BUSINESS
RECORDER
Sunday, 7th May, 2017

OBOR enjoys our unstinted support, Dar tells India

YOKOHAMA: Billing intra-regional trade and connectivity as sine qua non for sustainable economic development of Asia and the Pacific, Finance Minister Senator Ishaq Dar exuded unequivocal support to One Belt and One Road – a giant initiative undertaken by China for economic progress and prosperity on sound grounds.

Expressing his views over the reservations voiced by Indian Finance Minister Arun Jailtly on the vision of connectivity during a debate on Trade, hosted by CNBC here at Conference Centre, Dar categorically stated, "Pakistan fully supports the One Belt One Road Initiative" adding, such gigantic leap was pressingly needed to address the economic challenges as well as persisting issues in a lasting manner.

President, Asian Development Bank Takehito Nakao and Indonesia Finance Minister Sri Mulyani Indrawati were also participants of the debate along with Finance Ministers of Pakistan and India.

In response to a question during the debate, the Indian Finance Minister Arun Jaitly had stated that in general terms the idea of connectivity was good, however India had reservations in this regard and he would not like to get into further debate on this issue at this forum.

Describing the connectivity as name of the game, Dar said that Asian Development Bank had a greater role to play in this regard to achieve ultimate economic goals and objectives.

The Minister said world is now a global village and no region could economically survive in isolation, therefore cooperation, coordination and connectivity are badly needed to ensure economic development in this part of the planet.

He said different countries are faced with diverse economic challenges and issues that is why, he observed a single generic solution can not help resolve their problems.

The Minister was of the view that Asian Development Bank is well-positioned to play an effective role in fostering intra-regional trade and promoting financial integration and connectivity for the mutual benefits.

He further said another important initiative – China Pakistan Economic Corridor (CPEC) – has been taken which could not only ensure economic cooperation among China, Pakistan, Afghanistan, India and Iran but would also pave a level playing course for all in terms of economic dividends.

Regional trade, economic cooperation and connectivity is a way forward to get the economic grail realized, ensuring economic prosperity and checking the menacing problem of poverty, he noted.

To another query, Dar said the economic approach of connectivity was also aimed at eliminating protectionism, abolishing barriers and facilitating trade.

Responding to another question, the Minister was of firm opinion that the role of the government in the economy is indispensable and the economic activities cannot be left merely at the mercy of private sector.

The government, he stressed has an important and due role to play in the economy as an enabler to give right policies, ensuring that economic fabric is proceeding in the right direction.

The Minister further said the future in fact linked with the vision of economic and financial connectivity within the region and beyond and the One Belt and One Road and CPEC would help translate the idea of connectivity into reality.—NNI

BUSINESS
RECORDER
Sunday, 7th May, 2017

Asia leading in reducing poverty: Dar

ISLAMABAD: Federal Finance Minister Senator Ishaq Dar on Saturday said that Asia is leading this endeavor of reducing poverty through its phenomenal economic growth.

"Around 125000 people are coming out of poverty on daily basis globally," the Finance Minister added while addressing a Round Table Conference on the theme, 'Responding to Rising Inequality' held in connection with Asian Development Bank's (ADB) 50th Annual meeting of the Board of Governors in Yokohama, Japan.

The Finance Minister stated that, "Developing world had made remarkable progress in lowering incidence of poverty in last two decades."

Referring to the economic turnaround in Pakistan, the Minister said, "After having achieved macroeconomic stability, Pakistan is now focused on achieving higher, sustainable and inclusive economic growth."

Highlighting the issue of rising inequality, the Minister said, "Income inequality was only one aspect of inequality whereas disparities in terms of gender, region etc also need to be addressed to ensure sustainable development."

In this regard he referred to the Pakistan's Vision 2025 which prioritized investments in human capital and social services, recognized the importance of inclusive and balanced growth and shared prosperity aiming at redressal to geographical and social inequality.

He added that, "the present government in Pakistan strongly believes that benefits of growth must be shared by all segments of society, especially the marginalized groups."

The Minister highlighted the efforts to deal with horizontal and vertical inequalities including access of poor to health and education, endowment fund for education, work on social safety nets, skills development, disaster mitigation, increase in Benazir Income Support Programme (BISP) budget allocation and implementation of National Financial Inclusion Strategy (NFIS).

The Minister showed confidence that development partners, including ADB would play an important role in addressing inequality.—NNI

BUSINESS
RECORDER
Sunday, 7th May, 2017

Dar co-chairs ADB annual meeting

YOKOHAMA: Vice Chair for the 50th Annual Meeting of the Asian Development Bank, Pakistan Finance Minister Senator Muhammad Ishaq Dar co-chaired along with the Finance Minister of Japan, Taro Aso, the first business session of the 50th annual meeting of the 67 member ADB's Board of Governors at Yokohama Japan.

The session comprised of member countries' statements, which inter alia touched upon sustainable and smart infrastructure development and financial cooperation amongst the member countries.

Income inequality was only one aspect of inequality whereas disparities in terms of gender, region and provision of basic amenities also need to be addressed to ensure sustainable development (Senator Dar Finance Minister of Pakistan Finance Minister also attended the Round Table Conference on 'Responding to Rising Inequality' at Yokohama, Japan.—NNI

BUSINESS
RECORDER
Sunday, 7th May, 2017

Low cotton output to have negative impact on GDP growth

TAHIR AMIN

ISLAMABAD: The projected 25 percent lower cotton output than targeted for 2016-17, with total output of 10.6 million bales against the set target of 14.1 million bales, would have at least a negative 0.4 percent impact on GDP growth.

Pakistan missed the crop production target by around 30 percent in 2015-16 with total output at 10 million bales, which, according to Finance Minister Ishaq Dar, accounted for 0.5 percent lower GDP growth.

The cotton target for the current year is likely to be missed as cotton sowing in five districts of Sindh province was delayed due to water shortage which is expected to negatively effect production.

Cotton sowing normally starts in the first week of April in upper Sindh which produces around 1.5-2 million bales every year. Due to water shortage last month, Indus River System Authority (Irsa) observed complete closure of water releases to Sindh however after one week water was released though it took another 8 to ten days to reach Sindh.

However Senior Vice President Pakistan Cotton Ginners Association (PCGA) told Business Recorder that districts including Gothki, Sukkur, Hairpure, Nawab Shah and Nowshehra Feroz have yet to receive water and cotton sowing has been delayed for over one month time.

The Federal Committee on Cotton (FCC) has fixed the cotton area and production target for the year 2017-18 according to which Punjab will sow cotton on 6 million acres to produce 10 million cotton bales, Sindh 1.606 million acres to produce 4 million cotton bales, Balochistan 0.093 million acres to produce 0.038 million bales and Khyber Pakhtunkhwa has to sow cotton on 0.00247 million acres to produce 0.002 million bales of cotton.

Irsa has forecast that provinces would face around 18 percent water shortage for crops during the Kharif season. About 110 Million Acre Feet (MAF) water would be available for Kharif season with 67 MAF water to be utilized for Kharif crops. Officials said that due to water shortage, the prospects of a bumper cotton crop production are not very bright.

BUSINESS
RECORDER
Sunday, 7th May, 2017

Power evacuation projects:
Govt likely to spend Rs770bn

MUSHTAQ GHUMMAN

ISLAMABAD: The government is to spend Rs 770 billion on 57 projects for evacuation of power from different projects in Punjab, Sindh, KPK, Balochistan and AJK, in addition to investment of $1.5 billion on expansion and augmentation of power system, well informed sources told Business Recorder.

Cabinet Committee on Energy (CCoE) has also been given a clear picture of transmission projects as the Prime Minister office has strictly directed the Ministry of Water and Power to look into removal of all constraints when additional load will be provided to them after addition of 10,000 MW of electricity before summer of 2018.

The sources told that 13000 Mega Volt Ampere (MVA) will be added in 500 KV and 14500 MVA in 220 KV systems, which indicates substantial investment is being made to support current transmission system from 2016 to 2019.

According to sources, in July 2016, the entire system (transmission and distribution) was tested to identify constraints.

At present, transmission system of 500 KV is 16950 MVA and 220 KV 23194 MVA. In 2016-2017, 3600 MVA of 500 KV will be added to the system and 5220 MVA expansion in 220 KV system. During 2017-18(phase-1 of expansion) 1200 MVA will be added to 500 KV transmission systems and 3320 MVA to 220 KV. In 2018-18 (phase-II of expansion) 5000 MVA will be added to 500 KV system and 3820 MVA to 220 KV whereas in 2019-20, (phase-III expansion) 3000 MVA will be added to 500 KV and 2310 MVA to 220 KV.

"We are adding 12800 MVA to 500 KV and 14670 MVA to 220 KV by FY 2020," the sources continued.

