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'Silk Road' plan: US to send delegation

BEIJING: The United States will send a delegation led by White House adviser Matt Pottinger to a summit for China's new Silk Road plan this weekend, China's Foreign Ministry said on Friday.

The announcement that a US delegation would be coming to what is China's biggest diplomatic event of the year coincides with the unveiling of an important trade deal between China and the United States.

The deal, the first tangible result of trade talks that began last month, will see China allow US imports of beef no later than July 16. By that deadline, the United States said it would issue a proposed rule to allow Chinese cooked poultry to enter US markets.

China will also allow increased access for American financial firms.

In return, the United States said it "recognises the importance" of the plan for a new Silk Road, known as the Belt and Road initiative, and would send a delegation to a conference on it in Beijing, delivering a symbolic boost to Chinese President Xi Jinping's signature foreign and economic policy.

Chinese Foreign Ministry spokesman Geng Shuang said Pottinger, special assistant to the president and the National Security Council's senior director for East Asia, would be coming.

"We've said all along the Belt and Road is an open, inclusive initiative," Geng told a daily news briefing. "We welcome all parties to participate."

The US embassy in Beijing said US Commerce Department official Alan Turley would be part of the delegation.

Despite espousing extensive infrastructure investment across Asia, Europe and beyond, the initiative has struggled to generate much traction from major Western economies despite an aggressive diplomatic effort and promotion.

Of the 29 visiting leaders attending what is formally called the Belt and Road Forum, only one - Italian Prime Minister Paolo Gentiloni - is from a G7 nation.

The forum is seen as one of China's competing initiatives against the Obama administration's regional trade pact, the Trans-Pacific Partnership, which did not include China.

But US President Donald Trump withdrew the United States from the partnership in January, effectively killing the deal.

"The United States has realised the importance of the Belt and Road Initiative and will send its delegates to attend the summit," vice finance minister Zhu Guangyao said in an earlier news briefing on Friday.—Reuters

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THE RUPEE
Dollar at 106 on open market

RECORDER REPORT

KARACHI: The rupee touched an important barrier of 106 in relation to the dollar on Friday in the process of trading, dealers said.

INTER-BANK MARKET RATES: The rupee also shed four paisas versus the dollar for buying and selling at Rs 104.82 and Rs 104.83 respectively, they said.

In the final Asian trade, the dollar traded below an eight-week high against the yen, with the near-term focus on whether coming US economic data would provide the catalyst for further gains in the greenback.

The dollar eased 0.1 percent to 113.70 yen, having retreated from its eight-week high of 114.38 yen on May 10.

However, the greenback has still risen 0.8 percent this week and has gained more than 4 percent in the three weeks since the first round of the France's presidential elections, with the yen having slipped on reduced risk aversion among investors.

The dollar has been surprisingly well-supported against the yen and the market seems to have a very optimistic view," said Masafumi Yamamoto, chief currency strategist for Mizuho Securities in Tokyo.

The dollar was available against the Indian rupee at Rs 64.305, the greenback was trading versus the Malaysian ringgit at 4.346 and the US currency was at 6.901 in terms of the Chinese yuan.

OPEN MARKET RATES: The rupee lost 10 paisas against the dollar for buying and selling at Rs 105.80 and Rs 106.00 respectively, they said. The rupee followed the same track versus the euro, losing equal amount to Rs 114.70 and Rs 116.20 respectively, they said.

Open Bid	Rs. 105.80
Open Offer	Rs. 105.00

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

Bid Rate	Rs. 104.82
Offer Rate	Rs. 104.83

RUPEE IN LAHORE: The rupee-dollar parity stayed unchanged amid sluggish trend in the local currency market on Friday.

According to the currency dealers, the demand and supply situation of the US dollar remained intact that kept the local currency stabilise. Consequently, it sustained its opening rates of Rs 105.80 and Rs 106.00 on buying and selling sides, the dealers added.

Furthermore, the local currency witnessed mixed patterns as it moved both ways versus the pound sterling. The British currency was bought and sold at Rs 135.40 and Rs 136.50 against Rs 135.60 and Rs 136.00 of Thursday, they said.

RUPEE IN ISLAMABAD AND RAWALPINDI: The rupee moved cautiously against the dollar at the open currency markets of Islamabad and Rawalpindi here on Friday.

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.

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Chinese media told not to mention investments by country

BEIJING: A Chinese official told local reporters on Friday to focus on the inclusiveness of China's Belt and Road initiative and refrain from reporting the amount of Chinese investment in specific countries along the route.

Leaders from 29 nations will gather in Beijing this weekend for China's ambitious new Silk Road initiative that aims to develop economic links between Asia, Africa and Europe. Chinese investment could reach up to $130 billion annually over the next five years.

A provincial official told a group of Chinese reporters after a press briefing that they should not report on China's investment in countries along the Belt and Road routes, an instruction that is different from past practices, due to the sensitivity of the matter.

"You reporters should focus on the theme of developing together, not what we (China) do with certain countries, because that could make other countries uncomfortable," said the official from the eastern province of Fujian.

China has long used references to countries along the Belt and Road routes in its official communiques about the initiative.

Chinese media coverage of the two-day Belt and Road Forum, due to kick off on Sunday, has been relentlessly upbeat. China has also rejected suggestions that the new Silk Road is about Beijing trying to dominate the world and mould it to its liking, saying it is good for all and anyone can join.

Keeping the rhetoric on an initiative that is open to all nations, some officials at the Fujian press conference denied that there were just 65 countries under the Belt and Road initiative, saying there was no such specific number.

"What I can tell you is that we have repeatedly said the Belt and Road is an open and inclusive proposal," Chinese foreign ministry spokesman Geng Shuang said on Friday.

"The Belt and Road does not have this concept of members. Anyone can join it."

Even countries not situated on the Silk Road - old or new - have been welcome to join the initiative. The leaders of Chile and Argentina will be attending the summit, as well as representatives from the United States.

President Xi Jinping first proposed the Belt and Road initiative in 2013. Since then, he has used it to help portray China as an open economy, distinct from a rising wave of global protectionism.

The Belt and Road initiative should not just be a "China solution" for the world, a Chinese think tank said on Wednesday.

"Belt and Road when it first started was a China solution. Afterwards it became that all solutions from any country are fine," said Wang Huiyao, head of the Centre for China and Globalization.

