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Budget 2017-18

Preparations reviewed

ISLAMABAD: Finance Minister Ishaq Dar Saturday chaired a meeting to review budget preparations, ahead of his forthcoming visit to Washington D.C. for participation in the spring meetings of the IMF and the World Bank, says a press release issued here.

The meeting was attended by the finance secretary, secretary Economic Affairs Division, and senior officials of the Ministry of Finance and Ministry of Petroleum & Natural Resources. The finance secretary briefed Dar on the status of preparations for the budget for fiscal year 2017-18.

He said that interaction with all stakeholders is being actively undertaken for the preparations and the prescribed timelines are being followed strictly.

The finance secretary also briefed the minister on the progress of various ongoing economic reforms being undertaken by the government, including in the energy sector.

Dar said that extensive interaction with all stakeholders has been a hallmark of PML (N) budget exercises. He said the government has held comprehensive consultations with all stakeholders and various experts during budget preparations every year, and the same is being ensured this year as well.

The finance minister said that, as always, improving the well-being of the general public and addressing their needs will be the utmost priority of the government in the forthcoming budget.

Referring to the recently successfully concluded Article IV Consultations with the IMF, the finance minister said that implementation of necessary economic reforms in the country must continue with the same vigour and determination as has been done over the past four years.

He said that successful implementation of economic reforms will play a vital role in achieving higher, sustainable and inclusive economic growth.—PR

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FBR and provinces may discuss idea of 'tax commission'

SOHAIL SARFRAZ

ISLAMABAD: The Federal Board of Revenue (FBR) and provinces are likely to discuss the idea of 'National Tax Commission' during the next meeting of provincial financial secretaries.

Sources told Business Recorder Saturday that the Finance Division circulated a paper 'Fiscal Decentralisation and Macroeconomic Challenges in Pakistan' to the provincial financial secretaries. The said paper, received from the IMF, would be discussed in the next meeting of the provincial financial secretaries. The Finance Division has shared the paper with all provinces, the Finance Division added.

The paper talked about improving incentives for tax revenue mobilisation and coordinated administration. A stronger incentive-based national framework for tax revenue mobilisation is needed to avoid over-taxation of compliant taxpayers and facilitate a coordinated expansion of the fiscal space for much-needed development and social spending. A national consensus with specific revenue targets and mechanisms to enforce their attainment could help overcome coordination and political economy issues with respect to policy and administrative aspects of taxation in sensitive areas, such as agriculture and real estate. In addition, improved coordination, both vertically (e.g. in common initiatives to widen the tax net in areas of joint tax jurisdiction) and horizontally (e.g. in harmonising regulations or implementation of GST on services) will be important to balance the need for increased fiscal revenue and business promotion. To this end, a national tax commission could be established under the Council of Common Interests (CCI).

It said that the 7th NFC Award has assigned the general sales tax (GST) on services - a buoyant tax base – to the provinces, in addition to their other tax assignments, which include agricultural income tax, taxes on immovable property, capital gains tax, estate and inheritance tax, motor vehicle tax and charges on services such as water supply, drainage and lighting. Despite significant taxing powers, provinces have collected only 8 per cent of the national fiscal revenue in 2015-16.

Following the 7th NFC Award, most provincial authorities have established own revenue authorities tasked with the collection of GST on services. These authorities have had some success: tax bases were increased to include a wider range of previously untaxed services and improving administration. As a result, collection has nearly doubled since the NFC Award, it said.

At the same time, revenue mobilisation from other promising bases such as agriculture and real estate showed marked improvement relative to GDP. Tax administration at the provincial level remains fragmented, often with different agencies collecting various taxes. Diminished incentives to expand tax bases following the allocation of higher revenue through the 7th NFC Award may play a role. Building on the success of revenue authorities and bringing other tax collection responsibilities under "one roof" would help reduce the cost and increase effectiveness of administration. Alongside, building coordination and information-sharing mechanisms, both across provinces and with the FBR, will be important to make use of complementarities in tax administration (e.g. a nationwide cadastre of real estate) and promote easier compliance, as well as reduce confusion and resolve disputes in taxation of, paper added.

Provincial revenue growth was substantially below expectations, owing both to challenges at the federal level and the provinces' own tax efforts. Reflecting changed incentives and tax reform challenges, federal revenue increase initially was slower than expected and over time became more skewed towards non-shared revenue. Meanwhile, provinces' own tax efforts seemed to have focused on improving the collection of GST on services. However, tax collection from other key potential sources (such as real estate and agriculture) largely remained flat in per cent to GDP. Having jurisdiction over agriculture and services - which account for 80 per cent of Pakistanis GDP - provinces collected a mere 1.3 per cent of GDP in taxes in 2015-16, it added.

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Re-assessment Proceedings

ATIR enjoys inherent powers to grant stay: LHC

RECORDER REPORT

ISLAMABAD: In a landmark judgment, the Lahore High Court (LHC) has held that the Appellate Tribunal Inland Revenue (ATIR) has inherent powers to grant stay of re-assessment proceedings where appeal against the remand order by the Commissioner (Appeals) is pending before ATIR.

It is learnt that the petitioner has challenged order dated 28.02.2017 passed by Appellate Tribunal Inland Revenue ("Appellate Tribunal") whereby application for grant of stay was refused.

Brief facts are that an appeal was filed by petitioner before Appellate Tribunal challenging competence of Commissioner (Appeals) to remand the case to Taxation Officer for re-adjudication. An application, for restraining the Taxation Officer from re-assessment, meanwhile, was also moved. The application was dismissed, through impugned order, with the observation that Appellate Tribunal is not vested with the power to stay re-adjudication proceedings.