In reply to a question, the sources said, inter connection is not an issue and transmission lines connecting the new power plants with the national grid are about to complete and as the projects come in line, inter-connection lines will be 100 percent ready. Transmission lines of Port Qasim coal-fired power plant, Sahiwal coal-fired power plant, Neelum-Jehlum, Tarbella 4th Extension and three RLNG-fired power plants, i.e. Bhikki, Balloki and Haveli Bahadar Shah are ready. Answering another question, the sources said Asian Development Bank (ADB) has extended $ 850 million loan for augmentation and expansion of grid stations whereas $ 650 million would be extended by the World Bank for 4-5 years.

"We will upgrade 28 grid stations including Kala Sha Kaku with investment from the World Bank. Grid stations will be converted from Air Insulated Substation (AIS) to Gas Insulated Substations (GIS)," the sources maintained.

According to the program, new grid stations will also be established to enhance system's capacity.

Secretary Water and Power, Yousaf Naseem Khokhar, maintained that most of the constraints with regard to grid stations power transformers and transmission lines have been removed.

However, Secretary to Prime Minister Fawad Hasan Fawad who is now being tipped as new Pakistan's Executive Director to World Bank, a highly lucrative and coveted post, has clearly conveyed to the Water and Power Ministry that up-grading process for distribution system of Discos was essential to sustain additional load of power generation. After induction of new load, the inventories of Discos (transformers etc) should also be enhanced.

BUSINESS
RECORDER
Sunday, 7th May, 2017

Revenue shortfall of Rs120bn:
Provinces asked to adjust expenditures during last quarter

SOHAIL SARFRAZ

ISLAMABAD: Ministry of Finance has asked the provinces to adjust their expenditures during the last quarter (April-June) of 2016-17 as the Federal Board of Revenue (FBR) is anticipating revenue shortfall of Rs 120 billion during 2016-17.

Sources said that the issue of revenue shortfall of the FBR was discussed during the last meeting of the provincial finance secretaries held in Finance Division under the chairmanship of Federal Finance Secretary Tariq Bajwa.

During the meeting, the federal finance secretary asked Dr Muhammad Iqbal, FBR Member Inland Revenue-Policy, to share position of revenue collection with the provincial representatives. The member FBR informed that during the first nine months (July-March) 2016-2017, the FBR collected Rs 2,257.6 billion, showing 8.1 per cent increase as compared to the corresponding period of the last financial year. He informed that the revenue registered 13% growth during March 2017. He shared that FBR would need 16.3% growth over the last year collection in order to meet the annual target. He further informed that against the revenue target of Rs 2,426.8 billion, fixed for July-March (2016- 2017, the FBR has achieved 93% of the target. To sum up, tax authorities said if the current collection trend continues, the FBR expects a shortfall of Rs 120 billion in the revenue target of current fiscal year. The federal finance secretary asked the provincial finance secretaries to adjust their expenditures accordingly.

The Sr Joint Secretary (PF), Finance Division, made a brief presentation on provincial fiscal operations and highlighted province-wise details of provincial own receipts, expenditures for the period from July, 2016 to February, 2017 and the position of federal transfers during the past nine months of current financial year (CFY). He stated that though the combined picture of provincial own receipts and expenditures exhibited a healthy performance of the provinces, yet the segregated data showed variation in the provincial achievements. He indicated that during the past 9 months, provincial own receipts (combined) remained 56% of the budget estimates (BE), whereas the expenditures were reported as 46% of BE. In the case of Sindh and Punjab, it was observed that both tax and non-tax receipts were relatively lower as compared to other provinces. With regard to the revenue receipts, Khyber Pakhtunkhwa showed a normal trend, whereas Balochistan had almost achieved its revenue target, i.e. collection was 98% of the budget estimates.

The finance secretary Punjab pointed out difference in numbers, what he had vis-a-vis the presentation; however, he explained that the numbers were obtained from the provincial civil accounts. While explaining the position of expenditure on current side, the finance secretary Punjab informed that the provincial government is struggling to meet huge unbudgeted liability of pension expenditure as a result of court decisions. He also raised different issues relating to input tax adjustments.

The federal finance secretary advised the member FBR to arrange a meeting with the provincial revenue authorities to resolve those issues.

The federal finance secretary expressed concern over the increasing trend of current expenditures of Sindh, which were 25% higher as compared to the corresponding period of the past year. He advised FS Sindh to be watchful as such trend might create difficulties in the coming months. The FS Sindh explained that one of the reasons of increase in current expenditures was due to onetime payment, amounting to Rs 27.00 billion, on account of electricity bills. He also raised the issue of wrong assessment of advance income tax by FBR.

The FS Khyber Pakhtunkhwa (KPK), while explaining the position of provincial revenue receipts and expenditure, informed that due to a major policy decision taken during the last year regarding doctors pay package, the expenditure on current side had gone up considerably. Otherwise, the overall expenditures trend is normal.

The finance secretary Balochistan informed the meeting that Balochistan government had also given handsome package to the doctors for improving performance and its financial implications were around Rs 1.5 billion. He said that it had also hit hard their current side spending.

The federal finance secretary

BUSINESS

RECORDER

Sunday, 7th May, 2017

while updating the meeting on the performance of FBR indicated a shortfall of around Rs 120 billion. Regarding cash balance position, he urged upon all the provincial finance secretaries to extend their cooperation to the federal government and prioritise their spending in such a manner that the important provincial obligations like spending on education and health may not be curtailed. He also invited the attention of all the provincial finance secretaries to weak public financial management, particularly at the local bodies' level. He maintained that as a result of low capacity to spend, the public money at local governments' level could not be spent for optimal value. Therefore, he urged upon all the provincial finance secretaries to take necessary capacity building measures and bring improvement in service delivery systems at provincial as well as local bodies' level. He also hinted towards wide intra-provincial and inter-provincial disparities. Summing up discussion, he shared a revised cash surplus target for the CFY 2016-17, to be achieved by all the provinces.

The meeting discussed the IMF paper 'Fiscal Decentralisation and Macroeconomic Challenges in Pakistan.' The main points of paper included that the basic design of 7th NFC Award was broadly in line with general principles, but there are a number of imbalances.

Unlike other countries, the vertical asymmetry in Pakistan is in favour of provinces and there is no mechanism to correct it, which is, therefore, leading to higher public debt.

There is a need to develop a mechanism to coordinate fiscal stance, tax policy and administration across layers of the government.

The devolution of responsibilities viz-a-viz transfers to provinces under 7th NFC was not well-synchronised.

Apart from excellent provincial governments' efforts to collect GST on services, the collection in other sectors remained more or less stagnant.

Spending on social sectors has gradually increased but it was still low.

The mechanism for financing of areas of joint responsibility is absent. No provisions for national emergencies which may result into greater vulnerability to fiscal shocks, main points of the IMF paper added.

Based upon its analysis, the IMF suggested different measures, such as effective fiscal rules, technocratic fiscal council under CCI, increasing flexibility of the fiscal framework, jointly-funded contingency fund, improving incentives and administration for tax revenue mobilisation, a National Tax Commission, burden-sharing with reference to joint tasks, capacity building to improve PFM frameworks and time-bound strategy for Local PFM Framework etc.

The federal finance secretary invited all the provincial finance secretaries to offer their comments on the said paper.

The finance secretary Balochistan was of the view that National Disaster Management Authority (NDMA) and Provincial Disaster Management Authority (MDMA) were functioning in the country to cope with the emergencies and meet the contingencies. Therefore, the system is already in place, which may be strengthened.

The finance secretary Punjab informed that as a result of Provincial Finance Commission Award, announced in December 2016, about 44% additional transfers were made to the local governments. He added that Punjab government had also requested the World Bank to help in capacity building, etc, at the local level.

The finance secretary Khyber Pakhtunkhwa said that complete synchronisation was not possible due to political issues. With regard to establishment of Technocratic Council under the CCI, he apprehended that such council would not be able to keep itself at distance from the political influences.

The finance secretary Sindh informed that Sindh is bearing a huge expenditure on account of law and order from current side. He suggested that general sales tax (GST) on goods may be devolved to the provinces and that provinces may be given representation in the federal tax policies.

The federal finance secretary, while wrapping up the meeting said that services sector has 57% share in the GDP, but it is providing 0.5% revenues. Similarly the agriculture sector contributes 21% of the GDP, whereas it provides less than 0.5 % share in the revenues. The federal finance secretary requested all the provincial finance secretaries to furnish their comments on the said study paper to the Finance Division, sources added.

BUSINESS
RECORDER
Sunday, 7th May, 2017

Rs598.5bn released under PSDP

NAVEED BUTT

ISLAMABAD: The federal government has released a total of Rs 598.5 billion (78.8 per cent), including Rs 150 billion foreign aid, for different development projects under the Public Sector Development Programme (PSDP) 2016-17 against the total budget allocation of Rs 800 billion.