"Developed countries can also make suggestions - any country can create a solution for Belt and Road."—Reuters

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Some experts warn India against being left out

NEW DELHI: India is likely to be represented by local embassy staff or academics this weekend at a major gathering of leaders and ministers on China's "Silk Road" initiative, reflecting deep unease in New Delhi about the far-reaching project.

India's main objection to China's plan to build ports, railways and power links across Asia and on to Europe is that the $57 billion China-Pakistan Economic Corridor (CPEC), a key part of the plan, runs through disputed Kashmir.

The broader worry for India is that the "Belt and Road" initiative involving hundreds of billions of dollars over the coming decades will cement China's dominance over Asia, including India's neighbourhood.

Even Vietnam, which has had rocky ties with China, will be represented by its president, while Japan, driving its own infrastructure push across Asia, is sending a deputy trade minister and the secretary-general of the ruling party.

India, meanwhile, is expected to send representatives from its embassy in Beijing, two Indian officials said, speaking on condition of anonymity because of the sensitivity of the matter.

Chinese foreign ministry spokesman Geng Shuang said that, as far as he knew, Indian academics would be participating in "relevant activities" at the Belt and Road Forum. He gave no other details and offered no further comment.

Indian foreign ministry spokesman Gopal Baglay said no decision had been taken on whether an Indian government delegation would attend the meeting.

"The matter is under consideration," he said, a position the government has maintained since March when China extended an invitation. Since then it has stepped up efforts to get India to attend.

Baglay said India supported connectivity across the region, but there was a problem with the Pakistan end of "One Belt, One Road" (OBOR) - a term widely used to describe the project.

DOWNTURN IN TIES

For Asia's third largest economy behind China and Japan, which sits near one of the world's busiest shipping lanes in the Indian Ocean, not to be part of the continent-wide project presents a headache for China and India.

China's ambassador to India, Luo Zhaohui, told an Indian military think-tank in Delhi last week that the Belt and Road initiative was good for both countries and fitted into India's "Look East" policy of strengthening ties with southeast and northeast Asia.

Luo also said that while India had reservations about the China-Pakistan corridor, Beijing had no wish to get involved in territorial disputes between India and Pakistan, according to remarks released by the Chinese embassy.

India's indecision over China's biggest summit of the year comes at a time of a sharp downturn in ties.

New Delhi is smarting over China's refusal to allow it entry into the Nuclear Suppliers Group, a global cartel that controls nuclear trade, and over Beijing blocking a request at the UN to sanction a Pakistan-based militant blamed for attacks on India.

Beijing is angry at India's increasingly public engagement of the Dalai Lama, including hosting the Tibetan spiritual leader in a territory controlled by India but claimed by China in April.

It has also grown wary of India's military cooperation with the United States, as well as with Japan in recent months.

Jayadeva Ranade, a former China specialist on the Indian government's National Security Advisory Board, said India saw the Silk Road as a strategic Chinese initiative, and that the Pakistan corridor was particularly worrying because it raised fears of encirclement.

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"It has already begun to squeeze the strategic space of China's neighbours as well as bend borders."

But some Indian officials and experts have urged India not to miss out on opportunities presented by the initiative to boost transport and trade links.

Mehbooba Mufti, chief minister of the Indian – held Jammu and Kashmir, said the troubled region could benefit from the Chinese project as it would boost economic activity.

China's economy is nearly five times the size of India's.

"So at this stage, it's absurd for India to pick a confrontational path, they need to first grow their economy and then come up with all these strategies to confront China," said Kai Xue, a Beijing-based lawyer at DeHeng Law Offices.—Reuters

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PSM's woes

PC against throwing good money after bad

ISLAMABAD: Privatisation Commission (PC) is reportedly reluctant to support new bailout package of Rs 32 billion to revive dysfunctional Pakistan Steel Mills (PSM), well informed sources told Business Recorder.

PSM's Board headed by Engineer Abdul Jabbar Memon met in Islamabad on Friday to discuss different agenda items including revival plan of the Mills in detail.

Privatisation Commission pointed out that it has already given four to five packages for revival of the Mills but without any tangible results, and why should good money be thrown after bad.

PSM, however, maintained that the previous bailout packages could not produce positive results because the federal government gave funds piecemeal instead of the entire amount at one go, and mismanagement and poor planning were also factors in the failure of the PSM to be revived.

According to sources, PSM Board has sought a clarification from Privatisation Commission whether it is interested in new business plan of PSM or not.

"Give a clear decision: should the Board prepare a business plan or not? Are you interested in the revival of the mills? If the government has to privatise the mills, then why should the Board focus on developing a business plan? Sources quoted Board members as hurling questions at the PC representatives.

The sources said, PC and PSM officials have held meetings with the management of National Bank of Pakistan and Sui Southern Gas Company Limited (SSGCL) to clear their liabilities and it depends on Secretary Privatisation Commission, Shahid Mehmood, as to how he deals with it.

The Board has taken a principled decision that the possible liabilities of NBP and SSGCL will be adjusted against 3000-3500 acres of PSM land as the Board has no power and direction from the government pertaining to PSM's future roadmap.

The Board's Business Development Committee had prepared a new business plan of Rs 32 billion of which PSM would raise Rs 22 billion from banks to clear a portion of liabilities belonging to SSGC, K-E and for expense on other minor items, whereas Rs 10 billion would be obtained for value addition. Of this, the government will extend RS 5 billion from its resources. This would be the sixth bailout package to revive the mills, if approved.

The sources said BDC will again consider the Mills revival plan with reference to 2 parties as Russian and Chinese have shown an interest with credit finance proposals. Both proposals will be put before the Board in its next meeting. The government has spent more than Rs 225 billion to privatise the Mills but did not consider its revival as suggested by the Financial Adviser in 2015 and proposed by the employees of PSM in their letter in July 2013.

The government of Pakistan did not utilize $ 95 million credit from the then USSR which was unutilized and lapsed after 10 years in 1995.

An MoU was signed in 2003 between Russia and Pakistan during the visit of the then President, Pervez Musharaf, to Russia and the estimated amount of $ 160 million to enhance the production capacity from 1.1 MTPY to 1.5 MTPY was submitted to PSM which was not considered seriously and Mills' privatization process was initiated in 2005.

