

# BUSINESS RECORDER

Thursday, 6<sup>th</sup> July, 2017

## Rupee falls in likely devaluation

ISLAMABAD: The rupee slid 3.1 percent against the dollar on Wednesday in an apparent devaluation.

Analysts said the State Bank of Pakistan (SBP) had effectively devalued the rupee to its lowest level against the dollar since December 2013, but Finance Minister Ishaq Dar said he felt “deep concern and indignation” at what he called an artificial weakening.

The central bank is the biggest player in the thinly-traded rupee market and traders say it controls what is a managed float system. The rupee tumbled to 108.00/20 per dollar after closing at 104.9 on Tuesday.

SBP said Pakistan’s \$300 billion economy had shown strong fundamentals but “the deficit in the external account has been rising”.

“Accordingly, the exchange rate adjusted in the market and SBP is of the view that this depreciation ...will address the emerging imbalance in the external account and strengthen the

growth prospects of the country,” it said in a statement.

Following a balance of payments crisis in 2013, improving security and vast infrastructure investment by China have spurred Pakistan’s growth to above 5 percent for the first time in nearly a decade.

But over the past year the current account deficit has ballooned again, and the International Monetary Fund last month said that eroding macroeconomic stability gains could pose risks to the economic outlook.

### “DISAPPOINTMENT”

The IMF had previously said Pakistan’s currency was about 20 percent overvalued but Dar had rejected that, saying in May the figure was no more than 5 percent.

Analysts said the devaluation was expected.

“We believe the devaluation is in response to ongoing external challenges that have seen FX reserves decline by about \$4 billion

from their peak of \$24.5 billion last October,” an analyst’s note from Citibank said on Wednesday.

Pakistani exporters have long complained that the rupee is overvalued, hurting their competitiveness.

Saad Hashmey, research director at brokerage firm Topline Securities, said historically the rupee had been devalued by about 5 percent per year and the latest devaluation was overdue.

“It should help some exports and it should help bring some equity investments as well,” he said.

The rupee has traded in a tight range of between 104-105 per dollar since December 2015.

Pakistan’s stock market, which was one of the world’s best performing in 2016, has come under pressure in recent months due to political instability stemming from a corruption probe into Prime Minister Nawaz Sharif.—Reuters

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## Pakistan, China agree to establish Gas Sub-Group under EWG

ISLAMABAD: Pakistan and China on Wednesday agreed to establish a Gas Sub-Group under the Energy Working Group (EWG) aimed at facilitating the existing and future oil and gas sector projects.

The agreement reached at a meeting of the Chinese delegation that headed by Administrator National Energy Administration (NEA) Nur Bekri called on Minister for Petroleum and Natural Resources Shahid Khaqan Abbasi.

During the meeting, the minister said both the Pakistani and Chinese governments were working jointly to meet energy needs of Pakistan, a press release said.

Khaqan Abbasi highlighted

dynamics of the petroleum sector of Pakistan and informed the delegation that oil and gas sector was a completely market based, economically viable and sustainable sector.

He briefed the delegation that Pakistan was expected to grow to a 30 MTPA (million tonnes per annum) LNG market within five years and a regulatory regime for LNG providing full third-party access had been developed and several major investments from private sector Terminal developers and LNG producers were in the pipeline.

The minister also invited the Chinese oil and gas sector companies to explore multiple investment opportunities in different

fields of the petroleum sector of Pakistan including oil and gas exploration and production, setting up a large deep conversion mid-country oil refinery, laying of gas, crude oil and white oil pipelines, oil storages facilities, and supply of petroleum products.

He proposed that the petroleum sector projects can be developed under BOOT or EPCF modes by Chinese companies under G2G sectoral framework agreements.

Administrator Nur Bekri applauded the recent progress achieved by Pakistan in addressing energy shortages by setting up LNG and coal fired power plants.—APP

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## SBP says fall to address external pressures, help economy

### RIZWAN

KARACHI: The State Bank of Pakistan (SBP) has said that the current exchange rate is broadly aligned with the economic fundamentals and the current changes are attributed by rising external deficit.

SBP also confirmed that the PKR-US\$ exchange rate in the interbank market depreciated by 3.1 percent on Wednesday.

According to State Bank, while almost all macroeconomic indicators have been showing encouraging picture, such as decade-high real GDP growth, increase in investment, credit expansion to private sector, and subdued inflation; the deficit in the external

account has been rising for some time.

Accordingly, the exchange rate adjusted in the market and SBP is of the view that this depreciation in the exchange rate will address the emerging imbalance in the external account and strengthen the growth prospects of the country.

SBP also believes that the current exchange rate is broadly aligned with the economic fundamentals. SBP will continue to closely monitor the developments in the foreign exchange markets and stands ready to ensure stability in the financial markets.

Economists said that depreciation of Pak Rupee

### BHATTI

against greenback was due from last few months as the Pak Rupee has been relatively stable since August 2015.

They said that like previous practices SBP has not intervened in the interbank market to arrest the Pak Rupee depreciation against dollar. Therefore, it believed the current depreciation is on the wish of SBP.

They said that the current depreciation is mainly due to rising current account, which reached \$8.9 billion in July-May FY17 compared to \$3.2 billion same period of last fiscal year largely attributed by increase in goods trade deficit of \$23 billion.

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## Meeting today: Dar slams 'artificial' drop

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ISLAMABAD: Finance Minister Ishaq Dar has convened a meeting of the presidents of the banks today (Thursday) on depreciation of rupee against the US dollar.

An official of Finance Ministry said a meeting with the presidents of banks is very important in terms of identification of people behind, what Finance Ministry terms, artificial

increase in the value of dollar against the rupee.

The Finance Minister held an urgent meeting in the Finance Ministry following reports of depreciation of rupee against the US dollar and described the increase as artificial.

He stated that the current political situation is being exploited by certain individuals, banks and

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entities, resulting in an "artificial" rise of the inter-bank rate of the US dollar against rupee, which negatively impacted the country's foreign exchange market.

The official added that "the responsible persons and entities in this matter will be identified and appropriate action will be taken against them in the national interest".

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## THE RUPEE Rupee dips

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KARACHI: The rupee fell sharply against the dollar on the local currency market on Wednesday in process of trading, dealers said.

### INTER-BANK MARKET

**RATES:** The rupee lost around 3.25 percent versus the dollar for buying and selling at Rs 108.15 and Rs 104.91, they said.

### OPEN MARKET

**RATES:** The rupee lost 10 paises in relation to the dollar for buying and selling at Rs 105.90 and Rs 106.10, they said.

The rupee, however, gained 30 paises against dollar for buying and selling at Rs 119.30 and Rs 120.30.

In the third Asian trade, the dollar slipped against the yen on concerns about rising tensions between the United States and North Korea while the Canadian dollar held firm after the nation's central bank chief backed an interest rate increase.