The government has released 44.6 percent (Rs 57.86 billion) for China-Pakistan Economic Corridor (CPEC) development projects under Public Sector Development Programme against the budgeted allocation of Rs 129.86 billion for 2016-17.

The CPEC consists of 38 development projects of various sectors, including Aviation Division, National Highway Authority (NHA), Finance Division, Information Technology and Telecom Division, Interior Division, Planning Development and Reforms Division, Port and Shipping Division, Railway Division and Water and Power Division (power sector).

According to the latest data released by the Ministry of Planning, Development and Reform, the government has released Rs 170 billion (71.8 per cent of total budgeted allocation) including Rs 8.1 billion foreign aid for development projects of various federal ministries against the total budgeted allocation of Rs 236 billion.

However, the government has yet to release funds for development projects of Foreign Affairs Division, Textile Industry Division and GAS Infrastructure Development Fund.

The government has released Rs 166.2 billion including Rs 79.1 billion foreign aid for infrastructure projects of National Highway Authority (NHA) against the budgeted allocation of Rs 192 billion. The government has also released Rs 33.86 billion for development projects of Pakistan Railway Division against total budgeted allocation of Rs 41 billion for current fiscal year 2016-17.

Planning Commission released Rs 22.57 billion including Rs 7.3 billion foreign aid, for different projects of the Pakistan Atomic Energy Commission against the total budgeted allocation of Rs 28.8 billion for fiscal year 2016-17. During the period under review, an amount of Rs 24.12 billion including Rs 210.37 million foreign aid was released for Water and Power Division (water sector) for the construction and development of water reservoirs for water conservation, irrigation and power generations against the total allocation of Rs 31.71 billion. A total of Rs 121.3 billion, including Rs 51.4 billion foreign aid was released for WAPDA (power sector) for development power projects against the budgeted allocation of Rs 130 billion.

Under the PSDP 2016-17, the government has released Rs 19.17 billion including Rs 73.8 million for different projects of Higher Education Commission (HEC) as against the total allocations of Rs 21.486 billion.

The government released Rs 2.24 billion for Capital Administration and Development Division, Rs 581 million for Climate Change Division, Rs 2.3 billion for Defence Production Division, Rs 11 billion for Interior Division, Rs 177.7 million for Pakistan Nuclear Regulatory Authority and Rs 2.62 billion for Planning, Development and Reform.

Under PSDP 2016-17, an amount of Rs 7.22 billion was released for different development projects of Housing and Works Division against the total budgeted allocation of Rs 8.2 billion. The government released Rs 779.15 million for different developmental projects of National Food Security and Research Division against the earmarked Rs 15.2 billion for the development of agriculture sector in the country.

An amount of Rs 21.1 billion including Rs 523.8 millions foreign aid has been released for the National Health Services, Regulation and Co-ordination Division against the budgeted allocation of Rs 24.951 billion in the PSDP for the uplift of health sector of the country. The government has released Rs 52.3 billion for special federal development programme for temporarily displaced persons (TDPs) and security enhancement under current year’s development programme for the rehabilitation of TDPs against the total allocation of Rs 100 billion.

The government released Rs

BUSINESS
RECORDER
Sunday, 7th May, 2017

1.39 billion for Federal Education and Professional Training Division against a total of Rs 2.23 billion budgeted allocation. An amount of Rs 4.72 billion has been released for Finance Division, Rs 2.87 billion for Aviation Division, Rs 296 million for Defence Division and Rs 1.58 billion for Science and Technological Research Division.

The government released Rs 18 billion including Rs 4.12 billion foreign aid for development projects of Azad Jammu and Kashmir against the total budgeted allocation of Rs 14.7 billion for current fiscal year. The government also released Rs 9.64 billion for development projects of Gilgit-Baltistan against Rs 11.2 billion budgeted allocation, while Rs 21.5 billion including Rs 134.9 million foreign aid has been released for the projects of Federally Administered Tribal Areas (FATA) against the total budgeted allocation of Rs 22.3 billion.

The Planning Commission of Pakistan has so far followed the stipulated mechanism for release of funds: first quarter (July-September) 20 per cent, second quarter (October-December) 20 per cent, third quarter (January-March) 30 per cent and fourth quarter (April-June) 30 per cent.

BUSINESS
RECORDER
Sunday, 7th May, 2017

THE RUPEE: Firm trend

RECORDER REPORT

KARACHI: Firmness prevailed on the money market on Saturday as the rupee did not budge any side in relation to the dollar in the process of trading, dealers said.

OPEN MARKET RATES: The rupee was unchanged against the dollar for buying and selling at Rs 105.60 and Rs 105.80 respectively, however it shed 20 paisas in relation to the euro for buying and selling at Rs 115.50 and Rs 117.00 respectively, they said.

At the week-end, the US dollar hit its lowest level in roughly six months against the euro on Friday after data showing US jobs growth rebounded sharply in April was not enough to shake investors' bullishness toward the euro ahead of the second round of France's presidential election.

US non-farm payrolls surged by 211,000 jobs last month, the Labour Department said, beating expectations of economists polled by Reuters for a gain of 185,000. The drop of one-tenth of a percentage point in the unemployment rate to 4.4 percent took it to its lowest level since May 2007.

They also said the weaker March jobs figure and labour force participation rate gave traders an excuse to continue holding the euro.

The euro hit $1.0991, its highest since early November 2016, after the US jobs data and has risen to that level from a 14-year low of $1.0339 touched in early January.

The dollar rose slightly against the yen and was last up 0.1 percent against the Japanese currency at 112.54 yen after the data, but remained below Thursday's roughly seven-week high of 113.04 yen.

Open Bid	Rs. 105.60
Open Offer	Rs. 105.80

RUPEE IN LAHORE: The Pak rupee was unchanged on buying side while it depreciated on selling side against the US dollar in the local currency market on Saturday.

According to currency dealers, the US dollar resumed trading on its overnight trend of Rs 105.60 and Rs 105.80 as its buying and selling rates, respectively.

At the close, no change in its value took place on buying counter as it sustained its opening rate of Rs 105.60. However, it appreciated on selling counter and ended at Rs 106.00, they added.

Furthermore, the local currency remained under pressure for the second consecutive day against the British pound.

The pound's buying and selling rates further drifted from Friday's closing trend of Rs 135.80 and Rs 136.50 to Rs 136.20 and Rs 136.90 respectively, they said.

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

The dollar opened at Rs 105.90 (buying) and Rs 106 (selling). It closed at the same. Pound Sterling opened at Rs 135 (buying) and Rs 135.50 (selling). It closed at the same rate.

BUSINESS

RECORDER

Sunday, 7th May, 2017

Budget deficit soars to 3.7pc during July-March

ZAHEER ABBASI

ISLAMABAD: The government struggling to limit the budget deficit that has escalated to 3.7 per cent during the first nine months of the current fiscal year as against the budgetary target of 3.8 per cent for the entire financial year.

According to consolidated federal and provincial budgetary operation released by the Finance Division on Saturday, the gap between income and expenditure has widened to Rs1,238.041 billion during the July-March 2016-17 with Rs4383.563bn total expenditure and Rs3145.522bn total revenue.

The provincial budgets have been in surplus by Rs137bn during the period under review with Rs85.35bn in the case of Punjab, Rs44.841bn (Sindh), Rs27.089bn (Khyber Pakhtunkhwa) and Rs34.484bn (Balochistan).

The budget deficit of Rs1238.041bn was financed through domestic resources to the tune of Rs1017.870bn, and external resources amounting to Rs220.171bn. A large portion of domestic financing i.e. Rs694.672bn was made through borrowing from banks whereas the non-bank financing stood at Rs323.198bn.

The total tax revenue stood at Rs2,694.346bn with the federal tax collection of Rs2,463.8bn and provincial tax collection of Rs230.5bn. Of the total federal tax collection, Federal Board of Revenue's (FBR) collection stood at Rs2,260.474bn as against the annual target of Rs3,621bn and collection under the head of other taxes remained at Rs203bn.

Total expenditure of the federal and provincial governments stood at Rs4,383.563bn and the amount includes Rs3605.121bn as current expenditures and Rs746.646bn development spending – federal PSDP releases Rs323.965bn and provincial Rs422.681bn.

The current expenditure constitutes Rs3,605.121bn with Rs2439.349bn federal and Rs1165.772bn provincial expenditures.

General public service expenditures stood at Rs1,694.817bn, servicing of domestic debt remained at Rs1,009.864bn, servicing of foreign debt (Rs84.599bn), defence expenses (Rs535.662bn, pension (Rs208.893bn), grants -other than provinces (Rs214.910bn) and other general public service stood at Rs176.551bn.

The total revenue in terms of GDP stood at 9.4 per cent in the first nine months of the current fiscal year against the total expenditures of 13.1pc. Tax revenue stood at 8pc of the GDP, while the non-tax revenue stood at 1.3pc, while the current expenditures stood at 10.8pc of the GDP during the period under review.

