objective. However, he refused to give time frame regarding the completion of the operation, which began on June 15 after efforts to strike peace deal with Tehreek-e-Taliban Pakistan (TTP) and its affiliates failed.

Meanwhile, the army's gunships killed another 15 suspected terrorists while targeting their hideouts in the NWA on Monday.

According to the ISPR's statement, army combat helicopters in precise strikes destroyed ten explosive laden vehicles and five hideouts in Tabai area of the restive tribal agency. “Fifteen terrorists were killed in the strikes,” said the military's media wing.

The military in recent weeks stepped up its offensive against militants in North Waziristan. A senior military official told The Express Tribune that security forces took control of major towns and cleared them of terrorists.

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**ISAF chief meets General Raheel Sharif**

The newly appointed commander of US-led International Security Assistance Force (ISAF) General John Campbell visited the General Headquarters in Rawalpindi and held talks with Army Chief General Raheel.

This was his first visit to the General Headquarters after assumption of command of the ISAF.

“During the meeting, matters of mutual interest were discussed that included progress of ongoing Operation Zarb-e-Azb, latest situation in Afghanistan and coordination along Pak-Afghan Border,” said the ISPR statement.

Sources familiar with the meeting said both commanders also discussed recent announcement by a key faction of the TTP to give up violence in Pakistan and focus their activities on neighbouring Afghanistan.

It is believed that both Washington and Kabul are increasingly concerned about the development fearing that the move by Punjabi Taliban led by Asmatullah Muawaya may embolden insurgents in Afghanistan to target foreign troops.

Pakistani, however, assured them that it would not allow its soil to be used against any country including Afghanistan.

*Published in The Express Tribune, September 16<sup>th</sup>, 2014.*

## **Medical waste disposal: CADD minister orders speeding up of project**

By Our Correspondent

Published: September 16, 2014

ISLAMABAD:

**The performance and feasibility reports of new and ongoing projects of the Pakistan Institute of Medical Sciences, Polyclinic hospital, Federal Directorate of Education and population welfare were discussed at a meeting held by Minister of State of Capital Administration and Development Division Usman Ibrahim on Monday.**

Talking about two separate hostels for female doctors and nurses at Pims, Ibrahim directed that construction should be completed immediately and its issues would be taken up with the Planning Commission.

He said the issue of an incineration centre to properly dispose of medical waste at the hospital should be taken up with the Economic Affairs Division. The project, worth Rs873 million, will be supported by the French government. Reviewing the performance of FDE, he said issues of recruitment and encroachment of schools and colleges should be resolved on a priority basis.

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*Published in The Express Tribune, September 16<sup>th</sup>, 2014.*

## Speeding: 12 soldiers, civilians hurt in accident

By Our Correspondent / Photo: Waseem Nazir

Published: September 16, 2014

ISLAMABAD:

**At least a dozen people were injured on Monday when the driver of a speeding army truck lost control, jumped the footpath and hit two vehicles in the other lane near Rawal Chowk in Secretariat Police Station area.**

According to the police, a truck carrying around 10 soldiers hit a Daihatsu Cuore and a Toyota Hiace on the other road after driver Jannat Gul lost control over the vehicle. “Speeding was the cause of the accident,” said of Secretariat Police Station Duty Officer Qurban Ali.

Ali said that Imran Liaquat — who was driving the Cuore — and Gul were severely injured, while the others had minor injuries. They were rushed to Pakistan Institute of Medical Sciences (PIMS) and Polyclinic, from where the soldiers were later shifted to Combined Military Hospital in Rawalpindi. He added that Hiace suffered minor damage.

PIMS spokesperson, Dr Ayesha Ishani, said that three injured persons, including the two drivers, were treated for head injuries at PIMS. The spokesperson said Liaquat and Gul were in critical condition, adding that Gul was later shifted to an army hospital.

Ali said that no case has been registered yet as the two injured persons were unable to record statements due to their injuries. He added that the police collected evidence from the scene and a case will be registered after a complaint is filed.