The counsel for the petitioner placed reliance on a judgment by Supreme Court in CP # 53 of 2007 and 83 of 2012 wherein earlier judgment in Imran Raza Zaidi vs Government of Punjab (1996 SCMR 645) was followed. He argued that order to decline interim relief is against the law laid down.

The deputy attorney general (DAG) opposed the arguments, submitting that jurisdiction of Appellate Tribunal under Section 131(5) of the Income Tax Ordinance, 2001 ("Ordinance") is limited. He further submitted that this petition against order of Appellate Tribunal is not maintainable, because the impugned order could only be challenged through Reference Application under Section 133 of the Ordinance.

Sources said that the Commissioner (Appeals) remanded the case back to the assessing officer with certain direction for re-assessment. The taxpayer filed appeal before the Tribunal on the ground that as per facts and legal position the Commissioner (Appeals) should have decided the appeal in its favour instead of remanding the same to the assessing officer. When during the pendency of appeal before the Tribunal, the assessing officer issued notice for reassessment the taxpayer filed application before the Tribunal for granting stay against the re-assessment proceedings. The application was rejected by the Tribunal on the basis that there is no express power for granting stay of re-assessment proceedings and the only power available for interim relief is stay of recovery. On that the taxpayer filed writ petition before the Lahore High Court through Shahid Jami Advocate. Lahore High Court in its judgment held that the Tribunal has inherent power to grant interim relief of stay of proceedings in order to avoid the multiplicity of litigation. It is the first judgment on the issue and has been appreciated by the taxpayer and tax lawyers across the country.

The text of the operating part of the judgment revealed that, "Appellate Tribunal, in exercise of appellate jurisdiction under the Section 132, can affirm, modify or annul an assessment or an order appealed against, in addition to remanding the case to Appellate Commissioner. To exercise this jurisdiction effectively, power to suspend the impugned order or to restrain Taxation Officer from passing assessment order, pursuant to the order impugned before it, falls within incidental and ancillary jurisdiction. Particularly when no restriction or limitation, on exercise of such ancillary or incidental power, is available in the subsection (5) of Section 131. Needless to observe that allowing the

Taxation Officer to complete re-assessment would not only lead to multiplicity of litigation but would frustrate the right of appeal before Appellate Tribunal if subsequent order is passed.

"Under the circumstances, the impugned order is set aside. Application for grant of stay shall be deemed pending before the Appellate Tribunal, which shall be decided on merits. Till decision, as directed, proceedings before the Taxation Officer shall remain suspended," the LHC judgment added.

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JEC meeting from 17th

Pakistan, Iran set to finalise names of banks for LCs

MUSHTAQ GHUMMAN

ISLAMABAD: Pakistan and Iran are all set to finalise names of banks to be nominated for issuance of Letters of Credit (LCs) during Joint Economic Commission's (JEC) meeting scheduled for April 17-18, 2017 in Tehran.

Pakistani team comprising 16-17 officers will be headed by Minister of State for Frontier Regions, Lt General Abdul Qadir Baloch (Retd) in place of Commerce Minister, Engineer Khurram Dastgir Khan who will now host representatives of China's Ali Baba group intending to invest $ 300-400 million in E-Commerce – an initiative of the Commerce Ministry.

Both countries are holding JEC at a time when bilateral relations are "sore" after revelations by Uzair Baloch with respect to his alleged engagement with Iranian Secret Service.

The State Bank of Pakistan (SBP) signed a Banking and Payment Arrangement (BPA) with Iran's central bank, Bank Markazi Jomhouri Islami Iran (BMJII), on April 14, 2017 in Tehran. Deputy Governor SBP Riaz Riazuddin and Vice Governor BMJII signed the agreement on behalf of their central banks.

The BPA agreement will be effective not later than two weeks and will remain valid for twelve months from its effective date while being extendable upon mutual written consent of both countries.

The federal cabinet approved the draft of PBA which allows both sides to exchange lists' of authorised banks and their respective signatories for the purpose of execution and subsequent implementation of BPA. For the purpose of payment of the value of goods and services exchanged between the Islamic Republic of Iran and Islamic Republic of Pakistan as per terms and conditions of this BPA, the parties will open in their books a special account denominated in Euros in the name of one another. These special accounts will be free of any charges, taxes and commissions whatsoever. In this BPA Euro means the lawful currency of the European Union (EU) and is considered both the currency of accounts and the currency of payment. The parties ensure that all consents, approvals and other legal requirements under the laws of their respective countries have been obtained and there are no restrictions in connection with the execution of this BPA.

The MoU also says that in order to ensure the continuity of payments under this BPA, the parties shall grant one another a reciprocal credit facility of Euro 250 million in each respective special account. The parties will debit/credit the special accounts for the authorised transactions only in accordance with the instructions received from one another in respect of documents negotiated under letters of credit (L/Cs) opened by the respective authorised banks.

"Some elements of previous agreement have been changed but no significant deviation except for a reduction in the amount to Rs 250 Euros and validity not for one year but for three months and if amount exceeds or remains unspent then there would be interest charged," said an official on condition of anonymity.