BUSINESS
RECORDER
Sunday, 7th May, 2017

Business confidence has increased: ACCA survey

LAHORE: Business confidence in Pakistan has markedly increased in the first quarter of 2017 as the economy shows signs of fundamental health according to the latest edition of the Global Economic Conditions Survey released on Saturday.

The quarterly survey of global CFOs and finance professionals, conducted by ACCA (the Association of Chartered Certified Accountants) and IMA (the Institute of Management Accountants), has found that global economic sentiment has risen to its highest levels since 2015 amid promising signs of a sustained recovery. The rise has been spearheaded by an increasingly confident outlook in North America and is reflected across leading developed and emerging markets. In particular, there has been the fastest rate of growth in global trade since 2015.

Commenting on the findings Mr. Sajjeed Khan, head of ACCA Pakistan, said, “Confidence is higher in Pakistan than it has been for some time, which is a reflection of how the fundamental health of the economy is improving. The prospect of construction work continuing on the Pakistan-China Economic Corridor this year, and substantial investment ahead, is driving an optimistic outlook in the economy.”

At the same time, inflationary pressures are a concern with 48 percent of firms worried about rising costs. It will be a challenge for the government to keep interest rates low if inflation starts to rise.

Faye Chua, head of business insights at ACCA, says that the global economy has so far proven resilient in the face of multiple policy challenges,

The rise in confidence, combined with strong economic hard data, offers genuinely encouraging signs for the global economy: with an increasingly optimistic mood in the US and a stimulus-led recovery in China driving prospects for world trade.

This strong start to the year has taken place against a backdrop of potential threats facing the world economy at the start of 2017. There have been uncertainties over the future of US trade policy under the new administration, the potential of a Eurozone banking crisis during a key election year across Europe and the UK’s triggering of Article 50 to begin the process of leaving the EU.

Yet many of these fears have yet to be realised, and the prospect of increased government spending as austerity measures come to an end in many developed economies means that short term prospects look bright. These are the clearest signs of a synchronised and sustained recovery since 2011, and we can reasonably expect that to continue over the next two quarters.

Yet the survey has found that inflationary fears are putting pressure on global economies, with nearly half (46 percent) of firms reporting increasing costs as a cause for concern. Despite this there are significant improvements for employment and investment, with 22 percent of firms planning to create more jobs and raise capital expenditure (up from 16 percent and 14 percent respectively in Q4 2016).

Faye Chua adds that policy-makers will have an important role in the coming months,

This quarter demonstrates there are signs that the global economy is returning to a degree of health after some very tough years: the IMF is expecting global growth of 3.4 percent this year, the fastest rate since 2012.

Yet in this period of fragile recovery, a number of policy interventions could have a significant impact. The new US administration has proven moderate in trade policy so far but the potential remains that a more restrictive direction could be implemented. Similarly, whilst the UK and Eurozone have so far remained unaffected by the prospect of Brexit, that could change as Article 50 negotiations begin and the French and German elections draw closer.

How policy-makers respond to this uncertainty, and growing inflationary pressures, will be crucial over the coming months.

The Global Economic Conditions Survey (GECS), carried out jointly by ACCA (the Association of Chartered Certified Accountants) and IMA (the Institute of Management Accountants), is the largest regular economic survey of accountants around the world, in terms of both the number of respondents and the range of economic variables it monitors.

Fieldwork for the Q1 2017 GECS took place between 24 February and 13 March 2017 and attracted 1,334 responses from ACCA and IMA members around the world, including more than 150 CFOs.—PR

BUSINESS
RECORDER
Sunday, 7th May, 2017

Trade activity rises on cotton market

RECORDER REPORT

KARACHI: Trade activity picked up slightly on the cotton market on Saturday in the process of trading, dealers said.

The official spot rate was unchanged at Rs 6700, they said. In ready session, 3600 bales of cotton changed hands between Rs 5950-7000, they said.

According to the market sources, some spinners and mills took interest in fresh buying to cover their position.

Other experts said that big stock of unsold yarn which causing financial losses and making them not able to meet their expenditures, particularly utility and gas bills.

Cotton analyst, Naseem Usman said that textile industry has started diverting their money in to real estate and capital market to keep themselves away from future losses.

Experts said that how the country would be able to achieve cotton target? The government is not providing basic facilities to the growers, they said.

Besides, Daily Market Report (DMR) could not be issued because fire broken out at second floor of the Karachi Cotton Association (KCA) building, he added.

Adds Reuters: ICE cotton futures shed over 1 percent on Friday due to favourable weather conditions in major producing areas and fund-selling, posting a second straight weekly decline.

The July cotton contract on ICE Futures US settled down 1.44 percent at 77.77 cents per lb on Friday and was down 1.4 percent for the week.

The July cotton contract on ICE Futures US settled down 1.14 cents, or 1.44 percent, at 77.77 cents per lb. It traded within a range of 77.71 and 79.02 cents a lb.

Total futures market volume rose by 6,974 to 21,090 lots. Data showed total open interest gained 1,456 to 263,028 contracts in the previous session.

Following deals were reported: 3400 bales of cotton from Rahim Yar Khan and 200 bales of cotton from Bahawalpur at Rs 5950-7000, 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 05.05.2017	Difference Ex-Karachi in Rupees
37.324 Kgs Equivalent	6,700	135	**6,835**	**6,835**	NIL
40 Kgs	7,180	145	**7,325**	**7,325**	NIL

BUSINESS
RECORDER
Sunday, 7th May, 2017

Karachi Yarn Market Rate

RECORDER REPORT
KARACHI
Karachi Yarn Market Rates on Saturday (May 06, 2017).

CONES CARDED

10/1.

Popular Fibre
920.00

Diwan
950.00

Tritex
930.00

12/1

Nadeem Textile
1120.00

Indus
1160.00

Popular Fibre
1100.00

Bajwa
1150.00

16/1.

Nadeem Textile
1180.00

United
1190.00

Popular Fibre
1150.00

Abdullah Textile
1150.00

Indus
1220.00

A. A. Cotton
1200.00

Tritex
1170.00

Bajwa
1210.00

21/1.

Ishtiaq Tex
1240.00

Al-Karam(A.K)
1250.00

Suriya Tex
1250.00

United
1250.00

GulAhmed(G.Lite)
1260.00

Popular Fibre
1220.00

Shadman
1240.00

Indus Dyeing
1290.00

Abdullah Textile
1220.00

Lucky Cotton
1230.00

A. A. Cotton
1300.00

Diwan
1240.00

CONES CARDED

22/1.

Bajwa
1270.00

United
1260.00

24/1.

A. A. Cotton
1370.00

Tritex
1320.00

26/1.

AL-Karam
1370.00

Dewan
1320.00

Amin Text
1350.00

Shadman Cotton
1350.00

Diamond Int'l
1320.00

Popular Spinning
1300.00

Ishtiaq Textile
1320.00

Lucky Cotton
1320.00

A. A. Cotton Hosiery
1450.00

28/1

Abdullah Textile
1350.00

30/1.

BUSINESS
RECORDER
Sunday, 7th May, 2017

Amin Tex.
1450.00

Al-Karam
1430.00

Jubilee Spinning
1350.00

GulAhmed(G.Lite)
1430.00

Lucky Cotton
1350.00

Diamond Intl
1400.00

A. A. Cotton Hosiery
1480.00

32/1

Abdullah Textile
1380.00

40/1

Lucky Cotton
1650.00

52/1

Lucky Cotton
1700.00

COMBED CONE

40/1

Indus CF
1740.00

20/2.

GulAhmed
1340.00

Amin
1350.00

Indus Dyeing
1360.00

Bajwa
1350.00

Shadman Cotton
1340.00

42/1

Abdullah Textile
1650.00

52/1

Abdullah Textile
1750.00

20/1. SLUB

Abdullah Textile
1300.00

30/1 SLUB

Abdullah Textile
1520.00

60/1.

Abdullah Textile
1750

70/1

Abdullah Textile
1850

CHEES CONES

10/1.

Kasim Tex
700.00

Latif Tex.(Latif)
700.00

Super
690.00

Abdullah Textile (OE)
690.00

16/1. (O.E.)