PSM invited expression interest for completion and expansion of the Mills production capacity in 2010. Ten parties participated but no decision was taken by the PPP-led coalition government which then initiated a process for public private partnership.— MUSHTAQ GHUMMAN

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Global Register: SECP to have mandate to provide record to FBR

SOHAIL SARFRAZ

ISLAMABAD: The Securities and Exchange Commission of Pakistan (SECP) will have the mandate to provide the record of companies, kept in Companies' Global Register of Beneficial Ownership, to the Federal Board of Revenue (FBR).

According to the draft 'Companies Bill 2017' presented in the Senate, the Commission shall provide the information maintained to the Federal Board of Revenue or to any other agency, authority and court.

Under section (452.Companies' Global Register of Beneficial Ownership.): Every substantial shareholder or officer of a company incorporated under the company law, who is citizen of Pakistan within the meaning of the Citizenship Act, 1951 (II of 1951), including dual citizenship holder whether residing in Pakistan or not having shareholding in a foreign company or body corporate shall report to the company his shareholding or any other interest as may be notified by the Commission, on a specified form within thirty days of holding such position or interest.

Explanation: For the purposes of this section the expression "foreign company" means a company or body corporate incorporated or registered in any form, outside Pakistan regardless of the fact that it has a place of business or conducts any business activity or has a liaison office in Pakistan or not.

The company shall submit all the aforesaid information received by it during the year to the registrar along with the annual return.

Any investment in securities or other interest as may be notified in sub-section (1) by a company incorporated under this Act, in a foreign company or body corporate or any other interest shall also be reported to the registrar along with the annual return.

All the above information shall be reported to the registrar through a special return on a specified form within sixty days from the commencement of this Act and thereafter in accordance with the sub-section (2).

Any contravention or default in complying with requirements of this section shall be an offence liable to a fine of level 1 on the standard scale and the registrar shall make an order specifying time to provide information.

Any person who fails to comply with the direction given under sub-section (5) by the registrar shall be punishable with imprisonment which may extend to three years and with fine up to Rs500,000 or both.

The Commission shall keep record of the information in the Companies' Global Register of Beneficial Ownership.

The Commission shall provide the information maintained under sub-section (7) to the Federal Board of Revenue or to any other agency, authority and court, it added.

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Reserves decline on debt servicing

RECORDER REPORT

KARACHI: Pakistan's total liquid foreign reserves have reached below $21 billion owing to external debt servicing.

According to State Bank of Pakistan's (SBP) weekly foreign exchange report issued on Thursday, the country's total liquid foreign reserves declined $214.3 million to reach $20.791 billion as on May 5, 2017 down from $21.005 billion as on April 28, 2017.

The decrease in reserves is attributed to external debt servicing.

During the week under review, SBP's reserves decreased by $149 million to $15.913 billion compared to $16.062 billion end of previous week.

Similarly, with a $ 65.2 million decline, reserves held by banks stood at $4.878 billion end of the week.

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FBR chief for facilitating taxpayers, disposing of pending cases

HAMID WALEED

LAHORE: Chairman Federal Board of Revenue (FBR) has directed the regional tax offices to facilitate the taxpayers and dispose of pending audit cases at the earliest, said sources.

It may be noted that the number of cases selected for audit is around 8000 in the region.

Chairman FBR has assured of resolving the audit issues by the fiscal year 2018-19, as revision of the audit policy in line with the problems faced by the taxpayers would start next fiscal year. Particularly the issues like repeated selection of a taxpayer for audit, nil filing and the audit of commercial importers would be addressed in new policy, he added.

In his meeting with the representatives from Lahore Tax Bar Association (LTBA) on Friday at the regional FBR office, he has also required a representation from the LTBA for review and a likely conclusion of the Final Tax Regime (FTR), salary and property income cases after certain verifications, they added.

Moreover, he has assured of evolving a mechanism regarding suspended Sales Tax cases, saying that all such cases would be supervised by the Chief Commissioners.

Regarding glitches in the automatic process of cases under PRAL, he said all technical problems would be solved soon. Chairman FBR advised them to bring issues relating to PRAL into the knowledge of Member Information Technology (IT) with a copy in his name.

Sources quoted Chairman FBR as saying that he was in the process of detailed discussion on these issues with relevant Members of the Board. They said the Chairman FBR was considering reactivating the office of Additional Commissioner in new law, which was removed in tax reforms held in the past.

Sources said the LTBA also took up the issuance of demand notices by certain commissioners for payment of penalties in advance and warned of reduction in number of income tax returns next year in case if such coercive measures are not checked immediately.

The LTBA representatives also pointed out that the regional tax officers were referring the disputed tax cases to tax inspectors and auditors, which was a clear negation of the law. Chairman FBR took strong exception of this practice and assured of taking strong action in case any complaint of such nature emerges again, as no inspector or auditor was authorized to conduct hearing of disputes.

The LTBA delegation also pinpointed that the disgruntled businessmen were extremely disappointed over the state of affairs and many of them were planning either to reduce the size or pack their businesses once and for all. They said the suspension of business on account of a disputed sales tax invoice; the aggrieved party cannot issue an invoice and ultimately either results into closure of business or opens up a window for corruption.

Chairman FBR assured the LTBA delegation of no further raid for stock checking would take place without approval from the Chief Commissioner. He also said there would be no suspension of business without the approval of the Commissioner and intimation to the Chief Commissioner and no audit inspector would be allowed to conduct hearing of disputed cases. He urged the LTBA to bring in his notice in case a Chief Commissioner fails to take action against violation of these instructions.

President LTBA Ch Qamar-uz-Zaman Mohal led a delegation comprising of ex-presidents including Rashid Rehman Mir, Naeem Shah, Rana Munir Hussain, Farhan Shehzad and Ch Manzoor besides a senior member Tufail Asghar and other members of the Bar.

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FBR will continue to impose RD on imported items

RECORDER REPORT

ISLAMABAD: The Federal Board of Revenue (FBR) will continue with the policy of imposing regulatory duty (RD) on imported items in the upcoming budget (2017-18) under revenue generation measures.

Sources told Business Recorder here on Friday that it has been principally agreed to maintain regulatory duty on many items under the government policy to generate additional revenue at import stage. During July-April 2016-17, the Customs department has shown the highest growth of over 25 percent in collection of Customs duty on imported items.