The dollar shed 0.3 percent in early trade to fetch 113.00 yen, slipping further from Monday's 1-1/2-month high of 113.48.

The yen tends to be bought back at times of heightened global uncertainty because of expectations Japanese investors may repatriate their foreign investment, despite the country's proximity to North Korea.

Pyongyang said on Wednesday it had conducted a test of a newly developed intercontinental ballistic missile (ICBM) that can carry a large and heavy nuclear warhead, triggering a call by Washington for global action to hold the isolated nation accountable for its pursuit of nuclear weapons.

The Pentagon condemned the missile test and said it was prepared to defend the United States and its allies, while South Korea's defence minister.

The dollar was trading against the Indian rupee at Rs 64.720, the US currency was at 4.295 in terms of the Malaysian ringgit and the greenback was at 6.795 versus the Chinese yuan, they said.

Inter bank buy/sell rates for the taka against the dollar on Wednesday, 80.60-80.60 (previous 80.60-80.60).

Open Bid	Rs. 107.50
Open Offer	Rs. 108.25

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

Bid Rate	Rs. 108.15
Offer Rate	Rs. 108.30

**RUPEE IN LAHORE:** The Pak rupee registered a considerable decline versus the foreign currencies

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including the US dollar and British pound in the local currency market on Wednesday.

According to currency dealers, the dollar observed fresh buying owing to the short supply phenomenon in the market that kept the local currency under pressure for another day. Consequently, it further rose to Rs 106.60 and Rs 108.50 on buying and selling side as compared to overnight closing rates of Rs 105.90 and Rs 106.30 respectively, they added.

Versus the pond sterling, the local currency also followed the same pattern as it failed to hold its overnight recoveries. The pound's buying and selling rates went up from Tuesday's closing rates of Rs 135.50 and Rs 136.50 to Rs 136.00 and Rs 137.30 respectively, they said.

### RUPEE IN ISLAMABAD AND RAWALPINDI:

The dollar showed an improvement of about Rs 3 against the rupee at the open currency markets of Islamabad and Rawalpindi here on Wednesday.

The dollar opened at Rs 108 (buying) and Rs 108.10 (selling) against last rate of Rs 105 (buying) and Rs 105.10 (selling). It closed at Rs 108 (buying) and Rs 108.10 (selling).

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## CPEC infrastructure development **AGP for mutual legal exchange mechanism with China**

### **KHUDAYAR**

ISLAMABAD: Pakistan Wednesday underscored the need for mutual legal exchange mechanism with China through uniform commercial code to strengthen the China-Pakistan Economic Corridor (CPEC) infrastructure development in the region.

Attorney General for Pakistan Ashtar Ausaf Ali came up with a number of suggestions during a meeting with the Chinese delegation led by China Ambassador Sun Weidong and Vice-Minister Department of Justice China Liu Zhenyu and four others in his office.

Talking to Business Recorder, Ashtar Ausaf Ali informed about his suggestions to the delegation, saying he suggested that there should be mutual legal exchange mechanism in order to comprehend legal regimes of the both of countries in future.

Ashtar Ausaf Ali also proposed uniform commercial code to address possible issues of tariff, taxation and carriage of goods by roads, saying such areas need to be discussed in the quarters concerned of both the states in order to address possible loopholes.

He also proposed that for resolving any possible legal

conflict between the two states, a bilateral arbitration will provide a mechanism to avoid from looking at international forum for dispute resolution.

Ashtar Ausaf Ali said he categorically expressed to the delegation that Islamabad can act as a coordination office for provinces of the country so in order to ensure all the provinces' participation in mutual law exchange programme, Beijing should open legal centres in all the four provincial headquarters of Pakistan.

The AGP proposed bilateral exchange of lawyers programme from both the countries to comprehend legal regime while offering to host legal fraternity members' conference in Pakistan for five lawyers from each bar association of Pakistan and China.

Emphasizing the need for bilateral agreement for institutional arrangement of both the countries, Ashtar Ausaf Ali said such arrangement will make it possible for exchange of Pakistani prisoners languishing in Chinese jails and similarly the Chinese in Pakistani prisons would also be repatriated to home country for trial.

Ashtar Ausaf Ali said that he has profound sharing with Chinese delegation far a

### **MOHLA**

mechanism to get protected from organized crime including mail frauds, cyber crime, gunrunning, narcotics and prostitution.

The AGP also proposed to homogenise the Chinese laws with Pakistani laws, particularly in the context of Land Acquisition Act under which no land would be acquired without paying the compensation amount. Justifying the need to harmonise the provisions of the Land Acquisition Act with the Chinese law, the AGP said that is important as industrial parks would be built on Pakistani soil.

Later, issuing a press release, the AGP office said that a Chinese delegation headed by Chinese Ambassador Sun Weidong and comprising Vice-Minister Department of Justice, Liu Zhenyu, Inspector Department of Judicial Assistance and Foreign Affairs, MOJ, Hu Yiding, Inspector Bureau of Judicial Expertise, MOJ, Wo Lingsheng, Director General Justice Department of Heilongjiang Province, Ren Zengang, Official, General Office, MOJ, and Project Officer, Department of Judicial Assistance and Foreign Affairs, MOJ Ms Chen Jingjing, called on Attorney General for Pakistan Ashtar Ausaf Ali and Additional Attorney Generals Amir Rehman and Waqar Rana.

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During the meeting Ashtar Ausaf Ali expressed his desire to support the delegation generally and particularly with regard to law and justice. The two sides also agreed to expedite the ratifications of mutual agreements and treaties that had been

agreed upon but are awaiting their ratification.

“The Attorney General, highlighting greater cooperation between Pakistan and China expressed his desire to ensure that the legal regimes in the two states were prepared for the

anticipated growth in economic activity between Pakistan and China. In pursuit of such, the states should attempt to homogenise laws, acting as a model for mutual assistance and cooperation,” said the statement.

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## Rs100bn paid to federal govt State Bank acquires PSPC

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KARACHI: The State Bank of Pakistan (SBP) has acquired Pakistan Security Printing Corporation (PSPC) by paying Rs 100 billion to the federal government.

The SBP has assumed control of the PSPC and deputed Muhammad Haroon Rasheed Malik, executive director of the bank, as managing director of the company. The SBP is committed to run the PSPC as its fully owned subsidiary through an independent board of directors, in accordance with best corporate governance practices.

According to State Bank, in order to have full control over the process of banknotes manufacturing and issuance, the SBP has been in negotiations with the federal government for over two years to acquire the banknotes and prize bonds printing function of

PSPC. This was in line with the global and regional trends as a number of central banks, including central banks of France, Turkey, Italy, Australia, India and various other central banks, have their own banknotes printing facilities.

The federal government, agreeing to the bank's proposal, has separated the PSPC functions into banknote and prize bond printing and other security printing units. The other security printing businesses have been assigned to National Security Printing Company (NSPC), whereas the remaining PSPC having core function of banknotes and prize bond printing has been sold to SBP.