Kasim Textile
880.00

Masal
870.00

RATES OF PAKISTANI/IMPORTED POLYESTER YARN (PER LBS) + GST

Imported 50/36 FDY
90.00

Local Mill
130.00

Rupali 75/78 FDY
NA

Import 75/72 FDY
72.00

Local Mill
82.00

Rupali 75/36/0 & 75/24 DTY 90.00

Imported 75/36/0 DTY
84.00

Local Mill
83.00

Rupali 75/128 INT DTY
100.00

Local Mill
115.00

Imported 75/72 INT DTY
83.00

Local Mill
105.00

BUSINESS
RECORDER
Sunday, 7th May, 2017

Imported 75/144 INT DTY
83.00

Local Mill
110.00

Rupali 300/96/ INT DTY
80.00

Imported 300/96/ INT DTY
70.00

Local Mill
66.00

Rupali 300/96/0 DTY
74.00

Imported 300/96 DTY
69.00

Local Mill
63.00

Rupali 75/24 INT DTY
100.00

Imported75/36 INT DTY
96.00

Local Mill
85.00

Rupali 150/48/0 DTY
76.00

Imported 150/48/0 DTY
74.00

Local Mill
70.00

Rupali 150/48 INT DTY
81.00

Imported 150/48 INT DTY
74.00

Local Mill
73.00

Imported 150/144 SIM
75.00

Local Mill

NIL

RATE OF BLANDED YARN IN RUPEES

(PER LBS)

P.V. CONES

18/1 PV

A.A. Textiles
108.00

20/1 PVB

A.A. Textile
111.00

A. A. Cotton
110.00

24/1 P.V. BRIGHT

A.A. Tex.
116.00

Sana
109.00

A. A. Cotton(80:20)
115.00

26/1.PV Bright

A.A. Tex.
121.00

Sana
111.00

30/1 PV

A.A. Tex."Z" Twist
127.00

Sana
120.00

A. A. Cotton
126.00

26/1 P.V. (S.D.)

A.A. Textile
121.00

A. A. COTTON
128.00

36/1 PV (SD)

A.A. Textile
142.00

40/1. (PVB)

Sana
138.00

A. A. Cotton
145.00

A. A. Textile
146.00

46/1 PVSD

Ibrahim Fibre
170.00

28/1 PV SLUB

A.A. Clock Tower
150.00

30/1 PV SLUB

A. A. Cotton (PVB)
150.00

A. A. Cotton (PC)
155.00

A. A. Cotton SLUB(PP)
150.00

Sana SLUB (PP)
145.00

Sana (PV)
150.00

BUSINESS
RECORDER
Sunday, 7th May, 2017

Sana SLUB (V)
165.00

40/1 SLUB

Sana (V)
180.00

20/1 PVT

Sana
118.00

30/1 PVT

Sana
128.00

10/1 PP

A. A. Cotton
93.00

12/1 PP

A. A. Cotton
98.00

16/1 PP

A. A. Cotton
103.00

20/1 PP

Sana
110.00

Diwan
98.00

A. A. Cotton
110.00

Agar
96.00

26/1 PP

A. A. Cotton
115.00

30/1 PP

Agar
101.00

Anwar
109.00

Sana
120.00

Diwan
103.00

A. A. Cotton
120.00

34/1. (PP)

A. A. Cotton
99.00

40/1 PP

A. A. Cotton
133.00

60/1. (P.P)

Agar
124.00

Diwan
125.00

Anwar
130.00

A. A. Cotton
146.00

8/.1.

A. A. Cotton (52 48)
95.00

10/.1.

Zainab
115.00

A. A. Cotton
97.00

Lucky Cotton
135.00

12/1

A. A. Cotton
100.00

14/1

Zainab Tex
118.00

A. A. Cotton
105.00

16/1

AA SML Carded (52 48)
114.00

IFL (52 48)
120.00

A. A. Cotton
105.00

P.C. COMBED

20/1. PC

A.A.SMLCARDED
123.00

Zainab (Combed)
123.00

A. A. Cotton (Carded)
112.00

A. A. Cotton CVC (65 : 35)
110.00

24/1. PC

A. A. SML Carded
123.00

Zainab (Combed)
128.00

A. A. Cotton
109.00

25/1

BUSINESS
RECORDER
Sunday, 7th May, 2017

A.A. Cotton
117.00

30/1. PC (52 : 48)

Zainab Textile (combed)
138.00

Stallion
100.00

K. Nazir
112.00

Al-Karam
112.00

AA SML (Carded)
131.00

A. A. Cotton (Carded)
122.00

A. A. Cotton CVC (65 : 35)
114.00

36/1. PC

IFL Tex(Combed)
149.00

A. A. Cotton
140.00

40/1 PC

A.A. Textile (Combed)
157.00

45/1 PC

Zainab
170.00

10/1 CVC

A. A. Cotton (60:40)
100.00

12/1 CVC

A. A. Cotton (60:40)
107.00

16/1 CVC

A. A. Cotton (60:40)
112.00

20/1 CVC

A. A. Cotton (60:40)
118.00

AASML
114.00

24/1 CVC

A. A. Cotton (60:40)
123.00

Sana
146.00

AASML
111.00

30/1 CVC

A. A. Cotton
128.00

AASML
122.00

40/1 CVC

A. A. Cotton
140.00

40/.1. VISCOSE

Sana
160.00

Sana Acrylic
160.00

READY RATES OF STAPLE FIBER IN RUPEES

POLYESTER
K.G.

I.C.I. 1.D
126.00

I.C.I. 1.2 (SD)
126.00

I.C.I. Bright
128.00

Rupali 1.D
126.00

Rupali 1.2 (SD)
126.00

POLYESTER
K.G.

Ibrahim Fiber(SD)
126.00

Ibrahim 1.D
126.00

Ibrahim Fiber Bright
128.00

Ibrahim Trilobal Bright
128.00

VISCOSE
K.G.

FCFC 44 MM Taiwan
250.00

FCFC 51 MM Taiwan
250.00

Grysum India

BUSINESS
RECORDER
Sunday, 7th May, 2017

250.00

Thai Reyon 51 MM
250.00

S.P.V. Ind. 51 MM
Indonesia 250.00

ACRYLIC FIBER
K.G.

Monty 1.2x51 Italy
200.00

Acelon Korea 1.2x51
200.00

BUSINESS
RECORDER
Sunday, 7th May, 2017

Faisalabad yarn and fibre prices

RECORDER REPORT

FAISALABAD
Cotton yarn rates in rupees per 10 Lbs on Saturday (May 06, 2017).

6-8/S Cone (Cotton)

ARY 490.00

Sher 400.00

Nelibar 660.00

Al-Falah 540.00

Chagi 400.00

Shaheen 400.00

Nelum 400.00

10/S Cone (Cotton)

Sufi 660.00

Model Soft 660.00

Adil 500.00

Neilum 535.00

Nelibar 690.00

Owais Karni 500.00

Gold Star 690.00

Urooj 690.00

Shaheen 660.00

Al-Falah 490.00

Zam Zam 480.00

A.T.M 510.00

Sun flower 490.00

Apple Soft 640.00

Apple Hard 630.00

Ton-Ton 630.00

10/S Cone (Soft)

Es Guard 965.00

S.B. 840.00

Nelibar 850.00

Kinoo 900.00

Malta 970.00

Ayesha 840.00

12-14/S Cone (Cotton)

Model 700.00

Qadri 650.00

Adil 680.00

16-18/S Cone (Cotton)

Nova 710.00

Chagi 700.00

Adil 700.00

Model 750.00

Neeli Bar 1070.00

Super Motia 775.00

Prince 690.00

Prince W 1070.00

Acro 970.00

Apple 830.00

Malta 920.00

Golden Eagle 850.00

20/S Cone (Cotton)

Zahidjee 1250.00

Anmool 1200.00

J.K. 1240.00

Khalid Shafiq 1040.00

Acro 1040.00

BUSINESS
RECORDER
Sunday, 7th May, 2017

Darulsalam 1200.00

Ravi 1030.00

Hadabia 1230.00

22/S Cone (Cotton Warp)

Crescent 1280.00

Yahya 1260.00

HAR 1285.00

Tayyab 1240.00

Polo 1240.00

Ulfat 1260.00

24/S Cone (Cotton Warp)

Polo 1330.00

Prince 1290.00

Acro 1260.00

H.A.R. 1260.00

Silver Lines 1320.00

ATM 1310.00

Anmool 1330.00

30/S Cone (Cotton Warp)

Al Noor 1440.00

Crescent 1440.00

Acro 1430.00

Glamour 1340.00

Arain 1420.00

J.K. 1400.00

Gulistan 1525.00

Ujalla 1410.00

Khalid Shafique 1465.00

Shafi 1420.00

Chakwal 1525.00

Anmool 1430.00

Ittehad 1430.00

Hadabiya 1460.00

32/S Cone (Cotton)

Ahmad 1435.00

Malikwal 1430.00

Chand 1425.00

J.K. 1575.00

Target 1460.00

Hadabiya 1440.00

A Three 1450.00

Araian 1430.00

Acro 1425.00

Nafees 1420.00

H.H. 1430.00

40/S Cone (Combed Cotton)