The imposition of regulatory duty would be used as a revenue generation measure in budget (2017-18).

In last budget, regulatory duty was waived off on import of bead wire (PCT code 7217.3010). The regulatory duty levied through SRO 236(1)/2016 dated 21.03.2016 continued after June 30, 2016. Regulatory duty at 25% was levied on powdered milk (PCT code 04.02).

Similarly, regulatory duty at 25% was also levied on whey powder (PCT code 0404.1010). The regulatory duty at 5% was levied on import of woven fabric.Presently, a wide range of items are subjected to RD at 5, 10, 12.5 and 15 percent at the import stage. Different SROs governed regulatory duty like SRO 568(I)/2014 of June 26, 2014 which was amended from time to time with a view to facilitating import of steel products including billets, HRC, CRC, bars/rods, wire rods, pipes/tubes, aluminium alloy, aluminium waste and scrap, etc, to protect the local industry.

Recently, the government had abolished regulatory duty and customs duty on import of items including cotton and manmade fibre falling under different Pakistan Customs Tariff (PCT) headings under the PM package for exporters.

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Cotton prices firm on lean business

RECORDER REPORT

KARACHI: A firm trend was seen on the cotton market on Friday in the process of lean business, dealers said.

The official spot rate was unchanged at Rs 6700, they said. In ready session, approximately 300 bales of cotton from Sadiqabad sold at Rs 6650, they said.

Cotton analyst, Naseem Usman said that rates moved cautiously as some needy spinners moved in to book quality cotton. He also said that despite, reports of good production the world over, prices moving within present levels, on the other hand, the ginners, who have little stock of better lint, try to sell as much as they can to keep themselves away from future losses.

Besides, the report showing that Plant Protection Department may suspend cotton import from India, this could be a factor behind the renewed buying and stable prices, they noted.

Reuters adds: ICE cotton futures soared over 3 percent on Thursday propped up by fund buying after hitting a one-month low in the previous session.

The July cotton contract on ICE Futures US settled up 3.52 percent at 79.18 cents per lb., the biggest intra-day percentage gain for the contract in 10 months.

Weekly export sales data from the US Department of Agriculture (USDA) showed net upland sales last week totalled 160,600 running bales, up 5 percent from the week before.

The July cotton contract on ICE Futures US settled up 2.69 cents, or 3.52 percent, the biggest intra-day percentage gain since July 12, 2016, at 79.18 cents per lb. It traded within a range of 76.17 and 79.21 cents a lb.

Total futures market volume rose by 30,961 lots to 65,720 lots. Data showed total open interest fell 3,784 to 254,040 contracts in the previous session.

Only one deal of 300 bales of cotton from Sadiqabad finalised at Rs 6650, 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 11.05.2017	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

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Cotton Futures trade limit up, hit near three-year high

NEW YORK: ICE cotton futures surged to trade limit up on Friday, hitting a near-three year high and settling at the highest since June, 2014 on strong demand from pending mill fixations and fund buying as supplies of the natural fibre have been tightening.

The benchmark cotton contract on ICE Futures US settled up 3 cents, or 3.79 percent, at 82.18 cents per lb., the highest since June 2014.

"Mills with unfixed sales were caught out by tightening US supplies and bullish speculators," said Gabriel Crivorot, analyst at Societe Generale in New York.

"This week, there are reports of tightening stocks in the US, as exports have recovered from a few disappointing weeks. Additionally, funds have been increasing their net long position to near record highs again, even as prices had been falling."

Weekly export sales data from the US Department of Agriculture (USDA) on Thursday showed net upland sales for the 2016-17 crop last week totalled 160,600 running bales, up 5 percent from the week before.

"It's just one of these bizarre things where the market is trying to ration a small carry-up," said Rogers Varner, president of Varner Brokerage in Cleveland, Mississippi.

"This is a process the market has to go through in order to get some cancellations."

The July cotton contract on ICE Futures US settled up 3 cent, or 3.79 percent, at 82.18 cents per lb. It traded within a range of 79.15 and 82.18 cents a lb. The contract rose about 5.7 percent this week, the highest since mid-July.

The dollar index was down 0.42 percent. The Thomson Reuters CoreCommodity CRB Index, which tracks 19 commodities, was up 0.69 percent.

Total futures market volume fell by 11,077 to 54,652 lots. Data showed total open interest fell 1,529 to 252,511 contracts in the previous session.

Speculators cut their net long position in cotton in the week to May 9, by 2,595 contracts to 96,210, US Commodity Futures Trading Commission data showed on Friday.—Reuters

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New York cotton

RECORDER REPORT
The fluctuations observed during the day:

	Current Session						Prior Day		
	Open	High	Low	Last	Time	Set	Chg	Vol	Set
May'17	79.22	82.18	79.15	82.18	14:20 MAY 12	82.18	3.00	43612	79.18
Jul'17	74.37	77.15	74.37	77.08	14:20 MAY 12	77.08	2.93	19	74.15
Oct'17	72.59	74.53	72.50	73.72	14:20 MAY 12	73.72	1.19	20569	72.53

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All eyes are on China

Farhat Ali

May 14 and 15 are testing days for China, which seeks recognition as a country that can lead the world economies, a status enjoyed by America for more than seven decades.

More than 20 heads of state, over 50 leaders of international organizations, over 100 ministerial-level officials, as well as over 1,200 delegations from various countries and regions are invited to participate in the two-day Belt and Road Forum for International Cooperation in Beijing Sunday and Monday.

Chinese President Xi Jinping's concept on globalization was spelled out in his Jan 17 speech at Davos, presenting the Belt and Road as a win-win for all stakeholders.

The odds are in favour of China, considering that America's new doctrine in favour of America first and the UK having moved out of the European Union desperately in search of new markets and Europe needs to fill the gap due to the slowdown of its business with America.

The best outcome of the event in Beijing could be that the world leaders by and large accept the Belt and Road concept as a win-win for all participating nations, while the worst outcome will be the creation of two blocks facing each other, leading to economical and political confrontations and uncertainty.

Prime Minister Nawaz Sharif is participating in the Belt and Road Forum for International Cooperation.

"Pakistan is an important partner of China in promoting One Belt One Road Initiative and we believe that Prime Minister Sharif's visit and his attendance at the forum will give a boost to our cooperation in the relevant fields," Geng Shuang said while responding to a question during his regular press briefing here on Wednesday.