The basis for calculation of interest and determination of the amounts due for settlement at the end of each six month period, and/or in excess of credit facility for Euro 250 million shall be the balance of the creditor bank's special account with the debtor bank. The Parties will send their respective debit/credit advices to one another by authenticated message each time a debit/credit entry is made into the special account. The advice shall contain sufficient information to facilitate the identification of the relevant transactions. Parties will also furnish one another with the statements of the Special Accounts together with the lists of unutilised balances of outstanding L/C's by authenticated message on monthly basis. Each bank shall inform the other bank of any discrepancy, if any, at the latest one month after receipt date of the statement.

The agreement may be amended or modified at any time through mutual written consent of the parties. All differences or disputes arising from or concerning with the application or the interpretation of this agreement shall be amicably settled through mutual consultations and negotiations between the parties. The parties shall use the English language in all their correspondences and communications addressed to one another, by such addresses and numbers described hereunder. Should the Parties make any change in their respective addresses and numbers, they will notify each other of that change.

Other Agenda items

Other important agenda items of JEC meeting are signing of six Memoranda of Understanding (MoUs) in different fields. The JEC will discuss 45 items during two day parlays.

According to sources, both sides will also discuss ways and means to reactivate Pak-Iran Investment Company.

In power sector, issues pertaining to payment of 104 MW of electricity being imported from Iran and transmission line issues for import of further 104 MW and 1000 MW electricity will be discussed.

Import and sale of Iranian crude to refineries in Pakistan, cooperation for SMEs and issues with Iranian Ministries of Health, Agriculture and Ports and Shipping Corporation will also come under discussion.

Opening two more land border stations, improvement of infrastructure at Taftan and cooperation in railways are also part of the agenda.

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China, Germany must do more to cut trade surpluses: US

WASHINGTON: China and Germany are not manipulating the value of their currencies to gain an unfair trade advantage, but both should do more to reduce their large trade surpluses with the United States, the Treasury Department said Friday.

The decision was expected after President Donald Trump this week reversed himself and said China was not a currency manipulator.

And although the administration's first report to Congress on the foreign exchange policies of US trading partners continues the stance of the Obama administration, putting six countries with troublesome policies on a watch list, it takes a much tougher tone.

Unlike the previous administration, which issued its final report in October, the latest semi-annual report urges specific policy actions the countries should pursue that would lead to a lower trade surplus.

Trump repeatedly pledged in his election campaign to name China as a currency manipulator on his first day in office — prompting fears of a trade war — but did not do so. He publicly retreated from that position after meeting with Chinese President Xi Jinping in Florida last weekend.

China met only one of the three criteria required to be labeled a currency manipulator — a large trade surplus with the United States — while Germany also met a second: a current account surplus amounting to more than three percent of the nation's economic output.

Beijing has not intervened recently in markets to weaken the value of its currency — the third criteria — and in fact has tried to keep the renminbi from falling further amid the country's relatively sluggish growth rate.

Germany, as part of the eurozone, cannot act unilaterally to change the value of the euro.

A weaker currency makes exports cheaper compared with those of competitors. Declaring a country a manipulator would set off a process including negotiations that could culminate in punitive trade sanctions on the offender.

Treasury Secretary Steven Mnuchin said ensuring a level playing field for US businesses is an "essential component of this administration's strategy."

"Expanding trade in a way that is freer and fairer for all Americans requires that other economies avoid unfair currency practices, and we will continue to monitor this carefully," he said in statement.

Japan, South Korea, Taiwan and Switzerland also were again included on Treasury's monitoring list. Even though China has not moved to keep its currency weak in the past three years, the country "has a long track record of engaging in persistent, large-scale, one-way foreign exchange intervention, doing so for roughly a decade," the Treasury Department said.

That "distortion in the global trading system... imposed significant and long-lasting hardship on American workers and companies."

With a trade surplus in goods with the United States of $347 billion last year, and continued policies that restrict free trade and foreign investment, "Treasury will be scrutinizing China's trade and currency practices very closely."

The large goods surplus "underscores the need for further opening of the Chinese economy to American goods and services, as well as faster reform to rebalance the Chinese economy toward greater household consumption."

Beijing also will need to prove that the recent stance of not trying to weaken the currency is "a durable policy shift," even if the renminbi begins to appreciate again.

The Treasury Department

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said Germany should take steps, notably spending policies, "to encourage stronger domestic demand growth," something the country's trading partners and the International Monetary Fund have been urging for some time.

Increased demand "would place upward pressure on the euro... and help reduce its large external imbalances," increasing domestic consumption, including of imported goods.

Those imbalances include its $65 billion goods trade surplus with the United States last year, and what the department calls "the world's largest current account surplus at close to $300 billion."

The report also called on Japan to do more "to revive domestic demand and combat low inflation while avoiding a return to export-led growth."

This would include more "flexible" government spending policies, and continued reforms to boost the labor market and increase productivity of the Japanese economy.—AFP

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THE RUPEE

Firm trend

RECORDER REPORT

KARACHI: The rupee did not move any side against the dollar on the money market on Saturday in the process of trading, dealers said.

OPEN MARKET RATES: The rupee stayed put in terms of the dollar for buying and selling at Rs 106.00 and Rs 106.20 respectively, they said.

The rupee also showed no change in relation to the euro for buying and selling at Rs 112.00 and Rs 113.50 respectively, they said.

Open Bid	Rs. 106.10
Open Offer	Rs. 106.20

According to Reuters, most of markets will be closed on Friday in New York, London and Asia. Markets will re-open on Monday, but some will be closed to observe Easter holiday.

RUPEE IN LAHORE: The Pakistani rupee appreciated against the American dollar in the local currency market on Saturday.