JK 1710.00

JK Carded 1560.00

Acro 1710.00

Nishat 1775.00

Betray 1610.00

Ittihad 1630.00

Al-Nasar 1700.00

Ejaz 1620.00

Nafees 1560.00

Nisar 1755.00

Three-G 1535.00

Suraj 1730.00

MKB 1530.00

BUSINESS
RECORDER
Sunday, 7th May, 2017

Ramzan 1540.00

Ahmad 1510.00

Super Shaheen 1520.00

Darul Islam 1525.00

Four-G 1570.00

A. Three 1520.00

Azam 1500.00

Wasal Kamal 1520.00

Super Gold 1540.00

Jubilee 1530.00

Babri 1520.00

Sally 1550.00

52/S Cone (Combed Cotton)

Crescent 2100.00

Ittihad 2125.00

Suraj 2250.00

Al-Nasar 2100.00

Tanveer 2125.00

Sultan 1900.00

Diamond 2000.00

Koiyal 2025.00

Malikwal 1950.00

Parado 2050.00

Four Star 2100.00

N.P. 2020.00

Prime Plus 1900.00

Saif 2020.00

Super Shaheen 1800.00

Nafees 1900.00

Habib 2025.00

Colony 1950.00

Umer auto 1700.00

Two-G 1900.00

60/S Cone (Combed Cotton)

Nishat 2275.00

J.K. 2250.00

Ittehad 2250.00

Mapal Leaf 2325.00

Koiyal 2450.00

Gujjar Khan 2400.00

Pagri 2400.00

Deen 2225.00

Alam 2350.00

72-74/S Cone (Cotton)

Prime 2400.00

Commander 2400.00

N.P. 2525.00

Tower 2500.00

80/S Cone (Cotton)

Gold King 2650.00

Super King 2675.00

Mapel Leef 3025.00

Amjad 2800.00

Khan Buhadur 2750.00

Admiral 2850.00

Commander 2800.00

Four Star 3025.00

BUSINESS
RECORDER
Sunday, 7th May, 2017

Rolex 3000.00

Diamond Gate 3025.00

Al Falah 3050.00

Chairman 2950.00

Battery 3125.00

Chairman 2950.00

30-31/S Cone (Polyester Cotton)

Gold Star 139.74

Sun 130.56

JK 109.00

Bilal 103.00

Tahir Rafique 106.00

Zahidjee 106.00

Bashir 114.00

Shadman 105.00

Sarfraz 105.00

Cherry 105.00

Khalid Nazir 105.00

Wasal Kamal 104.00

North Star 105.00

Super Khuwaja 106.00

Anaar 115.00

Action 96.00

Marjan 107.00

Pak Panther-ll 106.00

Nayab 109.00

Kiran 113.00

NP 109.00

Mehtabi 105.00

Club 109.00

K.K. 107.00

Ruby 110.00

Metro 98.00

38/S Cone (Polyester Cotton)

Gold Star 150.96

Shahpur 136.96

North Star 136.00

A.D. 112.00

Multan 116.00

Golden 111.00

Kirshma 111.00

Al-Azhar 136.00

Sarhad 113.00

Aslam 94.00

Corolla 110.00

Royal 107.00

Chairman (N) 111.00

40/S Cone (Polyester Cotton)

A.A. 161.16

Mehtabi 138.00

Shadab 139.00

Marjan 132.00

40/S Cone (AV)

Koiyal 170.00

Super LG 154.00

A.J. 165.00

Ahmad Fine 160.00

Asheana 206.04

40/2 Cone (AV)

BUSINESS
RECORDER
Sunday, 7th May, 2017

Koiyal 184.00

Super LG
179.00

A.J. 180.00

Ahmad Fine
174.00

30/S Cone (CVC)

Ayesha
125.00

SUN 134.65

Kamal 124.00

26/S Cone (PV)

AA 122.40

Ashiana
121.38

MM 92.00

Blue Star 93.00

Super Jett 93.00

Shuttle 91.00

M-4 95.00

Bemisal 90.00

Ghouri 91.00

U-2 93.00

L.G. 102.00

U-7 85.00

Triple two 89.00

AJ Gold 92.00

Candle 92.00

Jaguar 92.00

34-36/S Cone (PV)

A.A. 143.86

Ashiana
142.84

Sapna 134.00

Blue Star
104.00

Super Jett
104.00

Shahzad-H
105.00

Shuttle 102.00

Bemisal
101.00

Shuttle less
102.00

Cheeta 98.00

Candle 102.00

Target 101.00

Dewan
102.00

Royal 97.00

Spin Cott
102.50

H.R. 101.00

S.S. 112.00

Tanveer
110.00

44-46/S Cone (PV)

A.A. 172.36

Ashiana
171.34

Sapna 151.00

Super Jet
120.00

Bemisal
119.00

Marghala
120.00

U-2 120.00

Cheeta
120.00

Target 119.00

S.S. 135.00

65/S Cone (PV)

Ashiana
223.38

U-2 175.00

Bemisal
170.00

Ghori 175.00

Cheeta
175.00

A.J Gold
178.00

Tanveer
170.00

BUSINESS
RECORDER
Sunday, 7th May, 2017

Maqbool
170.00

34/S Cone PP

Zamin 79.00

Shadman
98.00

Ellahi 98.00

Dewan 80.00

U-2 81.00

60/S Cone PP

Zamin 104.00

Anwar 103.00

Taj Mahal
103.00

36-38/S Cone (Staple)

Diamond Gate
1600.00

Marghala
1560.00

Saif 1570.00

Four Star
1590.00

A.J. 1620.00

Fazal Cloth
1560.00

L.G. 1550.00

Super Gold
1570.00

Azam
1560.00

Best 1540.00

K.P.K. 1560.00

Colony
1600.00

Martial 1580.00

30/S Cone (Ecrylic)

Koial 152.00

Saif 150.00

Combine
136.00

40/S Cone (Ecrylic)

Koial 164.00

Saif 163.00

Combine
146.00

Pagri 162.00

DAWN
Sunday, 7th May, 2017

22,000 big taxpayers, 100,000 rich individuals slip under FBR radar

MUBARAK ZEB KHAN

ISLAMABAD: The Federal Board of Revenue (FBR) has identified over 21,800 big taxpayers and 100,000 rich individuals who have disappeared from the tax net in the past one year.

In the tax years 2014 and 2015, the big taxpayers – including 7,720 companies and 14,103 associations of persons (AoPs) – had filed their income tax returns and paid revenue of Rs10.415 billion, and Rs11.697bn, respectively.

In tax year 2016, they did not file tax returns.

Some analysts believe the missing companies hint at a 'tax revolt' from big taxpayers in the wake of Panama Papers which were leaked in April 2016. The last date for the filing and payment of due taxes was Dec 31 2016 which was extended further.

A tax official told Dawn that chief commissioners of all regional tax offices (RTOs) as well as large taxpayers units (LTUs) were directed to issue notices to these companies and AoPs for early submission of returns with the tax department.

According to a tax official, the revenue to be raised from these taxpayers was calculated at Rs12bn. "We have asked the field formation to strictly enforce the filing of returns and recovery of revenue from these big taxpayers," the official added.

The FBR proudly claims it has net 1.2 million people who filed tax returns for 2016-17. However, there are only a million taxpayers which is barely 0.8pc of the population which the tax machinery can trace to their homes or workplace.

In India, the ratio of return filing to the population is 4.5pc, 58pc in France and 80pc in Canada.

This discrepancy has emerged from the comparison of the data compiled and maintained by Pakistan Revenue Automation (PRAL), a subsidiary of the FBR.

The 100,000 'missing' individuals were previously return filers but slipped away from the system. "We have asked the field formation to enforce return filing from these rich individuals," the official said.

The tax department is working on various initiatives like establishment of central data bank, etc to identify the tax evaders and non-filers, he added.

The number of corporate taxpayers missing from the tax base in 2016 was 7,720.

Of these, 4,588 or 60pc of the total missing companies are in Karachi and Lahore.

The breakup of the missing companies in domain of Corporate RTO Karachi is 2178, 61 in RTO II Karachi 61, 32 in RTO III Karachi, 152 in LTU Karachi, 36 in LTU II Karachi, followed by 1,910 in Corporate RTO Lahore, 172 in RTO II Lahore and 47 in LTU Lahore.

Around 56 companies evaded taxes in the jurisdiction of LTU Islamabad, 1,260 in RTO Islamabad, followed by 487 in RTO Peshawar, 363 in RTO Rawalpindi, 242 in RTO Multan, 181 in RTO Faisalabad, 109 in RTO Quetta, 98 in RTO Sialkot, 84 in RTO Bahawalpur, 79 in RTO Hyderabad, 65 in RTO Gujranwala, 45 in RTO Abbottabad, 24 in RTO Sukkur and 23 in RTO Sargodha.

Lahore has emerged as the leading city where more than 4,130 AoPs or 30pc of the total missing taxpayers are. The break up shows that in the premises of RTO II Lahore it stood at 4,116, Corporate RTO Lahore at 26 and LTU Lahore at 2, respectively.