The prime minister is attending the forum on the invitation of Chinese President, Xi Jinping.

The spokesperson said, as an organizer and host of the forum, China will warmly welcome all the guests from around the world including Pakistan. He said, the CPEC is a premier and a pilot project of the One Belt One Road Initiative and progress has already made in this regard.

According to official sources here, during his stay in China, the prime minister will also hold important meetings with the top Chinese leadership particularly, Chinese President, Xi Jinping and Prime Minister Li Kaqiang to further promote bilateral relations between the two friendly countries.

The forum will build consensus and connect development strategies of various countries and will also examine cooperation in key areas and finalize major projects in infrastructure connectivity, trade and investment, financial support and people-to-people exchanges, according to a senior official of the Chinese Ministry of Foreign Affairs.

Medium- and long-term cooperation initiatives will be announced and long-term cooperation mechanisms explored to build a closer and more result-oriented network of partnerships, he added.

The CPEC is indeed an important part of Belt and Road if not the most important of all the corridors China is coming up with in its quest to show-case its global connectivity.

Pakistan must leverage its position of strength which is far beyond the $57 billion it appears contented with. There are far greater financial and political dividends which Pakistan can draw out of it as a strategic stakeholder in the CPEC.

Advantages gained out of the CPEC also bring home many worries for Pakistan. The foremost is the rising debt.

Pakistan's debt and other repayments on China's Belt and Road initiative will peak at around $5 billion in 2022, but will be more than offset by transit fees charged on the new transport corridor, says the Pakistan government's chief economist. China has pledged to invest up to $57 billion in Pakistan's rail, road and energy infrastructure through its vast modern-day "Silk Road" network of trade routes linking Asia with Europe and Africa.

Officials expect an uptick in trade between the two nations once Pakistan's Arabian Sea port of Gwadar is functional and work on motorways is finished allowing goods to cross the Himalayas to and from China's western Xinjiang province. The China Pakistan Economic Corridor (CPEC), a flagship "Belt and Road" project, has been credited with helping revive Pakistan's sluggish economy, but investors have raised concerns that Pakistan's currency could come under severe pressure once debt repayments begin and Chinese firms start taking profits home.

It is reported that Nadeem Javaid, who advises Prime Minister Nawaz Sharif's government and works closely on the CPEC programme, told a foreign news agency that such fears are misplaced as Islamabad would earn vast fees from charging vehicles moving goods from and to China. Javaid said the Gwadar-Xinjiang corridor should be operational from June next year, and Pakistan expects up to 4 percent of global trade to pass through it by 2020.

It is reported that "the kind of toll tax, rental fees that the Pakistani system will gain is roughly $6-$8 billion a year," Javaid, chief economist at the Planning Ministry, said in an interview. "By 2020, I expect we will get this much momentum." He said China has huge incentives to transport oil and other goods bound for its western regions through Pakistan as the Gwadar-Xinjiang corridor shaves some 9,500 miles (15,000 km) off other traditional routes.

Reportedly the Investors, too, are watching Pakistan's ballooning current account deficit, which widened by more than 160 percent to $6.1 billion in the nine months to March, largely due to imports of machinery for big CPEC projects. It is reported that the debt repayments and profit repatriation from CPEC projects will begin in 2019, totalling about $1.5-$1.9 billion, and rising to $3-$3.5 billion by the following year. It would be low in the beginning, and in 2022 it will peak at around $5 billion but the government does not think it likely that Pakistan will face a balance of payments crisis.

The officials take is that CPEC should boost economic growth, which could hit 5.2 percent in 2016-17. Exports should also pick up once CPEC power projects totalling 7,000 megawatts come online and reduce often crippling energy shortages.

It is reported that the two countries have also discussed using a currency swap agreement between their central banks to create a mechanism to avoid any third currency in international transactions. "If some mechanism is going to be finalised on that, it will work as a buffer or a cushion that's going to basically avoid or prevent any kind of default that could happen in unforeseen circumstances."

There are divergent views of financial gurus on the subject. But one thing is clear, debts are messy and in no time they spin out of control. Many mature and seemingly vibrant economies have lost out on this account bringing misery to its people and their sovereignty dented. Pakistan is on the edge on this account all the time with the need to rush to IMF for help off and on.

Countries exposure to debt is escalating exponentially while its exports is sliding down over the last three years, whereas, the Foreign Direct Investment is static. All of these numbers do not add well.

(The writer is the former President, Overseas Investors Chamber of Commerce

and Industry)

DAWN
Saturday, 13th May, 2017

FBR unlikely to achieve revised revenue target

MUBARAK ZEB KHAN

ISLAMABAD: The Federal Board of Revenue (FBR) has linked the collection of Rs981.4 billion in the last two months of the current fiscal year with the resolution of audit cases, recovery of arrears and current demands.

An official source told Dawn on Friday it will be difficult for the FBR to achieve the revised revenue target of Rs3,500bn. The original budgetary revenue target was Rs3,621bn.

"We are expecting the revenue collection will be around Rs3,400bn," the official said, adding that it depends on the collection of pending revenue through the alternative dispute resolution mechanism and finalisation of audit cases.

In the first 10 months of 2016-17, the FBR collected Rs2,518.6bn against Rs2,346bn collected over the corresponding period of last year, reflecting an increase of 7.4 per cent.

Official data shows the total outstanding demand for arrears was Rs262bn. Out of this amount, various courts stayed cases involving Rs105bn. Consequently, Rs158bn was collectable demand from taxpayers.

The FBR estimated it would collect Rs120bn in the last quarter (April-June) of 2016-17 under this head against the collection of Rs53bn a year ago.

The FBR also expected to raise maximum revenue from the finalisation of audit cases. Data shows the FBR finalised 11,686 audit cases up to February. Total demand created in all these cases was Rs26.13bn. The number of audit cases pending with the FBR was 172,476.

"We are expecting that 55,000 cases will be disposed of by June," the official said, adding that the tax demand to be created in these cases is expected to be Rs123bn. In the last quarter of 2015-16, tax demand of Rs55.476bn was created out of total audit cases of 26,820.