The State Bank has paid a consideration of Rs100.149 billion to the government of Pakistan during the month of June, 2017 for transfer of ownership and control,

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based on the fair value as determined by an independent consultant appointed for this purpose.

Accordingly, the State Bank has acquired the banknotes and prize bonds printing functions of PSPC from the federal government.

The other security printing functions of PSPC including printing of passports, National ID Cards, stamp papers have been separated and vested in National Security Printing Company (Private) Limited (NSPC), a newly established company fully owned by the federal government.

The SBP being the sole issuer of banknotes in the country gives utmost importance to the integrity and quality of banknotes, therefore it has acquired PSPC.

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## Cotton sowing target missed by whopping 12pc

### TAHIR

ISLAMABAD: Pakistan has missed the cotton sowing target by a wide margin of 12 percent in the current crop season, which would compromise the production target of 14.04 million bales set for 2017-18.

Official sources at the Ministry of Textile Industry revealed to Business Recorder that cotton has been sown on 6.778 million acres against the target of 7.68 million acres. Cotton crop prospects for the current season (2017-18) are not very bright and the production is expected to remain at around 13 million bales.

Uncertainty of cotton prices, increased sugarcane cultivation in the cotton areas, and shortage of water in cotton sowing areas were some of the main factors responsible for failure to meet the target, sources added.

The government revised the cotton production target downward and set it at 14.04 million bales for 2017-18, after missing the production target of 14.1

million bales for 2016-17 by around 25 percent.

The Federal Committee on Cotton (FCC) fixed the cotton area and production target for the year 2017-18 according to which Punjab was expected to grow cotton on 5.97 million acres and produce 10 million cotton bales, Sindh on 1.606 million acres was to produce 4 million cotton bales, Balochistan was to grow cotton on 0.093 million acres and produce 0.038 million bales and Khyber Pakhtunkhwa had targeted to sow cotton on 0.00247 million acres and produce 0.002 million bales of cotton.

According to the official figures, cotton has been sown on 6.778 million acres of land in the current season across the country against 6.05 million acres during the same period of last year. The sources said that a decline in cotton sowing was recorded in Punjab which was the major cotton producing province. Punjab which produces about 70 percent of the total cotton crop was hit hard with only

### AMIN

5.3 million acres under cotton cultivation against the target of 5.97 million acres - 88 percent of the target for the current season but higher by 18 percent compared to 4.48 million acres during the previous season.

Cotton Commissioner Dr Khalid Abdullah said that sugarcane crop had overtaken the cotton rich areas of the province including Rahim Yar Khan, Rajanpur, Muzaffargarh and Lodhran. Cotton sowing also declined due to lower price of cotton nationally and internationally during the last four years that discouraged growers and they opted to cultivate maize, sugarcane and rice in some districts of Punjab due to their better market returns.

Cotton Commissioner said it would take around 3-4 years to recover cotton areas. However, he said that due to better availability of certified seed and dry weather cotton sowing improved in the current season (2017) compared to the last season 2016.

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## Trade, energy & defence sectors **Pakistan, Tajikistan agree to focus on all avenues**

DUSHANBE (Tajikistan): With a focus on regional connectivity, trade and energy, Pakistan and Tajikistan Wednesday agreed on exploring new avenues of cooperation by increasing collaborating in economy, defence and security, agriculture and education.

Prime Minister Nawaz Sharif, who is here in the Tajik capital on a two-day official visit, along with President Emomali Rahmon inked the Joint Declaration aimed at enhancing regional connectivity between the two countries and the region at large.

The two leaders emphasized close collaboration between Pakistan and Tajikistan both at the government and people level, besides giving a further boost to their bilateral relations.

The two leaders also witnessed inking of Memorandum of Understanding on trade cooperation. Minister for Commerce Ghulam Dastgir Khan signed the MoU on trade cooperation along with Tajik Minister of Economy NaimatUllah Hikmatullah Zada.

The MoU on cooperation between University of Arif Agriculture, Rawalpindi and Agriculture University, Dushanbe was signed by its Rector NaimatUllah Faiz

Ullah and Advisor to PM on Foreign Affairs Sartaj Aziz.

The prime minister in his statement at the conclusion of his one-on-one and delegation-level talks with President Emomali, said he was impressed by the “remarkable political stability, social cohesion and impressive economic progress” of Tajikistan.

He said the two sides discussed the importance of road, rail and air connectivity and said it was vital for regional integration, promotion of bilateral trade, tourism, people to people contacts.

“We have therefore resolved to multiply our efforts to increase connectivity between our two countries,” he said.

Nawaz Sharif said that his visit had provided an opportunity to translate their close political ties into strategic cooperation in all spheres, particularly economy, trade, investment energy and defence.

During the talks, the two sides also agreed to continue cooperation in international fora including the United Nations, Shanghai Cooperation Organization, Organization of Islamic Cooperation and Economic Cooperation Organization.

Vowing joint steps against

terrorism, the two sides agreed on holding first meeting of Pakistan-Tajikistan Joint Working Group on countering international terrorism.

Prime Minister Sharif said the two sides also identified the need for increased cooperation in agriculture, industry, education and culture.

He said Pakistan views with admiration the laudable socio-economic development and progress achieved under President Rahmon’s leadership.

Sharif recalled that it was his fourth visit since June 2014 while President Rahmon made two visits to Pakistan. He said frequent high-level visits were reflective of importance the two countries attach to their relationship.

Prime Minister Nawaz said Islamabad attaches great importance to its relations with Central Asian countries, particularly Tajikistan. Both leaders agreed that connectivity holds key to regional integration.

The two leaders expressed satisfaction on the progress achieved so far in the economic sphere particularly with regard to CASA-1000 Project and hoped it would soon move into the construction phase. The Prime Minister stressed

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the need for further enhancing trade, energy and defense cooperation.

Prime Minister Nawaz Sharif referred to the bilateral trade between

Pakistan and Tajikistan and said as agreed in 2014, the two countries need to take measures to boost it to us \$500 million in the next three years.

The prime minister recalled

that a Business Forum was also held in Dushanbe last month where the two sides discussed cooperation in pharmaceuticals, textiles and construction sectors.—  
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## SBP revises external sector statistics

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KARACHI: The State Bank of Pakistan (SBP) has revised external sector statistics by incorporating permissible offshore accounts transactions.

In order to improve the quality of external sector statistics, the SBP has enhanced the coverage by getting information of permissible offshore foreign currency accounts transactions related to energy and power sectors.

Statistics & DWH Department of the State Bank of Pakistan compiles and disseminates external sector statistics regularly on a monthly basis and the SBP always strives to enhance data quality, coverage, and adhering to best international standards. The changes related to compilation, dissemination and methodology are

notified to all stakeholders in the form of a revision study.