According to currency dealers, the US dollar commenced trading on a negative note and kept on declining during the day's trading session. As the close, it slid to Rs 106.10 and Rs 106.35 on buying and selling sides, respectively, as compared to the overnight closing rates of 106.20 and Rs 106.40 respectively, they added.

Furthermore, the local currency stayed unchanged on buying side while it depreciated on selling side versus the pound sterling. The British currency was bought and sold at Rs 131.60 and Rs 132.50 against Rs 131.60 and Rs 132.20 of Friday, respectively, they said.

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

The dollar opened at Rs 106.35 (buying) and Rs 106.45 (selling) against last rate of Rs 106.50 (buying) and Rs 106.60 (selling). It closed at Rs 106.35 (buying) and Rs 106.45 (selling).

Pound Sterling opened at Rs 130 (buying) and Rs 131.50 (selling). It closed at the same rate.

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SBP restricts banks for third party foreign tours

RECORDER REPORT

KARACHI: The State Bank of Pakistan (SBP) has barred commercial banks from undertaking foreign tours in collaboration with third parties. SBP has also advised banks to formulate a foreign travel policy by June 2017.

According to BPRD circular No 8, 2017, issued on April 14, 2017 to the Presidents of all banks, it has been noticed with concern that few banks, in collaboration with third parties, are sending large groups of their staff abroad on various pretexts including management meetings, reward for achieving sales/business targets, resulting in unnecessary outlay of foreign exchange.

Therefore, it has been decided that banks will not send their staff abroad for management meetings, reward for achieving sales/business targets whether such tours are sponsored by banks themselves or by third parties or their overseas alliances directly or indirectly.

However, SBP has explained that Banks may send their individuals staff abroad for advance training, technology acquisition and occasional board of directors meeting or to manage their overseas networks in line with their approved policies.

Further, SBP has advised banks to formulate a comprehensive “Foreign Travel Policy” and accordingly submit that to SBP by June 13, 2017.

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Cotton market

Mills remain on the sidelines on low buying interest

RECORDER REPORT

KARACHI: Mills and spinners kept on the sidelines as ginners were not ready to sell at the present levels during the day, dealers said on the cotton market on Saturday.

The official spot rate unchanged at Rs 6750, they said.

In ready session, not a single deal reported because of little interest in new deals, they said.

Market sources said that traders were facing a lot of issues due to financial problems.

Cotton analyst, Naseem Usman said that outstanding refunds held with the FBR and high cost of doing business causing several problems for textile industry.

A kind of uncertainties prevailed in the market these days in the absence of fresh leads. Besides, a huge stock of unsold cotton yarn, delay in sowing of next crop and shortage of irrigation water, pushing them to keep away from new business. Wherein, the government has not taken any bold measure to ward-off two year's crop failure.

According to Reuters, most of markets were closed on Friday in New York, London and Asia.

Markets will re-open on Monday, but some will be closed to observe Easter holiday

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 14.04.2017**	**Difference Ex-Karachi in Rupees**
37.324 Kgs Equivalent	6,750	135	**6,885**	**6,885**	NIL
40 Kgs	7,234	145	**7,379**	**7,379**	NIL

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Underground coal gasification

Syed Akhtar Ali

There is an R&D project under which Thar Coal is being gasified underground (hence the name Underground Coal Gasification-UCG) for electricity production and possibly for producing other products such as fertilizers and chemicals. The project has managed to attract quite some attention as well as controversy. There are proponents and opponents having strong and weak arguments defending their positions. We will take the stock of project and try to guide the readers as to the merits and demerits of the arguments and the project itself.

UCG is an old process of gasifying coal mostly developed in Russia and Uzbekistan. Coal gas used to be piped for the usage in homes and elsewhere before the World War II. There are three processes through which coal can be used productively, including UCG. One is of digging the earth and getting the coal out and burn it in boilers of the power plants and produce electricity. Currently, in Pakistan, there is a major move to utilise both imported and Thar coal in the CPEC programme and outside of it. The other is of gasifying coal, once coal is brought onto the surface trough underground mining or open-pit mining. Coal is half-burnt (under sub-stoichiometric conditions, plainly speaking, with less air or oxygen) in closed pressure vessels and a mixture of carbonmonooxide,CO2, and hydrogen is produced which has a calorific value. The process of Coal Gasification in vessels over-ground is well established for many years. Fertilizers and chemicals are being produced, especially, in China and South Africa, using this process. Big and credible Companies like GE, Texaco, Conco-Phillips, Lurgi and Shell have developed and perfected their processes. Thus per se, there is no doubt as to the gasification of coal and even of its economics.

However, UCG is not commercially established and could not proceed beyond R&D projects in several countries. There was a surge of interest since the last decade which unfortunately could not be sustained for a variety of reasons. And under the same surge, Pakistan also launched this programme under the courageous and enthusiastic leadership of famous nuclear and missile scientist Dr Samar Mubarakmand. What I can testify is that he has been able to successfully gasify gas and producing electricity out of it and is doing that currently and in that the stated R&D objectives have been achieved. However, for such projects, third-party validation is usually required for approving more resources or closing down the project or continuing with it in some form or the other. According to the Minister of Planning Prof Ahsan Iqbal, the same has not been provided. I can perhaps also testify that this is true as well. Third Party validation is a must and should be financed by the Planning Commission, as resources are not left with the UCG project and also because the independence requirements dictate so. Bulldozing the next stage of the project through press campaigns is not a very good idea and it should have been avoided.