In Karachi, the missing AoPs in the jurisdiction of Corporate RTO Karachi are 314, 1,055 in RTO II Karachi, 640 in RTO III Karachi, 9 in LTU Karachi and 4 in LTU II Karachi.

In the jurisdiction of LTU Islamabad, 2 AoPs evaded taxes. Tax evading AoPs in RTO Islamabad were 646, 1,226 in RTO Multan, 1,217 in RTO Faisalabad, 1,074 in RTO Sialkot, 806 in RTO Bahawalpur, 738 in RTO Peshawar, 670 in RTO Rawalpindi, 526 in RTO Gujranwala, 328 in RTO Sargodha, 306 in RTO Hyderabad, 226 in RTO Sukkur, 103 in RTO Abbottabad and 86 in RTO Quetta.

DAWN
Sunday, 7th May, 2017

Low interest rates lead to fall in govt revenues

SHAHID IQBAL

KARACHI: The government's policy to keep interest rates low seems to have started to bite. The low interest rate era has led to a big cut in non-tax revenue while tax revenue also remained short of the target during this fiscal year.

According to the latest report of the State Bank of Pakistan (SBP), the government lost revenues on many fronts. The private sector, despite doing a better job, failed to accelerate growth rate to the extent that it could yield higher revenue for the government. The shortfall in tax revenue during the first 10 months of the current fiscal year (i.e. July to April) stood at Rs150 billion.

The biggest cut was noted in the SBP revenue: from a peak of Rs399bn profits in 2014-15, it fell to Rs228bn in 2015-16 and then just Rs88bn in the first half of the current fiscal year.

Since the policy rate is 5.75 per cent and there is no chance of an increase due to low inflation, the government is expected to receive around Rs160bn to Rs170bn in profits from the State Bank during this fiscal year.

Similarly, other sectors which collectively yielded a profit of Rs57.7bn in 2015-16 managed to eke out Rs8.9bn in the six months through December 2016.

The dividends also fell and the government received Rs12.2bn in July-December 2016 compared to Rs88.5bn in the entire 2015-16.

Under the head of non-tax revenue, the government received Rs4.6bn in July-December 2016 from the defence sector compared to Rs107bn in 2015-16 and Rs157bn in 2014-15. The non-tax revenue from Pakistan Telecom Authority/Post Office was just Rs600 million compared to Rs34.3bn in FY16.

The overall non-tax revenue during the first six months of the current fiscal year was equivalent to around 30 per cent of the total non-tax revenue collected in 2015-16.

The government policymakers were following a growth-led strategy for higher revenue with low interest rate. But the impact was not in favour of the government as neither the private sector produced extra potential for growth with cheaper money nor could the tax collection improve.

The only winner was the equity market which earned high profits and became one of the top markets of the world in 2016. Reports appearing in the media suggest that the government would further cut subsidies and withdraw some incentives for the exports-oriented industry in the next budget to increase cash flow.

DAWN
Sunday, 7th May, 2017

‘Pakistan on path of sustainable economic growth’

APP

YOKOHAMA: Finance Minister Ishaq Dar on Saturday said that Pakistan has achieved macroeconomic stability and is now focused on realising a higher sustainable growth as part of its economic turnaround.

Speaking at the round-table on ‘Responding to Rising Inequality’ on the eve of Asian Development Bank’s (ADB) 50th annual meeting of board of governors, Mr Dar said the developing world had made remarkable progress in lowering poverty in the last two decades. Asia was leading that endeavour of reducing poverty through its phenomenal economic growth.

He added that Pakistan’s Vision 2025, which prioritised investments in human capital and social services, recognised the importance of inclusive and balanced growth, and shared prosperity aiming at redressing geographical and social inequality.

The finance minister mentioned Pakistan’s positive economic indicators including achievement of higher GDP and substantial decrease in fiscal deficit. He stated that due to economic stability achieved in last three years, PricewaterhouseCoopers in its latest report has projected Pakistan to join G-20 by 2030.

He expressed the confidence that development partners, including the ADB, would play an important role in addressing the issue of inequality. Mr Dar also attended ADB’s governors’ seminar and held a meeting on the margins with the Executive Secretary of UNESCAP Ms Shamshad Akhtar.

Earlier, he participated in the 11th informal meeting of the South Asian Association for Regional Cooperation (Saarc) Finance Ministers on the sidelines of the ADB conference. He emphasised that intra regional trade was far below its potential and there was a need to expedite the process of trade liberalisation programme under South Asian Free Trade Area.

In a meeting with the Organisation of the Petroleum Exporting Countries Fund for International Development’s (OFID) delegation, headed by Ms Cordero, the minister acknowledged the role of OFID as a reliable development partner. He mentioned the establishment of Pakistan Development Fund and Pakistan Infrastructure Bank and also expressed the desire to further strengthen relations with OFID through interaction and support at all levels.

He also met with a German delegation, headed by Parliamentary State Secretary Mr Hans-Joachim Fuchtel and appreciated Germany’s continuing cooperation with Pakistan dating back to 1961 encompassing energy, health, education, governance, sustainable development and micro finance sectors. He stated that Germany is Pakistan’s largest trading partner within the European Union.

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	**6,700**	**135**	**6,835**
40 Kgs	**7,180**	**145**	**7,325**

THE NEWS
Sunday, 7th May, 2017

Macroeconomic stability achieved

Pakistan focused on realising higher sustainable growth: Dar

YOKOHAMA: Finance Minister Ishaq Dar on Saturday said that after achieving macroeconomic stability, Pakistan is now focused on realising higher sustainable growth as part of the economic turnaround.

At a roundtable conference on the theme "Responding to Rising Inequality" on the eve of the 50th annual meeting of the ADB board of governors, the finance minister said the developing world has made remarkable progress in lowering poverty in the last two decades.

Around 125,000 people are coming out of poverty on a daily basis globally and Asia is leading that endeavour to reduce poverty through its phenomenal economic growth, Dar added.

Referring to the issue of rising inequality, he said income inequality is only one aspect, whereas disparities in terms of gender in the region also needed to be addressed to ensure sustainable development.

Pakistan's Vision 2025, which prioritised investment in human capital and social services, recognised the importance of inclusive and balanced growth, and shared prosperity aiming at redressing geographical and social inequality, Dar said.

The Pakistan government strongly believes that benefits of growth must be shared by all segments of the society, especially the marginalised groups.

The minister also highlighted the efforts to deal with horizontal and vertical inequalities, including access of the poor to health and education, endowment fund for education, work on social safety nets, skills development, disaster mitigation and increase in the Benazir Income Support Programme (BISP) budget allocation.

He expressed the confidence that development partners, including the ADB, would play an important role in addressing the issue of inequality.

Earlier in the day, expressing his views during a debate on trade, hosted by CNBC at the Conference Centre, Dar said that Pakistan extends unequivocal support to One Belt and One Road Initiative undertaken by China for the economic progress and prosperity of the region.

"Pakistan fully supports the One Belt One Road Initiative", adding, such gigantic leap is pressingly needed to address the economic challenges, as well as persisting issues.

The finance minister said that the Asian Development Bank has a greater role to play to achieve ultimate economic goals and objectives.

The world is now a global village and no region could economically survive in isolation; therefore, cooperation, coordination and connectivity are badly needed to ensure economic development in this part of the planet, the finance minister said.

Different countries are faced with diverse economic challenges and issues and that is why, a single generic solution could not help resolve their problems, Dar added.

The Asian Development Bank is well-positioned to play an effective role in fostering intraregional trade and promoting financial integration and connectivity for the mutual benefits.

Another important initiative – China-Pakistan Economic Corridor (CPEC) - has been taken, which could not only ensure economic cooperation among China, Pakistan, Afghanistan, India and Iran, but would also pave level-playing course for all in terms of economic dividends, he said.

Dar said regional trade, economic cooperation and connectivity is a way forward to get the economic grail realised, ensuring economic prosperity and checking the menacing problem of poverty.

The economic approach of connectivity is also aimed at eliminating protectionism, abolishing barriers and facilitating trade, the finance minister added.

The government's role in the economy is indispensable and the economic activities could not be left merely at the mercy of the private sector, he added.

The government, the finance minister stressed, has an important role to play in the economy as an enabler to give right policies, and ensuring that economic fabric is proceeding in the right direction.

The minister also said the future, in fact, is linked with the vision of economic and financial

THE NEWS
Sunday, 7th May, 2017

connectivity within the region and beyond and the One Belt and One Road initiative and CPEC would help translate the idea of connectivity into reality.