As the permissible offshore accounts transactions have been incorporated, the SBP has revised external sector statistics from the period of July 2014 onwards by including data on these offshore transactions. These transactions related to private sector and have affected the imports of goods, imports of services, primary income, secondary income, direct investment in Pakistan, currency and deposits (assets) of private sector, disbursements and amortization of private sector loans.

Resultantly, the components of current account (including imports of goods and services, primary income, secondary income), financial account (including Foreign Direct Investment,

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other investment currency and deposits (assets) of other sector, loans of other sector-disbursements and amortization) have been revised. In addition, external debt & liabilities and debt servicing data have also been revised.

The SBP said that it is committed to enhancing data integrity, usefulness, and adhering to international standards by keeping in view the data consistency among other macroeconomic statistics and within data series. The changes related to compilation, dissemination and methodology are notified to all in the form of revision study.

As per the revised data, current account deficit has reached \$10.6 billion mark during July-May FY17 compared to \$4.86 billion.

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## Karachi needs \$10bn to address infrastructure gaps: WB official

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ISLAMABAD: The World Bank Country Director for Pakistan Patchamuthu Illangovan (Illango) has stated that Karachi city needs \$10 billion to address infrastructure gaps.

The WB Country Director tweeted Wednesday, "Karachi Neighborhood will improve living environment in select Karachi neighborhoods. The city needs \$10 billion to address infrastructure gaps".

He further tweeted that the International Finance Corporation (IFC) finances private sector with long and short term capital to boost growth and create jobs; and \$300 million was approved to support reforms in access to finance and doing business to create jobs.

Illango further tweeted: "Fin Incl & Infrastructure project will expand financial access to help poor especially

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women. It will boost private sector credits to 15% from 7% in 2015. Tarbela hydro power generation co-financed with Asian Infrastructure Investment Bank (AIIB) will add 1,410 MW of low cost electricity generation. National Social Protection Program will strengthen national social safety net systems for poor. It will benefit 5.3 mil poor women led households."

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## China backs hundreds of global coal power projects: report

BEIJING: Chinese companies are planning or constructing hundreds of coal-fired power projects around the world, data show, even as Beijing talks up its commitment to fighting climate change.

The report by German environmental lobby group Urgewald comes as China seeks to fill a vacuum left by the United States following President Donald Trump's decision to exit the Paris climate agreement.

Urgewald estimates about 250 Chinese companies are involved in nearly half of the 1,600 new coal power projects planned or being built worldwide.

They include state-owned energy giants China Datang Corporation, China Huaneng Group, and SPIC.

Urgewald bases its figures on publicly available company information and the Global Coal Plant Tracker published by San Francisco-based research platform CoalSwarm.

It estimates more than 840,000 megawatts will be added to the world's coal-fired power capacity if the 1,600 projects are

completed.

Just 120 major coal plant developers — including 26 Chinese companies — are responsible for about two-thirds of the planned expansion.

The projects are in 62 countries, including 14 which have no existing coal-fired power capacity.

China-backed projects are planned or under way in several nations including China, Pakistan, Malawi, Egypt and Jamaica, Urgewald said in the report published on June 29.

“If the Chinese government truly wants to position itself as a global climate leader, it needs to rein in its state-owned companies that are flooding the world with new coal power plants,” Trusha Reddy, coordinator of the International Coal Network at Earthlife Africa, was quoted by Urgewald as saying.

China's National Energy Administration did not respond to a request for comment.

Urgewald said the top 120 companies were “paving the road towards climate

chaos”.

“The companies pushing forward this glut of new coal infrastructure pose a threat to us all, as their projects would bury our chances of keeping global warming well below two degrees Celsius,” Urgewald director Heffa Schuecking said.

China, the world's biggest polluter but also its biggest investor in renewable energy, has repeatedly vowed to stay the course on reducing its greenhouse gas emissions.

Earlier this year it reportedly cancelled more than 100 carbon-belching coal power projects.

But although China's own coal consumption has fallen for the past three years, reducing the fossil fuel's share of its energy use to 62 percent, it has also been investing heavily in coal projects abroad as part of its Belt and Road infrastructure initiative.

That has prompted accusations that China is exporting its pollution to poorer, less developed countries.—AFP

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## NA panel voices concern over power outages, over-billing

### NAVEED

ISLAMABAD: The National Assembly Standing Committee on Government Assurances Wednesday expressed serious concerns over prolong load-shedding of electricity and over-billing.

The committee met with Muhammad Afzal Khokhar in the chair at the Parliament House wherein it discussed the issues relating to Capital Development Authority (CDA) and Ministry of Water and Power.

Shagufta Jumani of Pakistan Peoples Party Parliamentarians (PPPP) said that the people of his constituency had faced worst load-shedding of electricity in the holy month of Ramazan, adding that now the people are also facing 10 to 16 hours load-shedding. She said why the Ministry of Water and Power is punishing the people who pay electricity bills despite long hours of load-shedding. Why the ministry is not installing electricity meters when the people have submitted their applications, she questioned.

The members of the committee also raised questions about over-billing and receiving those bills after due date.

The committee was informed that sometimes electricity bills are received

by the consumers after the due date. And if the bills are received before the due date, these are received just before the due date and thus it creates problems for consumers. The committee directed the Ministry of Water and Power to improve billing system and come up with a mechanism to deliver the bills at least two weeks before the due date.

The additional secretary Ministry of Water and Power admitted the questions raised by the members and said that there are some problems about the gap between meter reading and sending bills to the customers. "We will manage this problems in next few months and send electricity bills to the customers before one week of due date," he said.

The standing committee was informed that from 2013 to October 2016, some 578 assurances were given on the floor of the National Assembly. The implementation reports of the assurances are regularly being demanded by different divisions. During last three months implementation reports of 85 assurances have been received from different divisions.

The committee was also informed that a period of more than thirty years has

### BUTT

passed but the CDA did not develop sector E-12 of Islamabad. The committee took very serious notice of the absence of chairman CDA from the meeting. The committee directed the chairman CDA to attend next meeting of the standing committee in person and explain the reasons for not developing the sector E-12, failing which appropriate action would be initiated under the rules.

The standing committee observed that Islamabad, being one the most beautiful capitals of the world, is likely to become the ugliest capital of the world in next thirty years due to poor performance of CDA.

The meeting was attended by MNAs Muhammad Afzal Khokar, Abdul Majeed Khan Khanan Khail, Sardar Muhammad Irfan Dogar, Chaudhry Muhammad Munir Azghar, Syed Sajid Mehdi, Abdul Hakeem Baloch, Shafqat Mahmood, Sher Akbar Khan and Shagufta Jummani.

The meeting was also attended by Nargis Ghaloo, Secretary Capital Administration and Development Division (CADD). Senior officers of Ministry of Parliamentary Affairs and Ministry of Water and Power, and CEOs of HESCO and SEPCO also attended the meeting.