Many people including myself appreciate the efforts of Dr Mubarakmand and his able team. Sincere and persistent R&D efforts are in short supply in Pakistan and those who do it must be appreciated and encouraged. However, there are issues and questions on the road ahead. Dr Mubarakmand insists that further resources be committed to commercialize his project to a capacity of 50-100MW as against a few MWs that he claims he is producing and consuming itself. What skeptics argue is that if some net electricity is being produced, why it is not being supplied to nearby villages or road-lighting or to the nearby projects. Is it not the case, God-forbid, that no net energy is being produced or the efficiency is below 10%, not worthwhile to be pursued? Data and answers should have come out of the project in public domain in writing. Sceptics also argue that nobody in

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the world is pursuing UCG and that if UCG and our R&D are worthwhile, why don't IPPs and foreign developers take interest in it. Unfortunately, coal is going down and companies are withdrawing from coal. In older times, companies could invest for the hack of it. Scientists like ours cannot go possibly beyond R&D. There are unresolved issues such as environmental impact, sustaining an interrupted and sustained combustion, coal wastage and efficiency (it is apprehended that only 10% of coal may be utilized in the process and the rest being rendered unutilized for good resulting in simple waste and thus poor economics). There are issues like this that have to be answered by the third-party validation. Besides, commercializing requires a variety of resources and technologies which may not be possibly mobilized or available within our national system. Financing of the R&D itself, perhaps was a major enterprise and all decision-makers and stakeholders have to be appreciated in this respect.

There are other technologies which should receive the attention of our scientists and decision-makers; Coal Slurry and coal Briquettes. Significant R&D has been done by PCSIR on coal slurry making under very limited financial resources developed directly by the current chairman of PCSIR. I have personally seen their work and samples. Coal slurry can be used as a substitute of Furnace Oil and Diesel. Recently, quite some interest has developed in this area and diesel engines have been modified and adjusted to work on coal slurry. Under this process, coal is micronized and water added along with some additives. The resultant slurry as thin as varnish is thus produced. It may not be used in small vehicles, but can be used in furnaces and large engines including possibly heavy trucks used in mining. Similarly, coal briquettes can be made after grinding coal, adding water and additives and make bricks or what is called briquettes which are used in industries as an energy source. It can be used as home fuel in rural areas which may help save deforestation.

On the other hand, abandoning the project to be depreciated and stolen away in the Thar Desert may not be a good idea as well. There should be new technologies and skills that should be absorbed, retained and documented. It should serve as a focal point and a nucleus for allied research. The project should be fenced. PCSIR itself may be the right institution to conduct third party validation and to suggest as to how to go ahead in consultation with the team of Dr Mubarakmand.

(The writer is a former Member Energy, Planning Commission of Pakistan)

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Faisalabad yarn and fibre prices

RECORDER REPORT

FAISALABAD: Cotton yarn rates in rupees per 10 Lbs on Saturday (April 15, 2017).

6-8/S Cone (Cotton)

ARY 490.00

Sher 410.00

Nelibar 700.00

Al-Falah 570.00

Chagi 430.00

Harm 430.00

Shaheen 430.00

Nelum 430.00

10/S Cone (Cotton)

Sufi 650.00

Model Soft 660.00

Adil 500.00

Neilum 530.00

Nelibar 700.00

Owais Karni 500.00

Gold Star 670.00

Qadri 560.00

Shaheen 500.00

Al-Falah 510.00

Zam Zam 490.00

A.T.M 520.00

Sun flower 500.00

Apple Soft 660.00

Apple Hard 640.00

Ton-Ton 630.00

10/S Cone (Soft)

Es Guard 980.00

S.B. 850.00

Nelibar 880.00

Kinoo 940.00

Malta 980.00

Ayesha 850.00

12-14/S Cone (Cotton)

Model 690.00

Qadri 640.00

Adil 670.00

16-18/S Cone (Cotton)

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Nova 700.00

Chagi 690.00

Adil 690.00

Model 750.00

Neeli Bar 1080.00

Super Motia 770.00

Prince 690.00

Prince W 1060.00

Acro 980.00

Apple 820.00

Malta 950.00

Golden Eagle 880.00

20/S Cone (Cotton)

Zahidjee 1220.00

Anmool 1180.00

J.K. 1230.00

Khalid Shafiq 1100.00

Acro 1080.00

Darulsalam 1175.00

Ravi 1080.00

Hadabia 1200.00

22/S Cone (Cotton Warp)

Crescent 1265.00

Yahya 1260.00

HAR 1275.00

Tayyab 1250.00

Polo 1240.00

Ulfat 1240.00

Super Moon 1200.00

24/S Cone (Cotton Warp)

Polo 1300.00

Prince 1300.00

Acro 1280.00

H.A.R. 1280.00

Silver Lines 1310.00

ATM 1280.00

Anmool 1310.00

30/S Cone (Cotton Warp)

Al Noor 1440.00

Crescent 1400.00

Acro 1370.00

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Glamour 1360.00

Arain 1340.00

Nagra 1350.00

Gulistan 1375.00

Ujalla 1375.00

Khalid Shafique 1430.00

Shafi 1380.00

Chakwal 1375.00

Anmool 1380.00

Ittehad 1390.00

Hadabiya 1420.00

32/S Cone (Cotton)

Ahmad 1440.00

Malikwal 1430.00

Chand 1430.00

J.K. 1465.00

Target 1465.00

Hadabiya 1460.00

A Three 1465.00

Araian 1450.00

Acro 1450.00

Nafees 1390.00

H.H. 1430.00

40/S Cone (Combed Cotton)