The FBR also identified several big taxpayers that have shown negative growth in their payment of sales tax and federal excise duty (FED) in the first eight months of the current fiscal year. "We are expecting to collect revenue from these taxpayers by serving notices on them," the official said.

Provisional figures show the FBR collected Rs978.8bn in direct taxes, Rs1,009.2bn in sales tax, Rs144bn in FED and Rs386.6bn in customs duty in July-April.

DAWN
Saturday, 13th May, 2017

Power ministry seeks legal opinion on merger of PPIB, AEDB

KHALEEQ KIANI

The merger of the two agencies is a condition imposed by ADB and AFD for the disbursement of $300m and $100m loans, respectively.—White Star

ISLAMABAD: The Ministry of Water and Power is seeking opinion of the Law and Justice Division on the way forward for the merger of the Private Power and Infrastructure Board (PPIB) and Alternative Energy Development Board (AEDB) to secure $400 million foreign loans.

The merger of the two agencies working under the ministry is a condition of the Asian Development Bank (ADB) and French Development Agency (AFD) for $300m and $100m loans, respectively.

The PPIB was established in 1994 as a "one-window facilitator" for private-sector investments in the power sector, particularly those relating to hydropower, thermal, coal and gas-based plants, through an executive order. It was given legal cover in 2012 through an act of parliament. It has about 95 staff members.

Of late, it has also been entrusted with the implementation of a transmission line project. So far, it has been instrumental in the completion of about 9,000 megawatts of power plants since 1994. Besides, about 19,000MW of additional capacity is currently in various stages of implementation.

Likewise, the AEDB was set up in 2003 for the promotion of alternative and renewable sources of energy, like solar, wind and bagasse, and was given legal cover through an act of parliament in 2010. It was asked by the government to increase the share of renewables in total electricity supply to at least 5pc by 2030.

The board is reported to have processed around 1,500MW of renewable power projects under various stages of completion. The staff strength of the agency is about 105.

Since the two institutions were set up under the acts of parliament, the power ministry has sought advice from the law ministry for a swift way forward, as desired by the Ministry of Finance, to meet the condition of the international lenders.

Informed sources said the process may extend beyond the next fiscal year because of approvals required from the cabinet and its Economic Coordination Committee (ECC). It will also require another act of parliament to replace the existing two acts.

The sources said attempts were made twice in the past during the PPP and Musharraf governments to merge the AEDB with the PPIB to create synergy and attain staff efficiency. But the process could not be completed for different reasons.

A power ministry official said the merger of the two agencies was one of many prior actions that the ADB had set for the approval of the third tranche of the energy-sector reforms programme. The sources said the AEDB is losing steam of late mainly because of a duplication of its work.

The provinces took over the role of processing renewable energy projects at the provincial level while licensing and tariff issues are being dealt with by the National Electric Power Regulatory Authority (Nepra). The lending agencies thought it had become redundant after the establishment of provincial agencies for renewable energy sources.

The government already approved a few days ago a model tripartite power purchase agreement for the sale, purchase and payments by the generation, transmission and distribution of electricity companies under another condition of the lending agencies.

The government is trying to materialise the disbursement of around $700m before the end of the current fiscal year from the international lending agencies to support the balance of payment position.

DAWN
Saturday, 13th May, 2017

Cotton price unchanged

THE NEWSPAPER'S STAFF REPORTER

KARACHI: The cotton market on Friday turned listless as buyers withdrew to the sidelines. There were no signs of buying activity as spinners were conspicuously absent.

Contrary to this, the world's leading cotton markets closed firm with New York cotton recording gain of up to 2.5 cents per lb. The Chinese and Indian markets also recorded gains.

According to US Department of Agriculture, exports stood lower this week after rising by 5pc a week earlier.

Brokers said the current rising wave in global cotton prices could not be understood because all the leading cotton-producing countries including Pakistan have recorded larger plantation areas for the next cotton crop.

Figures indicate that cotton plantation in India would be higher by 15pc over last year and the situation is similar in China. Pakistan is also expected to get better cotton crop next season as area under cotton cultivation is higher by 10pc.

Goods carriers' strike is also hampering cotton trade because raw material could not reach spinning units in Karachi. There were reports of port congestion due to transporters' strike, brokers said.

The Karachi Cotton Association spot rates were firm at overnight level. Only one deal of 300 bales was reported to have changed hands on the ready counter from Sadiqabad at Rs6,650.

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**

DAWN
Saturday, 13th May, 2017

MARKETS

FOREX

Exchange Rates for Currency Notes (Rs)

	Interbank market*		Open market**	
	Buying	Selling	Buying	Selling
USA	104.40	104.60	105.80	106.00
UK	134.54	134.80	135.70	137.20
Euro	113.48	113.69	114.70	116.20
S.Arabia	27.84	27.89	28.20	28.40
UAE	28.42	28.48	28.85	29.05
Japan	0.9182	0.9200	0.9223	0.9423

*forex.com.pk **ECAP

KIBOR

Karachi Interbank offered rates

	Bid	Offer
Three months	5.89	6.14
Six months	5.90	6.15
One year	5.94	6.44

LIBOR

Special US dollar bonds for May 11

Three months	1.18178%
Six months	1.43933%

THE NEWS
Saturday, 13th May, 2017

Govt urged to take action against illegal Indian fabric imports

KARACHI: Local manufacturers have demanded the government to immediately take strict action against illegal imports of Indian fabric under fake origin certificates, as it is badly hurting the local industry.

Pakistan is being dumped with Indian fabric under fake origin certificates of China and Hong Kong.

“Sale of locally-made fabric is suffering in Pakistan due to smuggled Indian fabric under the name of Chinese and Hong Kong companies,” a local manufacturer told The News on the condition of anonymity.

The Directorate General Intelligence and Investigation of the Federal Board of Revenue (FBR) recently seized around 18 containers of Indian fabric, which came through Dubai under the Chinese certificate of origin.

According to investigations, none of these Chinese or Hong Kong companies existed. “One quoted Chinese company manufactures watches,” the local manufacturer added.

Sources said the majority of Indian fabric importers, who belonged to Lahore, after facing problems at the Karachi ports in clearing their consignments, have started using Lahore Dry Port for the purpose.

“We had complained to the Customs officials around eight months ago and after strict action against these importers, our sales have increased,” he said. Indian fabric worth over Rs700 million had already landed in Pakistan, as 88 containers had been cleared by the Customs authorities on fake documents submitted by the importers.