The Nation on Web
The Nation
Sunday, 7th May, 2017

Region needs $ 1.7tr/annum for power, transport, telecom, water: ADB

APP

YOKOHAMA - Identifying major Bank's future priorities, mainly infrastructure development, President Asian Development Bank, Takehito Nakao said Saturday the region will require $1.7 trillion per year in investments in power, transport, telecommunications, and water through 2030.

In his speech at the Annual Meeting of ADB Board of Governors here, Takehito Nakao said, "this is more than double our previous estimate, reflecting additional investments, needed to support continued growth and address climate change." Listing five chief priorities of the Bank, the ADP President said supporting infrastructure development will remain priority.

In this regard "we will incorporate more advanced technologies. Our developing member countries care about maintenance costs and the resilience of infrastructure," he added.

He said member countries increasingly aspire for innovative technologies for their projects. And many innovative companies across the world, including in emerging economies, are keen to contribute to Asia's development. "We have already initiated reforms in our business processes for project preparation and procurement to promote greater use of advanced technologies," he added.

Social sectors being another priority, he said in health, bank will support universal healthcare systems and cross-border initiatives to combat communicable diseases such as malaria, tuberculosis, and HIV.

While in education, ADB will continue to support Technical and Vocational Education and Training, or TVET, and help improve the quality of secondary education.

"We will further promote gender equality. Gender has been a key area of ADB operations for many years, even before we adopted our first Policy on the Role of Women in Development in 1985," he said adding, gender is a cross-cutting issue that influences all social and economic processes. "We will design projects that help women and girls secure higher skills, better health, more jobs, and a larger voice in decision making."

Next priority area includes ADB efforts to mobilize private resources for development besides promoting greater and more effective use of public-private partnerships, or PPPs, he said. In addition, ADB is directly financing private companies in such infrastructure as solar, wind and geothermal power, highways, telecommunications, and ports.

And ADB is supporting an increasing number of private sector projects in education, health, and agriculture. Funding micro, small, and medium sized enterprises, through local banks, will remain a priority, the President observed.

Regarding ADB's private sector operations, he said "I very much appreciate Japan's contribution to the newly created trust fund called Leading Asia's Private Infrastructure, or LEAP fund."

It is based on an equity investment of up to $1.5 billion from JICA (Japan International Cooperation Agency), and it supports ADB's lending and equity investments in private infrastructure projects. "In 2016, only five months after it was set up, we approved two clean energy projects, in India and Indonesia, using this trust fund and ADB's own resources", he added.

Another priority for Strategy 2030 will be continued reforms in ADB itself. ADB will strengthen its sector and thematic expertise, enhance staff capacity, and streamline procedures, he said. "We will deepen our collaboration with civil society, academia, the private sector, and local authorities such as Yokohama."

Takehito Nakao said Japan has always been a steadfast supporter of ADB. It is ADB's largest shareholder and the biggest contributor to the Asian Development Fund, ADB's concessional window for poorer countries.

"It has also contributed to major trust funds for poverty reduction and scholarships. In 1966 when ADB was established, the Asia and Pacific region was defined by poverty. One of the most important challenges at that time was how to feed the region's large and growing population. Agriculture was a priority sector for operations in ADB's initial years," he stated. Half a century later, he observed Asia accounts for one-third of global GDP, and it

The Nation on Web
The Nation
Sunday, 7th May, 2017

contributes to more than half the world's economic growth. The region's rapid development has reduced poverty and raised the living standards of people. ADB has been a reliable partner in this remarkable transformation of Asia.

The President said in his view, ADB's achievements over the past 50 years could be summarized in its three broad functions including combining finance and knowledge to support developing member countries. "There is much discussion about mobilizing private resources to finance large development needs. But I would like to emphasize that ADB, itself, was created to mobilize private resources from global capital markets. Asia was desperately short of capital at the time of ADB's establishment." By adhering to sound banking principles and establishing a strong credit profile, in 1969 ADB successfully issued its first bond in Deutschmark in Germany, he said. ADB was the first international entity to issue yen-denominated bonds in Japan in 1970. That was the start of the 'samurai' bond market.

During the past 50 years, Mr Nakao recalled ADB provided about $270 billion of loans and grants, based on a cumulative $7 billion of paid-in capital contributions from 67 members, and $30 billion of contributions from 34 members to the Asian Development Fund.

Another major contribution of ADB is the promotion of good policies. "Over the years, Asian countries have adopted prudent macroeconomic policies and open trade and investment regimes, as well as strong investment in infrastructure and education, all underpinned by clear long-term visions. I believe these policies have provided a basis for rapid growth in Asian economies," he observed.

ADB has been supporting good policies through high-level dialogue with state leaders and ministers, technical assistance, capacity building, and policy-based budget support loans, he said adding, based on intensive discussions with the authorities, ADB has also provided emergency loans when members were hit by crises, such as the oil crisis in the 1970s, the Asian financial crisis in the 1990s, and the global financial crisis more recently.

Fostering regional cooperation and friendship is another achievement of the Bank, he opined continuing, ADB itself was created by the idea of regional cooperation in Asia and the Pacific.

Over the years, ADB has promoted subregional cooperation frameworks in Central Asia, South Asia, Southeast Asia, the Pacific, and the Greater Mekong subregion. Australia and New Zealand, ADB's founding developed members in the region, have been strong supporters of initiatives for Pacific island countries, he added.

Partnerships with non-regional member countries in North America and Europe have been critical. They have enhanced ADB's financing capacity and contributed to concessional operations. Non-regional members have also provided many new ideas about development, the President observed.

"The Bank last year maintained good momentum in scaling up our operations," he said adding, total ADB operations including cofinancing and technical assistance, reached $31.7 billion.

"Our own loan and grant approvals reached a record high of $17.5 billion, a 9% increase from the previous year. Out of this, ADB's lending and equity investment to the private sector was $2.5 billion," he added.

Our climate finance, for mitigation and adaptation, reached $3.7 billion, up from $2.6 billion in 2015. In addition, cofinancing with our public and private partners increased to $13.9 billion. This includes our first two cofinanced projects with the Asian Infrastructure Investment Bank for roads in Pakistan and a natural gas project in Bangladesh.

Developing Asia has been growing at about 6% annually, even after the global financial crisis, Nakao said abd added it will grow 5.7% this year.

The Nation on Web
The Nation
Sunday, 7th May, 2017

Only KP recorded budget deficit in 9 months

Imran Ali Kundi

ISLAMABAD - Among four provinces, the Khyber Pakhtunkhawa is the only province that had recorded budget deficit during first nine months (July-March) of the ongoing financial year.

Punjab, Sindh and Balochistan had registered surplus budgets during July-March period of the year 2016-17, which helped the federal government to restrict its budget deficit at Rs1.24 trillion. Otherwise it would have gone further higher. The federal government is depending on the provincial governments to give Rs339 billion cash surplus budge to achieve the revised target of budget deficit of 4.1 percent of the GDP (Rs1.375 trillion) during current fiscal year.

According to the documents of the ministry of finance, the four provincial governments recorded budget surplus of Rs137.59 billion during July-March of the current fiscal year as their expenditures remained at Rs1598.54 billion as compared to the revenues of Rs1736.13 billion.

The Khyber Pakhtunkhawa province had recorded budget deficit worth of Rs27.09 billion, as its expenditures remained Rs290.2 billion against the revenues of Rs263.1 billion. The break-up of KPK's expenditures showed that it had spent Rs216.4 billion on current expenditures that included mark-up payment to federal government and Rs73.8 billion on development projects. In revenues, the KP government had generated 12.1 billion from provincial taxes and Rs29.2 billion as non-tax. The major chunk of the revenues, Rs224.3 billion, was from federal government under National Finance Commission (NFC) award.

The Punjab province's expenditures were recorded at Rs723.05 billion as compared to the revenues of Rs808.4 billion, making surplus of Rs85.4 billion. The provincial government of Punjab had spent Rs483.96 billion on current expenditures and Rs239.09 billion on development projects. The Punjab government had received Rs665.58 billion from federal government under NFC award. It had generated 112.26 billion from provincial taxes and Rs20.57 billion from non-tax sources.

The Sindh government had registered budget surplus of Rs44.84 billion, as its expenditures stood at Rs455.48 billion as compared to the revenues of Rs500.32 billion. The Sindh government had utilized Rs363.38 billion on current expenditures and Rs92.09 billion on development projects. The provincial government had received Rs382.2 billion from the centre under NFC. This provincial government had generated Rs101.7 billion from provincial taxes and Rs5.7 billion as non-taxes.

The Balochistan government had also followed the Punjab and Sindh by not utilizing the full budget during nine months of the ongoing financial year.

The Balochistan province had recorded expenditures worth of Rs129.78 billion as against the revenues of Rs164.26 billion, making surplus of Rs34.48 billion. The province had spent Rs112.09 billion on current expenditures and Rs17.69 billion on development projects. The federal government had given Rs150 billion to the Balochistan provinces u under National Finance Commission award.