JK 1630.00

JK Carded 1560.00

Acro 1630.00

Nishat 1765.00

Betray 1620.00

Ittihad 1730.00

Al-Nasar 1750.00

Ejaz 1740.00

Nafees 1770.00

Nisar 1770.00

Three-G 1590.00

Suraj 1780.00

MKB 1540.00

Ramzan 1610.00

Ahmad 1590.00

Super Shaheen 1560.00

Darul Islam 1590.00

Four-G 1625.00

A. Three 1620.00

Azam 1620.00

Wasal Kamal 1620.00

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Super Gold 1590.00

Jubilee 1590.00

Babri 1620.00

Sally 1620.00

52/S Cone (Combed Cotton)

Crescent 2130.00

Ittihad 2160.00

Suraj 2225.00

Babri com 2100.00

Tanveer 2180.00

Sultan 1965.00

Diamond 2100.00

Koiyal 2175.00

Malikwal 1920.00

Parado 1965.00

Four Star 2165.00

N.P. 2160.00

Prime Plus 1880.00

Saif 2000.00

Super Shaheen 1880.00

Nafees 1975.00

Habib 1965.00

Colony 1965.00

Umer auto 1640.00

Two-G 1880.00

60/S Cone (Combed Cotton)

Nishat 2400.00

J.K. 2380.00

Ittehad 2400.00

Kohinoor 2400.00

Koiyal 2620.00

Gujjar Khan 2465.00

Pagri 2465.00

Deen 2430.00

Alam 2380.00

72-74/S Cone (Cotton)

Prime 2500.00

Commander 2220.00

N.P. 2650.00

Tower 2525.00

80/S Cone (Cotton)

BUSINESS
RECORDER
Sunday, 16th April, 2017

Gold King 2930.00

Super King 3030.00

Mapel Leef 3175.00

Amjad 2900.00

Azam 2900.00

Admiral 2920.00

Commander 2900.00

Four Star 3125.00

Rolex 3170.00

Diamond Gate 3100.00

Al Falah 3150.00

Chairman 3170.00

Battery 3225.00

Chairman 3170.00

30-31/S Cone (Polyester Cotton)

Gold Star 139.74

Sun 130.56

JK 115.00

Bilal 105.00

Tahir Rafique 108.00

Zahidjee 108.00

Bashir 116.00

Shadman 107.00

Sarfraz 107.00

Cherry 107.00

Khalid Nazir 107.00

Wasal Kamal 106.00

North Star 107.00

Super Khuwaja 110.00

Anaar 117.00

Action 99.00

Marjan 111.00

Pak Panther-ll 106.00

Nayab 113.00

Kiran 114.00

NP 117.00

Mehtabi 107.00

Club 113.00

K.K. 111.00

Ruby 112.00

Metro 100.00

38/S Cone (Polyester Cotton)

Gold Star 150.96

Dawood 115.00

Amin-2 115.00

Multan 119.00

BUSINESS

RECORDER

Sunday, 16th April, 2017

Golden 112.00

Kirshma 115.00

AD 114.00

Sarhad 115.00

Aslam 97.00

Corolla 113.00

Royal 109.00

Chairman (N) 113.00

40/S Cone (Polyester Cotton)

A.A. 159.12

Mehtabi 137.00

Shadab 138.00

Marjan 130.00

40/S Cone (AV)

Koiyal 169.00

Super LG 151.00

A.J. 157.00

Ahmad Fine 158.00

Asheana 206.04

40/2 Cone (AV)

Koiyal 176.00

Super LG 171.00

A.J. 170.00

Ahmad Fine 174.00

30/S Cone (CVC)

Ayesha 125.00

SUN 134.65

Kamal 125.00

26/S Cone (PV)

AA 122.40

Ashiana 121.38

MM 93.00

Blue Star 95.00

Super Jett 96.00

Shuttle 93.00

M-4 97.00

Bemisal 92.00

Ghouri 93.00

U-2 95.00

L.G. 104.00

U-7 87.00

Triple two 91.00

AJ Gold 93.00

BUSINESS

RECORDER

Sunday, 16th April, 2017

Candle 93.00

Jaguar 93.00

34-36/S Cone (PV)

A.A. 143.86

Ashiana 142.84

Sapna 134.00

Blue Star 105.00

Super Jett 104.00

Shahzad-H 106.00

Shuttle 103.00

Bemisal 102.00

Shuttle less 105.00

Cheeta 99.00

Candle 103.00

Target 103.00

Dewan 103.00

Royal 97.00

Spin Cott 104.00

H.R. 102.00

S.S. 112.00

Tanveer 103.00

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-2 178.00

Bemisal 179.00

Ghori 178.00

Cheeta 178.00

A.J Gold 178.00

Tanveer 169.00

Maqbool 180.00

34/S Cone PP

Zamin 90.00

Shadman 103.00

Ellahi 107.00

Dewan 89.00

BUSINESS RECORDER

Sunday, 16th April, 2017

U-2 92.00

60/S Cone PP

Zamin 113.00

Anwar 107.00

Taj Mahal 110.00

36-38/S Cone (Staple)

Diamond Gate 1600.00

Marghala 1580.00

Saif 1590.00

Four Star 1620.00

A.J. 1600.00

Fazal Cloth 1580.00

L.G. 1580.00

Super Gold 1590.00

Azam 1580.00

Best 1560.00

K.P.K. 1590.00

Colony 1600.00

Martial 1580.00

30/S Cone (Ecrylic)

Koial 157.00

Saif 154.00

Combine 130.00

40/S Cone (Ecrylic)

Koial 171.00

Saif 170.00

Combine 144.00

Pagri 170.00

BUSINESS

RECORDER

Sunday, 16th April, 2017

Karachi Yarn Market Rate

RECORDER REPORT

KARACHI: Karachi Yarn Market Rates on Saturday (April 15, 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

BUSINESS
RECORDER
Sunday, 16th April, 2017

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.