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## NTC again becomes ‘dysfunctional’

### MUSHTAQ

ISLAMABAD: National Tariff Commission (NTC), an arm of Commerce Ministry dealing with trade and tariff matters, has reportedly again become “dysfunctional” due to bureaucratic infighting.

This was revealed in a letter written by one of the members Robina Akhtar to the Chairman, Qasim Niaz on the current “disappointing” state of affairs of the Authority, which came into existence after a court battle between the Commerce Ministry and former Chairman NTC. Two other members Abdul Khaliq and Tippu Sultan are also part of the Authority.

Robina Akhtar, who joined the Commission as member after resigning from the post of Additional Secretary Commerce Ministry, in her letter to Chairman NTC, claimed that it has been increasingly becoming a cause of concern that the Commission is not functioning properly and not giving results it was supposed to.

According to her, Commission’s meetings are not held regularly and there are no minutes of the decisions taken in the meetings and, above all, decisions are not implemented. In fact, there is no schedule, no procedure for conducting meetings and taking

decisions, and resultantly, undue advantage is being taken by one of the members to influence investigations and maneuver Commission’s decisions. “Despite my repeated verbal and written requests and walkout from Commission’s meeting under protest there is no response from you. I have not been involved in Commission’s decisions since June 1, 2017,” she said in her letter to Chairman written soon after the Eid holidays.

She further stated that this is creating an environment of mistrust not only between members of the Commission but also between members and the investigating staff which is seriously affecting the Commission’s performance.

“Chairman’s non-response and no-action is tantamount to encouraging this behaviour,” Robina Akhtar continued.

She has requested Chairman NTC again to take the matter seriously and the following pending issues may be resolved immediately: (i) schedule of Commission’s meetings; (ii) procedure for Commission’s meetings and decision making (a proposal shared with the Commission a month back); (iii) procedure for conducting investigations

### GHUMMAN

and supervising investigations by the members; (iv) constitution of the committee to review important cases (a proposal shared with the Commission a month back); (v) review of the decision regarding price undertaking with China (concerns already shared with the Commission); (vi) decision on final determination of wire rod case (report is with the Chairman for the last two months); (vii) recruitment of consultants and staff in BPS 17& 18. Despite approval from Finance Division and Commerce Ministry the positions are not advertised; (viii) reshuffling of investigating staff in various investigating units; (ix) review of all administrative decisions in the Commission’s meetings; (x) review of progress on all other functions of the Commission; and (xi) review of powers and functions of the members of Commission.

Under the reformed NTC Act, 2015, Chairman is one of the members and does not enjoy any additional authority except under section 15(2). If there is any ambiguity, it would be appropriate to seek opinion from Law Division and redistribute powers and functions of the members including Chairman accordingly, she concluded.

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## Consumer products Punjab govt asked to comply with wto standards

### SOHAIL

ISLAMABAD: Ministry of Science and Technology (MoST) has asked Punjab government to ensure compliance with World Trade Organization (WTO) regulations to maintain standards to monitor/regulate consumer products in line with the Technical Barriers to Trade (TBT) agreement.

According to the communication between Ministry of Science & Technology and Punjab government here on Wednesday, it is an obligation for the federal government to ensure the uniformity of the technical regulations throughout the country and compliance with the TBT agreement by the local government bodies/provinces. However, in this respect, the Punjab government/Punjab Food Authority is not complying with the TBT agreement i.e. Articles 2 & 3. It may be noted in this context that there are discernible variations /differences in the federal food standards and Punjab food standards.

The Ministry of Science and Technology further said that with reference to the decision/order passed by the Islamabad High Court on 9 June, 2017 on the petition (CM 02 of 2017 in WP 2190 of 2017) filed by the Pakistan Vanaspati Manufacturers Association, it may be noted that the said petition was filed following

the issuance of an advertisement/ public notice in different newspapers by Punjab Food Authority (PFA) on 28.05.2017 advising the public on the suitability of certain brands of banaspati ghee and cooking oil for consumption.

Vide the aforementioned interim order inter-alia, the secretary ministry of science and technology (respondent # 1) has been directed to take appropriate measure, inter-alia, in respect of the advertisement published by the respondent # 3 (PFA) to fulfill its commitments under the umbrella of the World Trade Organization (WTO)."

The contention taken by the Pakistan Vanaspati Manufacturers Association (PVMA) in this writ petition in Islamabad High Court is that these brands are licensees of PSQCA which has the mandate to formulate standards and monitor / regulate these products and that the ghee / oil manufacturers are complying with the PS standards.

It may be noted that Articles 2 & 3 of the TBT agreement impose an obligation upon the member states to ensure the uniformity of technical regulations throughout the country and their due notification to other member states through the WTO Secretarial Article 3

### SARFRAZ

further stipulates that member states would ensure that the "local government bodies on the level directly below that of the central government" are complying with the TBT agreement and are not acting in contravention thereof.

Further, Article 4.1 of the TBT agreement, requires that the members should ensure that their central government standardizing bodies accept and comply with the 'code of good practices for the preparation, adoption and application of standards'. The members are also required to take such reasonable measures as may be available to them to ensure that local government and non-governmental standardizing bodies within their territories, as well as regional standardizing bodies of which they are members, accept and comply with this code of good practices.

Articles 5, 6 and 7 of the said agreement also stipulate that besides due harmonization of standards, the second tier of acceptance between the trading partners at the central government level are the conformity assessment procedures. Furthermore, the WTO agreements, also demands the central government's designated conformity assessment

# BUSINESS RECORDER

Thursday, 6<sup>th</sup> July, 2017

body with established traceability. In this case PSQCA is a national standard body and mandated to monitor the quality of the products as per its act and TBT agreements, it said.

In view of the articles of WTO, TBT agreement, it is revealed that it is an obligation for Pakistan (federal government) to ensure the uniformity of the technical regulations throughout the country and compliance with the TBT agreement by the local government bodies/provinces. However, in this respect, the Punjab government/ PFA is not complying with the TBT agreement i.e. Articles 2 & 3. It may be noted in this context that there are discernible variations /differences in the federal

food standards and Punjab food standards. Secondly, the enforcement/conformity assessment mechanisms put in place by the PFA have neither been harmonized with the national standards / conformity assessment body i.e. PSQCA nor have been duly notified, as required under the TBT agreement.

The situation outlined is not in line with the commitments made by Pakistan under the WTO agreements and has created confusion amongst the business community, Ministry of Science and Technology said.

In view of the foregoing, in exercise of the powers conferred under Article 149 of the Constitution of Pakistan 1973 and in compliance with the

aforementioned orders passed by the Islamabad High Court, the respondent # 3 i.e. Punjab Food Authority (PFA) is directed to coordinate with the national standard/conformity assessment body i.e. PSQCA to harmonize standards as well as conformity assessment procedure being followed.