Industry people say that local loom fabric manufacturers are usually small manufacturers and cannot sustain pressure of the illegally dumped fabric and any shut down by them will endanger the livelihood of thousands of people associated with the business.

“Pakistan’s weaving sector was already affected. Indian fabric will increase unemployment,” he said, adding, “India is damaging us economically too.”

One member of the Pakistan Silk and Ryan Mills Association said import of the Indian fabric is there in the negative list of items between the two countries and its import is not allowed. “Polyester filament yarn and fabric is in the negative list and the Indian fabric imported here comes under this category,” he said. However, “illegal imports continued for the last three years.”

After the Customs department intervention eight months ago, imports of such fabric has slowed down, but not completely ended as, smuggling continues through Iran and Chaman borders.

Naseem Usman, chairman of the Karachi Cotton Brokers Association, said Indian fabric entered into Pakistan through Dubai and Afghanistan border under the fake certificate of origin.

The All Pakistan Textile Mills Association (Aptma) has also shown its concerns over illegal imports of the Indian fabric.

Indian extremist organisations have recently put Pakistani fabric on fire in a newly-opened shopping mall in India.

The manufacturers have; therefore, urged to government to immediately stop this illegal business and protect the local businesses.

THE NEWS
Saturday, 13th May, 2017

Weekly inflation rises 0.21 percent

KARACHI: Inflation for the week ended May 11 for the combined income groups increased 0.21 percent as compared to the previous week.

According to the data released by the Pakistan Bureau of Statistics (PBS) on Friday, the sensitive price indicator (SPI) for the week under review in the abovementioned group was recorded at 220.47 points against 220.01 points last week.

SPI for the combined group during the week under review witnessed an increase of 2.98 percent as compared to the corresponding week of the last year.

Meanwhile, the sensitive price indicator for the lowest income group up to Rs8,000 increased 0.18 percent, as it went up to 209 49 points during the week under review from 204.39 points during the previous week.

THE NEWS
Saturday, 13th May, 2017

FBR chairman refuses to compromise on tax policies

LAHORE: Federal Board of Revenue chairman Dr Muhammad Irshad on Friday refused to compromise on the tax policies that have yielded record revenues without increase in tax rates.

Addressing an interactive session with the Lahore businessmen at the Lahore Chamber of Commerce and Industry (LCCI), the FBR chairman defended the policies of the revenue authority.

“Economy is on the move and this is the reason that despite one percent decline in corporate income tax in each of the previous four years; corporate sector is still paying more taxes,” he added.

He also refuted that the number of tax filers has declined in the last four years and said that after the present government assumed power the total number of tax filers has doubled to 1.4 million from 700,000.

Most of the increase in revenue has come from indirect taxes imposed on non-filers, he said, adding that withholding tax on bank withdrawals would remain enforced in the next budget. The FBR would give a tough time to tax evaders, DrIrshad said, adding that the revenue authority is taking measures that would force the non-filers to come into the tax net. Regarding refunds, he said, Rs57 billion had already been paid and due to some revenue collection problems, the FBR has failed to clear all refunds in one go.

The refund payment has been suspended for a while, as the claims are higher than the last year, the FBR chairman added.

There were some issues in Faisalabad, which were sorted out. Now the refund claims are automatically generated and the amount is credited in the claimants’ accounts without any contact with the revenue officials.

He said issues arise when refund claimants do not complete the documents or fail to provide their IBAN number.

Regarding raids on the business premises of tax filers, Dr Irshad said that the department has shifted its focus towards non-filers, nonetheless the FBR reserves the right to raid the premises of tax filers if creditable evidence is available about their tax evasion. The FBR officers have been instructed to take relevant trade association into confidence, while raid offices of non-filers, he said. “We strictly follow the rules and regulations,” he said, adding that tax evasion from any quarter would be dealt with according to the law.

He disagreed that audits are conducted to increase revenues, and said under the universal tax assessment scheme the returns filed were accepted without questioning.

The FBR staff is fully capable of achieving the revenue target for this year, he said. Tax tribunals are working independently and fall under the authority of ministry of law.

“Some FBR officials are members of these tribunals to provide expert input on cases,” he said, adding that the FBR has reactivated Alternate Dispute Resolution Committees to resolve pending tax disputes outside the appellate tribunals.

ADRC is mandated to resolve disputes within 90 days, he said, adding that currently, the cases in appellate tribunals are pending since many years.

Dr Irshad announced formation of tax advisory committee in all cities. The members of the advisory committees would comprise local FBR officials, civil society members, tax bar and representatives of chambers of commerce and industry.

He said the committee would recommend ways to ease tax compliance and remove rules that impede tax compliance. These committees should guide the FBR on the ways to bring tax evaders into the tax net. Until that is done, the FBR will have to continue with the withholding regime; whereby, tax compliant entities collect taxes from non-filers on the FBR’s behalf, Dr Irshad added.

The FBR is prepared to pay mark-up in cases of genuine delay in refunds, the chairman said, and invited the businessmen to lodge their claims with the revenue authority.

Regarding slow clearing activity at the Lahore Dry Port, he said the provincial levy imposed on imports by the Punjab government is the main reason for low activity in Lahore.

Regarding tax on dividends, he said, it is a global practice though there is a lot of debate on this subject. He asked the businessmen to forward their complaints through advisory committee, and assured positive FBR response.

THE NEWS
Saturday, 13th May, 2017

Livelihoods at stake as Indus shrinks in Sindh

HYDERABAD: Water and agriculture researchers on Friday said the dialogue was the only way to resolve intra-country and inter-countries water conflicts to take their respective nations on the track of development, especially agricultural.

"River Indus is drying up and does not have enough water for Sindh. People, mostly growers and fishermen, who depend on tail-end Kotri downstream, are on the tenterhooks because an acute water shortage has put their livelihoods at stake," experts said while speaking at a seminar on "Water Issues in Pakistan – Conflicts & Resolutions."

The event, held at Gender Resource Centre, Sindh Agriculture University (SAU) Tandojam, was jointly organised by the SAU, Indus Consortium, Centre for Social Change and Sindh Agricultural Forestry Workers Coordinating Organization (SAFWCO).