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

BUSINESS
RECORDER
Sunday, 16th April, 2017

Abdullah Textile 1520.00

60/1.

Abdullah Textile 1750.00

70/1

Abdullah Textile 1850.00

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 85.00

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

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

BUSINESS RECORDER

Sunday, 16th April, 2017

Local Mill 85.00

Rupali 150/48/0 DTY 76.00

Imported 150/48/0 DTY 72.00

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 77.00

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

BUSINESS
RECORDER
Sunday, 16th April, 2017

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

Sana SLUB (V)
165.00

40/1 SLUB

Sana (V)
180.00

SEWING THREAD YARN

Sana

21/1 PP
84.00

30/1 PP
96.00

40/1 PP
105.00

50/1 PP
122.00

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

BUSINESS
RECORDER
Sunday, 16th April, 2017

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

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

BUSINESS

RECORDER

Sunday, 16th April, 2017

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

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 250.00

BUSINESS
RECORDER
Sunday, 16th April, 2017

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

DAWN
Sunday, 16th April, 2017

Cotton brokers demand old hedging system

PARVAIZ ISHFAQ RANA

KARACHI: Demand to resume hedge trading in cotton is growing on the belief that it would ensure price stability and safeguard the interest of stakeholders in the cotton economy.

The Karachi Cotton Association had been managing hedge trading in cotton before it was suspended in 1976 in the wake of the nationalisation of export trade and ginning factories.

Different governments have resumed hedge trading on different occasions, but only on paper.

Chairman of Karachi Cotton Brokers' Forum Naseem Usman told Dawn that hedging trading would ensure price stability as well as delivery of contracted cotton deals.

DAWN
Sunday, 16th April, 2017

Next budget to improve masses well-being, says Dar

APP

Islamabad: Finance Minister Ishaq Dar chairs a meeting on budget matters on Saturday. — PPI

ISLAMABAD: Finance Minister Ishaq Dar said on Saturday that improving the well-being of the general public and addressing their needs would be the top most priority of the government in the forthcoming budget.

He was chairing a meeting here to review budget preparations, ahead of his forthcoming visit to Washington for participation in the spring meetings of the International Monetary Fund and the World Bank.

The meeting was attended by the Finance Secretary, Secretary Economic Affairs Division, and senior officials of the ministries of finance and petroleum and natural resources.

Mr Dar said the government had held comprehensive consultations with all the stakeholders and various experts during budget preparations every year, and the same was being ensured this year as well.

Referring to recent successful consultations with the IMF, the minister said the implementation of necessary economic reforms must continue with the same vigour and determination as had been done over the past four years.

He said successful implementation of economic reforms would play a vital role in achieving higher, sustainable and inclusive economic growth.

Earlier, the finance secretary briefed the minister on the status of preparations for the budget 2017-18.

He said interaction with all the stakeholders was being actively undertaken for the preparations and the prescribed timelines were being followed strictly.

The secretary also briefed the minister on the progress of various ongoing economic reforms.

DAWN
Sunday, 16th April, 2017

Sindh collects Rs5.3bn in stamp duty

MUZAFFAR QURESHI

KARACHI: The Sindh Board of Revenue (BoR) raised over Rs5.3 billion in stamp duty during the first nine months of this fiscal year compared to Rs4.7bn collection it made in the corresponding period last year.

The July-March collection is 56 per cent of the Rs9.5bn target set for 2016-17.

The stamp duty collection dipped during July and August due to double valuation charts introduced by the Federal Board of Revenue (FBR) to charge withholding tax on registration of property sale deeds creating a widespread confusion.

The board could collect Rs350m in July and Rs526m in August compared to Rs530m and Rs568m in the respective month last year.

The collection, however, started showing improvement from September. It reached Rs892m in March, Rs832m in December, Rs556m in February and Rs551m in October.

Deputy Inspector General of Stamps Mohammad Aslam said banking documents, contracts and purchase orders, lease agreements etc contributed 60pc to the overall stamp duty revenue.

Earlier the bulk revenue came from registration of property sale deeds, but its share started declining due to abnormal taxation by the FBR on sale and purchase of property units.

The BoR last year increased stamp duty rates by 100pc on banking documents including bill of exchange and 50pc on contracts, purchase orders and lease agreements. Rates on shipping documents such as bill of lading and bill of entry were also raised by 100pc.

It also raised rates of properties listed in the valuation table meant for calculating stamp duty by 20pc across the board.

Meanwhile, Inspector General of Registration of the BoR, Ali Ahmed Baloch, disclosed that the registration of property sale deeds has been suspended after the Sindh High Court interim order, which made the completion certificate from the Sindh Building Control Authority (SCBA) a mandatory for the registration of sale deeds.

He admitted that the suspension would have 40 to 45pc impact on revenue generation under this head.

The BoR has also stopped registration of sale deeds of open plots which apparently do not require any completion certificate from the SBCA.

He said the BoR was awaiting a clear-cut guidance from the court for registration of sale deeds.