The PFA would notify the conformity assessment mechanism, proposed to be followed by them in the manner prescribed in the various provisions of the TBT agreement and refrain from any action which is not in consonance with commitments under the TBT agreement or which may impede the executive authority of the Federation, the Ministry of Science and Technology added.

# BUSINESS RECORDER

Thursday, 6<sup>th</sup> July, 2017

## Mills show interest in fresh buying on cotton market

### RECORDER

KARACHI: Volume of business increased on the cotton market on Wednesday as the mills and spinners showed interest in renewed buying to cover their immediate needs, dealers said.

The official spot rate was inert at Rs 6050, they said. In the ready session over 5000 bales of cotton changed hands at Rs 6200, they said.

In Sindh, seed cotton rates were at Rs 3100-3150 per 40 kg, they said. In the Punjab, phutti prices were

available at Rs 2800-3000, they said.

Market sources said that mills and spinners took interest in fresh buying of cotton to cover their immediate requirements.

Commenting on the renewed buying by mills, they said that rise in value of dollar recently, likely to make imports higher in the coming days, propelled them to finalise deals at present rates.

China's cotton industry website [cncotton.com](http://cncotton.com) said

### REPORT

Wednesday:

Besides, China sells 13,200 tonnes of cotton at auction from state reserves, at an average price of 15,003 yuan (\$2,206.26) per tonne.

The following deals reported: 1000 bales of cotton from Shahdadpur sold at Rs 6200, 1200 bales from Tando Adam, 800 bales from Sanghar, 400 bales from Hyderabad, 400 bales from Mirpurkhas, 200 bales from Noabad, 400 bales from Kotri all done at Rs 6200, they said.

### THE FOLLOWING ARE THE KCA OFFICIAL SPOT RATES FOR 2016-17 FOR LOCAL DEALINGS IN PAK RUPEES FOR BASE GRADE 3 STAPLE LENGTH 1-1/16" MICRONAIRE VALUE BETWEEN 3.8 TO 4.9 NCL

Rate For	Ex-Gin Price	Upcountry Expenses	Spot Rate Ex-Karachi	Spot Rate Ex-Karachi As on 04.07.2017	Difference Ex-Karachi in Rupees
37.324 Kgs Equivalent	6,050	135	6,185	6,185	NIL
40 Kgs	6,484	145	7,629	7,629	NIL

# BUSINESS RECORDER

Thursday, 6<sup>th</sup> July, 2017

## New York cotton

### RECORDER REPORT

The fluctuations observed during the day:

	Current Session						Prior Day		
	Open	High	Low	Last	Time	Set	Chg	Vol	Set
Jul'17	73.62	73.86	73.62	73.86	14:45 Jul 05	73.86	-	-	-
Oct'17	67.78	69.01	67.56	69.01	14:45 Jul 05	69.01	-	11	-
Dec'17	67.65	67.75	66.55	67.66	14:45 Jul 05	67.66	-	16347	-

# BUSINESS RECORDER

Thursday, 6<sup>th</sup> July, 2017

## Cotton versus sugarcane output

Successive Pakistani administrations, aware of the contribution of cash crops to gross domestic product (GDP) and exports set an attractive support price to ensure that those crops that contribute significantly to the economy are not deemed unprofitable by farmers due to the prevailing domestic and international market conditions. In this context, cotton contributes one percent to GDP and 5.2 percent to agriculture value-addition as well as exports while sugar contributes an estimated 0.7 percent to GDP and 3.4 percent to agriculture value-addition. In this context, it is relevant to note that several extremely prominent political families, including the family of Prime Minister Nawaz Sharif and that of former President Asif Ali Zardari, have invested heavily in the sugar industry which, critics claim, is the reason behind its high support price even when there is a glut in sugar stocks as is the case at present.

The Economic Survey 2016-17 shows a disturbing trend with respect to the output of cotton. In 2013-14, the acreage under cotton cultivation declined by 2.5 percent in comparison to the year before with a production decline of 2 percent though yield rose by 0.6 percent. In 2014-15, area under cultivation rose by 5.5 percent, output rose by 9.3 percent and yield increased by 3.6 percent; in 2015-16, area under

cultivation of cotton declined by 2 percent, output by 29 percent and yield plummeted by a whopping 27.4 percent which should have sent alarm bells ringing in the corridors of the Ministry of Finance. In 2016-17, the Survey with available data for the first nine months of the year notes a 14.2 percent decline in the area under cotton cultivation but projects, albeit unrealistically, an increase in output of 7.6 percent and a yield rise of 25.4 percent.

Area under cultivation of sugar as per the Survey increased by 7.6 percent in 2016-17 with a projected output increase of 12.4 percent and a yield of 4.4 percent due to a shift in area under cultivation "from other competitive crops facing frequent distress, on account of pest attacks." Any surplus sugar stocks account for the industry seeking approval for exports which has been granted by the Economic Coordination Committee of the Cabinet headed by the Finance Minister in recent months subject to the proviso that domestic price does not rise as a consequence.

Be that as it may, a Business Recorder exclusive noted that Federal Finance Minister Ishaq Dar during a discussion on deregulating the price of sugarcane announced a support price for farmers that would be paid by the government in the event that farmers' cotton is left

unsold. The Textile Ministry, it was further reported, has proposed a support price for seed cotton of 3000 rupees per 40 kg, a crop insurance scheme and a ban on imports at the time of arrival/harvest of the crop as it would provide the necessary incentives to farmers to grow cotton instead of sugarcane. However, these proposals have not yet been approved by the Finance Minister and it is unclear whether he has taken other measures to ensure that cotton crop is made attractive enough for the farmers so that they do not feel compelled to divert area under cultivation to sugarcane (which has registered a rise in output by 33 percent over the past four years) and maize (registering a rise of 51 percent during the past four years).

Secretary Textile Ministry told Business Recorder that area under cotton crop has increased in the current season and further contended that this was due to stringent efforts and campaign by the Ministry – stringent efforts and campaign is hardly likely to achieve the desired results unless backed by appropriate policy measures which have yet to be announced. One would urge the federal finance ministry to take cognizance of these issues besetting the country's farmers and announce appropriate measures in consultation with the Textile Ministry and other stakeholders.



Thursday, 6<sup>th</sup> July, 2017

## Rupee falls sharply against dollar

### Shahid Iqbal

Rift emerges between SBP and finance minister; Dar summons bank heads to Islamabad today. — File

KARACHI: The rupee plunged by 3.1 per cent in the opening hours of interbank trade on Wednesday, sparking a shortage of foreign currency in the open market as dealers preferred to hold rather than sell.

By midday the dollar had risen to Rs108.50 before settling at Rs108.25 by close. This is the largest single drop in the currency in nine years, according to Bloomberg, and there is no clarity on how far it might go in the days ahead.