*Published in The Express Tribune, September 16<sup>th</sup>, 2014.*

## Awareness session: Importance of fire, road safety stressed

By APP

Published: September 16, 2014

**ISLAMABAD:** Speakers at a session on Monday called for more emphasis on road and fire safety techniques in the country. They said more people in Pakistan die in road and fire accidents every year than terrorism-related incidents. The awareness-raising session was held at Hamara Ghar Orphanage. Speakers emphasised the need to develop and implement the government’s

road safety measures for reducing traffic accidents in the country. “Activities should be undertaken with an aim to reduce the number of accidents and lower the cost to society, both in terms of human suffering and financial cost,” said Muhammad Shahid, a road safety expert. Ali Raza, the head of Pakistan Emergency Response Learning Program, highlighted the different activities with the aim to develop skills in individuals that might help in saving lives in times of distress, including fire-fighting, first-aid, traffic safety and disaster management. A high number of orphan children attended the session.

*Published in The Express Tribune, September 16<sup>th</sup>, 2014.*

## **Common ally: China lauded for avoiding global conflicts**

By Rizwan Shehzad

Published: September 16, 2014

ISLAMABAD:

**Panellists at a discussion on China’s global role said the country is increasing its influence in the region and the world while staying clear of global conflicts.**

They were speaking at a seminar on “Changing Dynamics in Global Power Structure and Role of China” at the Sustainable Development Policy Institute on Monday.

Adviser to Prime Minister on Foreign Affairs Tariq Fatemi said China has never been aggressive in the last three decades and has played a moderating role in promoting global peace and economy. He said China has been an inward-looking country with a very important and remarkable history of economic transformation. “The scale of transformation—both visible and invisible—through which it is moving has no match in recent history.”

Fatemi was of the view that Chinese foreign policy was driven by the philosophy of avoiding conflicts under all circumstances and concentrating on economic growth and stability. He observed that China wants to be a team player rather than a team disrupter, adding that it wishes to play a role less than it is capable of. “It seeks not to ruffle feathers.”

The last six decades have been remarkable for China, he said, adding that the first three were spent in bringing reforms in the country and over 500 million people were pulled out of poverty. In addition, China is today an economy which controls global economy, he added.

The premier’s adviser said China stood by Pakistan many times and that all Pakistani leaders, regardless of their political affiliation, realise this good critical relationship with China and continued it in their respective tenures.



China has interdependent economy, technology, environment and that is why larger powers settle their issues with it peacefully, he said, adding that the country was bringing reforms in a way that other privileged countries are not disturbed.

Pakistan Tehreek-i-Insaf MNA from Karachi, Dr Arif Alvi, admired Chinese policies on population management, economic growth and stability. “China has transformed its large population, which was burdensome to its food security, into an asset of cheap labour driving economic development.”

Additionally, China has exerted itself as a military power and has the second highest defence budget in the world, said Alvi. He added that global economic and political security was in China’s best interest because China is the centre of an economic triangle linking resource-rich developing countries and consumer-abundant developed nations.

“In this triangle, China is playing a key role in changing raw materials from developing countries to manufactured products that are exported to the developed world.”

Pakistan People’s Party Information Secretary Qamar Zaman Kaira Qamar Zaman Kaira appreciated the dominance China was experiencing due to its economic power rather than political one. He said that China was building the army but leading with economy. “They are driving the world through economy.”

He said that China was not only growing but its growth was also driving the economic growth of the world. Kaira said that China has supported Pakistan when no other nation or international body could stand for us due to their limitations and constraints and it was time not only to get benefits but learn from China.

Kaira said that growing economies have so many challenges but BRICS (Brazil, Russia, India, China, South Africa) bank will bring changes to the world. “It (BRICS bank) will be a game changer.”

Commenting on the postponed visit of the Chinese president, Kaira said the proposed projects will not be cancelled and will come along but it would have been better if the Chinese president had visited Pakistan while visiting the rest of the region.

The speakers said Gwadar and other major Pak-China projects will create job opportunities and boost economic growth in the region. China is not only concerned about the region’s economic prosperity but also international peace, especially with regards to its neighbouring countries, they concluded.

*Published in The Express Tribune, September 16<sup>th</sup>, 2014.*

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## After 29 hours: Rawal Dam spillways closed

By Our Correspondent

Published: September 16, 2014

**ISLAMABAD:** Spillways of the Rawal Dam were closed at 1pm on Monday after operating for more than 29 hours. According to Rana Bilal, the Sub-Divisional Officer of the Small Dams Organisation at Rawal Dam said the level of water in the dam exceeded beyond its maximum conservation level, which is 1,752 feet, owing to the massive rainfall in the catchment areas. “Therefore, to bring the water level down, surplus water was released and now the level has been brought down to 1,750 feet,” he said. Bilal further said that so far, a total of 5,272 feet of water has been released from the dam.