"Pakistan is one of the most water-stressed countries in the world. The situation here is going towards the worst in water scarcity, which needs to be addressed through policy mechanism with participation of all stakeholders," Dr Muhammad Ismail Kumbhar, a well-known researcher on extension, environment, climate change, and water resources told the seminar.

"River Indus presently does not have water to save the agriculture and address the needs of drinking of water, as growers as well as fishermen communities are protesting against water scarcity."

Kumbhar observed major sources of economy agriculture and fisheries are at stake due to receding river, which does not have water to flow downstream Kotri.

Harris Kuemmerele, a scholar from Kings College London and also the key speaker of the event, shared his understanding about the water conflict within neighboring countries and among the provinces of Pakistan. "I am visiting the areas to learn the issues and may develop analyses for further understanding," Kuemmerele said. While shedding light on 1991 water accord, he said Pakistan and India must confabulate for the resolution of water conflicts, which would promote a friendly environment between the two neighbours. "I am aware about the surface and underground water status in Sindh, which is facing the most water scarcity," Kuemmerele said in reply to a question.

Dr Mujeebuddin Memon, SAU VC, emphasised the importance of water governance and said that Pakistan is dependent on only River Indus, which is the backbone of the entire agriculture. "The river not only feeds the irrigation canals and sources but contributes to maintain wider ecosystems, wetlands and overall environment and well-being of the nation."

This dependence on a single river system means it has little of the strength that most countries enjoy by virtue of having a multiplicity of river basins and diversity of water resources.

Memon said that a collective approach is needed to bring together individuals and corporate citizens to stay engaged with decision-makers across the board regarding the rational and responsible use of water.

Zulfiqar Halepoto, a researcher on water, also briefed on the issues and challenges facing the country. "Water is a basic source for the livelihood of the nation and it is a responsibility of the state to take appropriate measures and adopt policy measure for the solution of the water conflict at national and international level," Halepoto said.

Abdul Ghafoor Bhatti from Badin and Kiltar Gul from Tharparkar districts also shared their knowledge and community perspective, saying growers do not have water. They feared the agriculture economy in many tail-end districts may face colossal losses, as they have failed to cultivate their seasonal crops. Besides, deans, members, and students of various faculties of the university, the event was attended by researchers and scholars, who shared their learning as well as understanding on the key issue.

THE NEWS
Saturday, 13th May, 2017

Cotton unchanged

By our correspondent

Karachi

Dull trading was recorded at the Karachi Cotton Exchange on Friday, while spot rates remained unchanged. The spot rates remained unchanged at Rs6,700/maund (37.324kg) and Rs7,180/40kg. Ex-Karachi rates also stood firm at Rs6,835/maund and Rs7,325/40kg after an addition of Rs135 and Rs145 as upcountry expenses, respectively. An analyst said the provincial governments of Punjab and Sindh are taking measures to increase the cotton production by providing subsidy and discouraging cultivation of other crops in cotton belts. "However, shortage of irrigation water, which forced farmers to re-sow the seeds, might affect the production this year," he added. The cotton market recorded only single transaction of 300 bales from Sadiqabad at the rate of Rs6,650/maund.

The Nation on Web
The Nation
Saturday, 13th May, 2017

Weekly inflation increases 0.21pc

APP

ISLAMABAD - The weekly inflation for the week ended on May 11, for the combined income groups, increased by 0.21 percent as compared to the previous week.

According to the data released by Pakistan Bureau of Statistics (PBS) on Friday, the Sensitive Price Indicator (SPI) for the week under review in the above mentioned group was recorded at 220.47 points against 220.01 points last week.

As compared to the corresponding week of last year, the SPI for the combined group in the week under review witnessed an increase of 2.98 per cent.

The weekly SPI has been computed with base 2007, 2008=100, covering 17 urban centers and 53 essential items for all income groups.

Meanwhile, the SPI for the lowest income group up to Rs 8,000 increased by 0.18 percent as it went up from 204.39 points in the previous week to 209.49 points in the week under review.

As compared to the last week, the SPI for the income groups from Rs 8001 to 12,000, Rs 12,001 to 18,000, Rs 18,001 to 35,000 and above Rs 35,000, also increased by 0.19 percent, 0.21 percent, 0.22 percent and 0.22 percent respectively.

During the week under review, average prices of 17 items registered decrease, while 10 items increased with the remaining 26 items' prices unchanged.

The items, which registered decrease in their prices during the week under review included LPG cylinder, onions, eggs, milk (powdered), wheat, sugar, garlic, cooking oil and vegetable ghee.

The items, which registered increase in their prices during the week under review included tomatoes, soap, potatoes, chicken (farm) bananas, shirting, rice (basmati), moong pulse, masoor pulse, red chilly, gram pulse, long cloth, gur, mustard oil, mutton and vegetable ghee.

The items with no change in their average prices during the week under review included rice (irri-6), bread, beef, milk (fresh), curd, salt (powdered), tea (packet), cooked beef, tea (prepared), cigarettes, lawn printed, georgette, gents sandal, gents chappal, ladies sandal, electricity charges, gas charges, kerosene oil, firewood, electric bulb, washing soap, match box, petrol, diesel and telephone local call.

The Nation on Web
The Nation
Saturday, 13th May, 2017

Participation of stakeholders in budget-making process sought

INP

ISLAMABAD: President Pakistan Businessmen and Intellectuals Forum (PBIF) Mian Zahid Hussain on Friday said budget-making process should not be secretive.

He called for full participation of all the politicians including opposition, business community and all the stakeholders in the process.

Mian Zahid Hussain said that Cabinet, Parliament and Standing Committees on Finance etc. should be given due importance in the process of budget-making so that it reflects the aspirations of the masses while ensuring rapid economic development.

He said that budget recommendations forwarded by the business community should not be seen as a revenue increasing or decreasing move but it should be analysed on the basis on long term impact on the economy.

Budget should be based on long term measures to resolve pressing economic problems, ensure social and economic development and fulfil the desires of the masses reeling under poverty, he added.

The business leader said that the tax system should be improved to bridge the gulf between government and taxpayers so that business community can play its role in national development effectively.

He said that all the parliamentarians get is two days to read, understand and analyse budget after its presentations which results in nothing.

The matter of the supplementary budgets should also be considered as it is not practiced in many countries, he said adding that budget should resolve the issue of dwindling exports which has threatened the forex reserves.