The State Bank of Pakistan (SBP) held its silence during the day as the slide continued unabated, creating serious concern amongst bankers as rumours swirled that the move might be engineered to advance political goals. But hours after the close of trade, the central bank issued a statement owning the move, saying it had become necessary due to a growing deficit in the external account.

“The exchange rate adjusted in the market and the SBP is of the view that this depreciation in the exchange rate will address the emerging imbalance in the external account and strengthen the growth prospects of the country,” said the SBP, adding that it also believes “the current exchange rate is broadly aligned with the economic fundamentals.”

Meanwhile, the move drew a sharp reaction from the finance

ministry where an emergency meeting was called in the afternoon. A strongly worded statement issued after that meeting called the decline “artificial” and said it had “negatively affected our foreign exchange markets”.

*Rift emerges between SBP and finance minister; Dar summons bank heads to Islamabad today*

The finance minister “expressed deep concern, indignation and disappointment” at the move, before adding that “the current political situation is being exploited by certain individuals, banks and entities”. The statement threatened “appropriate action” against those responsible, “in the national interest”.

Presidents of domestic banks have been summoned to Islamabad for an emergency meeting at the finance ministry on Thursday morning. If the finance minister insists on ordering action to restore the rupee back to its original value before Wednesday’s declines, it could set the stage for a clash as banks find themselves caught between the regulator and the government. Legally the finance minister has no powers to compel compliance since those powers are with the State Bank, but informally he wields a great deal of clout.

This is the first open rift between the SBP and finance minister who has been dominating the bank’s affairs for the last four years. The central bank is currently headed by Riaz Riazuddin as an acting

governor, who is a career SBP staffer. His term runs till July 28.

The drama started in the morning as the rupee lost against the greenback but the usual interventions from the State Bank did not come, a senior banker told Dawn. “Normally they call with instructions, but when no calls came, we asked them and were told that they are under instructions to let the rupee go.” At that point in time it was unclear where the instructions had come from.

A source in the State Bank told Dawn that the decision is actually months in the making. “This was a decision made at the State Bank, nowhere else,” he said.

“The banks were conveyed a message from the central bank that they should cover the entire imports which means the SBP would not support the banks any more,” said Atif Ahmed, a currency dealer in the inter-bank market.

The State Bank usually supports banks to cover imports and helps to stabilise the exchange rate regime. “We believe this was long overdue as the Pak rupee has been relatively stable since August 2015. Further, during the last 10 years, the rupee has devalued annually by 5 per cent,” said a note of Topline Securities.

“A one-off devaluation move does little to ease pressure on the deteriorating balance of payments position. Rupee is still significantly overvalued than its fair value,” said Eman Zubair from Tresmark.



Thursday, 6<sup>th</sup> July, 2017

## Current account deficit revised up by \$1.7bn

### The Newspaper's Staff Reporter

Revision comes at the conclusion of reconciliation exercise by the SBP and PBS. — File

KARACHI: Revised data released by the State Bank of Pakistan (SBP) on Wednesday showed the current account deficit for July-May at \$10.64 billion, which is \$1.71bn higher than the earlier reported figure of \$8.92bn.

The revision comes at the conclusion of a long-running reconciliation exercise to address the gap between import figures reported by the SBP and the

Pakistan Bureau of Statistics (PBS).

The gap became an issue in the summer of last year as some imports from China were being settled outside of Pakistan's banking channels.

The government is under pressure because of the rapidly increasing current account deficit. The 11-month deficit is 2.1 times wider than the revised figure of \$4.86bn for 2015-16.

"These transactions related to the private sector and have affected

the imports of goods, imports of services, primary income, secondary income, direct investment in Pakistan, currency and deposits (assets) of the private sector, disbursements and amortisation of private-sector loans," said the SBP.

The deficit is going to be even higher when the final figure for the fiscal year is released in coming days. This means the economy desperately needs higher inflows.



Thursday, 6<sup>th</sup> July, 2017

## Cotton price steady on strong demand

### The Newspaper's Staff Reporter

KARACHI: Steady flow of buying orders helped cotton prices stay firm on Wednesday. There was a sudden demand for new crop cotton as spinners tried to replenish their stocks at higher volumes. According to market sources, the reason for surge in demand was the fear of rain's impact on the crop.

Moreover, most deals were finalised at season's highest prices.

In contrast, world's leading cotton markets remained under pressure due to sluggish demand for cotton from the textile industry. The New York cotton also went under correction.

Meanwhile, the agriculture department has warned cotton growers of a looming pest attack in the wake of recent rains in various cotton-growing areas of Punjab. Growers have been advised not to allow rain water remain stagnant in the fields.

However, no worth-mentioning damage has been reported by last week's rain, brokers said.

The Karachi Cotton Association lefts its spot rates unchanged. Major deals on the ready counter were: 1,000 bales from Shahdadpur at Rs6,200, 1,200 bales from Tando Adam at Rs6,200, 800 bales from Sanghar at Rs6,200, 400 bales from Hyderabad at Rs6,200, 400 bales from Mirpur Khas at Rs6,200, and 400 bales from Kotri at Rs6,200.

THE FOLLOWING ARE THE KCA OFFICIAL SPOT RATES FOR 2015-16 FOR LOCAL DEALINGS IN PAK RUPEES FOR BASE GRADE 3 STAPLE LENGTH 1-1/32" MICRONAIRE VALUE BETWEEN 3.8 TO 4.9 NCL			
Rate For	Ex-Gin Price	Upcountry Expenses	Spot Rate Ex-Karachi
37.324 Kgs Equivalent	6,100	135	6,235
40 Kgs	7,537	145	7,682

# DAWN

Thursday, 6<sup>th</sup> July, 2017

## MARKETS

### FOREX

Exchange Rates for  
Currency Notes (Rs)

	Interbank market*		Open market**	
	Buying	Selling	Buying	Selling
USA	<b>104.60</b>	<b>104.80</b>	<b>107.50</b>	<b>108.25</b>
UK	<b>135.27</b>	<b>135.53</b>	<b>137.00</b>	<b>139.00</b>
Euro	<b>118.79</b>	<b>119.02</b>	<b>120.30</b>	<b>122.30</b>
S.Arabia	<b>27.89</b>	<b>27.95</b>	<b>28.15</b>	<b>28.40</b>
UAE	<b>28.48</b>	<b>28.53</b>	<b>28.95</b>	<b>29.20</b>
Japan	<b>0.9252</b>	<b>0.9270</b>	<b>0.9295</b>	<b>0.9495</b>

\*forex.com.pk \*\*ECAP

### KIBOR

Karachi Interbank  
offered rates

	Bid	Offer
Three months	<b>5.88</b>	<b>6.13</b>
Six months	<b>5.89</b>	<b>6.14</b>
One year	<b>5.94</b>	<b>6.44</b>

### LIBOR

Special US dollar  
bonds for July 04

Three months	<b>1.30211 %</b>
Six months	<b>1.45767 %</b>

## Sindh agrees to pay Rs7b for RBOD project

**Project aims at draining effluent water from Balochistan, Sindh to protect contamination of Manchar Lake**

### Fawad Yousafzai

ISLAMABAD - The funding issue between the federal government and Sindh has finally resolved as the province has agreed to pay Rs7 billion for the Right Bank Outfall Drain (RBOD) project.