*Published in The Express Tribune, September 16<sup>th</sup>, 2014.*

## Routine shuffle?: Two SHOs transferred

By Our Correspondent

Published: September 16, 2014

**ISLAMABAD:** The Islamabad Police on Monday reshuffled two station house officers (SHO). Inspector Fayyaz Shinwari, SHO of the Nilore police station, is now the SHO of the I-9 Police Station while Inspector Aslam Kalyar of the Shahzad Town police will take over as the SHO of Nilore police.

*Published in The Express Tribune, September 16<sup>th</sup>, 2014.*

# OPEN MARKET FOREX RATES

Updated at: 16/9/2014 7:36 AM (PST)

Currency	Buying	Selling
Australian Dollar	92	92.25
Bahrain Dinar	270	270.25
Canadian Dollar	92.25	92.5
China Yuan	16.4	16.55
Danish Krone	17.45	17.6
Euro	132.75	133
Hong Kong Dollar	13.1	13.2
Indian Rupee	1.66	1.68
Japanese Yen	0.96	1.06
Kuwaiti Dinar	356	356.25
Malaysian Ringgit	31.6	31.85
NewZealand \$	83.25	83.5
Norwegians Krone	15.9	16.05
Omani Riyal	264.75	265
Qatari Riyal	27.5	27.75
Saudi Riyal	27.3	27.55
Singapore Dollar	80.5	80.75
Swedish Korona	14.2	14.35
Swiss Franc	109.1	109.35
Thai Bhat	3.15	3.17
U.A.E Dirham	27.9	28.15
UK Pound Sterling	166.5	166.75
US Dollar	102.65	102.9





# INTER BANK RATES

Updated at: 16/9/2014 7:36 AM (PST)

Currency	Bank Buying TT Clean	Bank Selling TT & OD
Australian Dollar	92.1	92.28
Canadian Dollar	92.15	92.33
Danish Krone	17.80	17.83
Euro	132.48	132.74
Hong Kong Dollar	13.19	13.21
Japanese Yen	0.9536	0.9555
Saudi Riyal	27.25	27.31
Singapore Dollar	80.76	80.92
Swedish Korona	14.3	14.32
Swiss Franc	109.49	109.7
U.A.E Dirham	27.83	27.88
UK Pound Sterling	165.97	166.3
US Dollar	102.2	102.4

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

As on Tue, Sep 16 2014, 04:00 GMT

Metal	Symbol	PKR for 10 Gm	PKR for 1 Tola	PKR for 1 Ounce	
Gold 24K	XAU	40,873	47,623	127,131	
Palladium	XPD	27,799	32,390	86,465	
Platinum	XPT	45,235	52,706	140,699	
Silver	XAG	619	721	1,926	

## Gold Rates in other Major Currencies

Currency	Symbol	10 Gm	1 Tola	1 Ounce	
 Australian Dollar	AUD	440	512	1,368	
 Canadian Dollar	CAD	439	512	1,366	
 Euro	EUR	307	358	955	
 Japanese Yen	JPY	42,553	49,581	132,357	
 U.A.E Dirham	AED	1,461	1,702	4,543	
 UK Pound Sterling	GBP	245	285	762	
 US Dollar	USD	398	463	1,237	

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

# Gold Rates & Silver Rate from major cities of Pakistan

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

Sep 15, 2014

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

City	24k per 10gm	24k per Tola	22k Per 10gm	21k Per 10gm	Silver
Karachi	41,057	47,900	37,635	35,925	634
Lahore	41,057	47,900	37,635	35,925	634
Multan	41,057	47,900	37,635	35,925	634
Faisalabad	41,057	47,900	37,635	35,925	634
Rawalpindi	41,057	47,900	37,635	35,925	634
Hyderabad	41,057	47,900	37,635	35,925	634
Gujranwala	41,057	47,900	37,635	35,925	634
Peshawar	41,057	47,900	37,635	35,925	634
Quetta	41,057	47,900	37,635	35,925	634
Islamabad	41,057	47,900	37,635	35,925	634
Sargodha	41,057	47,900	37,635	35,925	634

Source: Karachi Saraf.