The Sindh government has agreed to pay 50 percent of the early committed Rs14 billion and now it has been decided to refer the project for the approval of CDWP, official sources told The Nation here on Wednesday. The federal government has agreed to fund the remaining Rs7 billion, the source said.

The RBOD projects are aimed at draining the effluent water from Balochistan and Sindh in the Arabian Sea, to protect contamination of Manchar Lake. The delay in the completion of RBOD-II project is affecting the flora and fauna of Manchar Lake. Beside, the timely completion of RBOD is productive for Sindh as it would save 4.32 million acres of land from water-logging and salinity.

The Sindh government has earlier committed to provide its share of Rs14 billion for completion of flood protection works as part of RBOD-II project to ensure that work done on the project with the federal government funding is not affected during the flood season but later the province was backed out from its commitment and refused to make any funding. Currently, there are three projects in the implementation stage for carrying Balochistan and Sindh disposal into sea. About 90 percent of the work on both

RBOD-I and RBOD-III was completed three years ago but since the work had been stopped therefore no money can be spend. Work on RBOD-I and RBOD-III was stalled till the completion of RBOD-II, the source said. The completion deadline of the RBOD-I, II and III projects was increased for fourth time to 2019. An amount of Rs26,713 million will be spent on all the three projects of RBOD till 2019.

The first leg of the project is RBOD-III which will carry Balochistan and Sindh effluent disposal. The project is located in Nasirabad, Jaffarabad districts of Balochistan and Kambar-Shahdad Kot district of Sindh. The project was initiated in 2003 and missed several completion deadlines, however now the government has fixed 2019 a new date of completion.

The second leg is RBOD-I located in Nara desert, district Ghotki and Sukkur Sindh which will be used for the disposal of effluent from the Right Bank Sukkur and Guddu Barrage commands area in Sindh. The project was initiated in 1994 and missed several completion deadlines, however now the government has fixed 2019 a new date of completion.

Similarly, RBOD-II drain will be connected to RBOD-I at Sehwan and will carry the effluent direct to sea at Gharo. The project of 273 Kilometer long RBOD-II was initiated in 2001 and the estimated cost of Rs14 billion, the project was supposed to be

completed in 2006 however it was delayed. To carry Balochistan's wastewater, RBOD-II capacity was revised to 3,525 cusec from 2,271 cusec. The estimated cost was also upward revised to Rs29 billion in 2005 and the completion target was extended to 2008 and then 2014. Now, once again the cost was upward revised to Rs61.985 billion. The RBOD-II project is located in Jamshoro and Thatta Districts of Sindh and is being considered vital for rehabilitation of Manchar, Asia's largest fresh water lake, which receives contaminated water of the RBOD-I.

The Supreme Court has initiated suo motu proceedings regarding the growing level of contamination in Manchar Lake and the deprivation of the livelihood of the fishermen. The apex court, in a suo motu case concerning Manchar lake contamination due to effluents from the RBOD, has directed the federal and provincial governments to resolve the issue.

It is pertinent to mention here that after due to tussle between the federal and Sindh government on the funding issue of RBOD-II, not a single penny was spend on the project during 2016-17 and all the amount of Rs4.8 billion allocated in PSDP 2016-17 for RBOD-I, II and III was re-appropriated to other projects. The official said that now the main impediment was removed and work on all the three projects of RBOD-I, II and III will resume immediately.

## 'Pakistan-Canada trade touches record level'

### Our Staff Reporter

ISLAMABAD - Canadian High Commissioner to Pakistan, Perry Calderwood has said that Canadian companies are exploring investment opportunities in Pakistan in various sectors, including solar energy and information technology.

He expressed these remarks in a meeting with Finance Minister Ishaq Dar on Wednesday. The minister and the high commissioner discussed the current state of bilateral ties including economic cooperation between the two countries.

The high commissioner said that there has been robust economic growth and a visible improvement in the security situation in Pakistan, which provides a good opportunity for further strengthening economic and business linkages between the two countries.

Calderwood said that Canadian companies were already exploring opportunities in Pakistan in various sectors, including solar energy and

information technology. He highlighted that the level of bilateral trade was currently at a record level.

He said that steps have been taken to reactivate the bilateral trade and investment working group to help promote economic cooperation. He apprised the minister about Canada's International Development Policy which has been launched recently. He also appreciated Pakistan's efforts for eradicating polio.

During the meeting, Dar said that Pakistan and Canada enjoy friendly and long-standing bilateral ties.

He welcomed the reactivation of the working group, and said there is ample room to further enhance trade and investment cooperation between the two countries. He said that joint efforts should be made by both sides to this end.

He highlighted that international investors and companies from various countries are currently investing and setting up

businesses in Pakistan. He also encouraged Canadian investors and firms to explore and derive benefit from the business and investment opportunities available in the country.

The minister said Pakistan is committed to the eradication of polio and all efforts are being made to this end. While exchanging views with the high commissioner on the 'debt for education' swap, Dar said that the present government lays strong emphasis on the promotion of education at all levels. He welcomed all initiatives to achieve this objective.

Dar said that, after having achieved macroeconomic stability, Pakistan is now fully focused on achieving higher, sustainable and inclusive economic growth. He appreciated Canada's support for development projects in Pakistan. He said that the present government is keen to further strengthen bilateral partnership between Pakistan and Canada.

## CDNS achieves target of Rs228b

### APP

ISLAMABAD - The Central Directorate of National Savings (CDNS) has achieved the revised target of Rs228 billion set for the financial year 2016-17.

The CDNS has set Rs218 billion target for fiscal year 2017-18, a senior official of CDNS told APP. He said the CDNS had notified similar profit rates for various saving certificates to benefit its investors especially the widow and pensioners, which had been unchanged from June 1, 2017. "The consistency in previous rates was made in the backdrop of current market scenario and in

accordance with the government's policy to provide market based competitive rate of return to the investors of National Savings", he added.

He said that as per notification issued by the federal government, the rates for Defence Savings Certificate, Special Saving Certificate and Account, Regular Income Certificate and Savings Accounts had been revised upward at an average of 7.54 percent, 6.03 percent, 6.54 percent and 3.95 percent, respectively.

The official said the rate of return for specialised savings schemes like Bahbood Savings Certificates and Pensioners' Benefit Account had also been revised up and fixed at 9.36 percent to provide safety net to specialised segments of the society. The CDNS had launched its modernisation plan in collaboration with National Institutional Facilitation Technologies (NIFT) for facilitating the customers, he said.