The BoR has proposed certain measures for the next budget to boost stamp duty revenue. It has suggested to further increase rates of property units listed in the valuation table, which has been raised by only 20pc since 2010, whereas the prices of property in open market have increased by more than 100pc.

It has also suggested to upgrade localities in major interior towns by introducing category A-1 with rates 50pc higher than units falling in existing category A.

DAWN
Sunday, 16th April, 2017

Slowdown continues on cotton market

THE NEWSPAPER'S STAFF REPORTER

KARACHI: Cotton trading remained lacklustre on Saturday amid lack of buying interest. The undertone remained steady but outlook uncertain.

A large segment of the value-added textile sector is facing liquidity because of refunds held by the Federal Board of Revenue (FBR). Trading remained dull despite the fact that ginners have around 300,000 bales and the next cotton crop was late due to ongoing spell of heatwave.

Moreover, demand from weaving sector and looms also remained sluggish. The entire textile chain is currently facing liquidity crunch as refunds amounting to billions of rupees are held by the FBR.

The Karachi Cotton Association left its spot rates unchanged. Officially no transactions were reported to have transpired on the ready counter, but some private deals between mills and some exporters did take place, brokers said.

The world cotton market also gave mixed trend, but Indian and Chinese markets closed firm.

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	6,750	135	6,885
40 Kgs	7,234	145	7,379

THE NEWS
Sunday, 16th April, 2017

Experts urged for new cotton varieties

MULTAN: Bilal Ahmad Butt, commissioner Multan division, on Saturday urged the agriculture scientists to introduce new cotton varieties for a better production.

“Pakistan, by introducing better verities, can earn place among top four cotton producing countries of the world,” Butt said addressing a seminar, held in connection with maximum cultivation of cotton crop campaign.

“Multan will become the hub of cotton production in future and achieve the target of 20-25 million cotton bales in the next five years.”

Speaking on the occasion, MPA Haji Ehsan-ud-Din said there country can increase cotton production through introduction of latest technology.

Giving his input, Rana Ahmad Munir, director agriculture (extension), said his staff was providing guidance to farmers for achieving the cotton sowing target of 6 million acres.

THE NEWS
Sunday, 16th April, 2017

FBR urged to stop squeezing taxpayers for more money

KARACHI: Tax practitioners urged the Federal Boar of Revenue's (FBR) chairman to refrain his team from exerting undue pressure on the taxpayers to meet the annual revenue target.

"The tax department needs to be pulled out of the mad rush of tax collection, solely focusing on existing taxpayers, which has created blindfolded and deaf tax assessments, creating undue tax demands," Syed Rehan Hasan Jafri, former president and present managing committee member of the Karachi Tax Bar Association (KTBA) told The News.

"We've sent a letter to the FBR chairman, suggesting immediate remedies for taxpayers," Jafri said.

He said concerted steps need to be taken to revive confidence of existing taxpayers in FBR.

The FBR has fueled a drive to score Rs1.3 trillion in tax revenue in the ongoing quarter (April-June) in order to achieve the 2016/17 target of Rs3.621 trillion. The board planned crackdown against 100,000 individual and association of persons and 21,000 corporate entities during the last three-month period of the current fiscal year.

The tax professional said multiplicity of tax proceedings is also creating serious unrest among the tax filers.

"Audit, amendment of assessment and monitoring of withholding tax proceedings should be harmonised to create one effective proceeding for both the taxpayer and tax officer," he added.

KTBA said the raids at tax filer business houses are causing fear among taxpayers and they need to be stopped forthwith.

The bar said Pakistan has been experimenting several ways to develop a tax culture, but unfortunately with least concern to actual stakeholders.

"Generally, reliance is being placed on specific schemes for broadening of tax base instead of focus on fieldwork by the tax departments," the tax bar said. "This resulted in a very low level of tax compliance in the country."

Frequent policy changes in the tax laws, such as super tax, income support levy, tax on undistributed reserves and alternative corporate tax left a bad taste for investment planners, resulting in slowdown in industrialisation, according to KTBA. It said the existing taxpayers are subject to harsh taxation, while low efforts are being made to expand the tax base in reality.

The tax bar suggested that penalties for non or late filing of return of income, statement of final tax, wealth statements and withholding statements are very harsh and excessive and imposition of huge penalties might harass the taxpayers.

Through the Finance Act, 2011, the expression 'tax payable' was declared to mean tax chargeable on the taxable income without taking into account tax payments already made by the taxpayer.

"The penalties need to be rationalised since the main purpose of levying penalty is to educate the taxpayers and instil a sense of compliance rather than to create huge tax demands or to achieve revenue targets through such penalties," the bar said.

THE NEWS
Sunday, 16th April, 2017

Finance minister reviews budget preparations

ISLAMABAD: The government will give the top most priority to improve the well-being of public and address their needs in the next budget of 2017/18, finance minister said on Saturday.

Finance Minister Ishaq Dar said this during a meeting to review the budget preparations ahead of his forthcoming visit to Washington DC for participation in the spring meetings of the International Monetary Fund and the World Bank.

Finance secretary, secretary Economic Affairs Division, and senior officials of the ministries of finance and petroleum and natural resources attended the meeting.

Dar said extensive interaction with all the stakeholders has been a hallmark of the Pakistan Muslim League-Nawaz's budget exercises.

He said the present government held comprehensive consultations with all the stakeholders and various experts during budget preparations every year. The same is being ensured this year as well, he added.

Referring to the recently concluded Article IV consultations with the IMF, the finance minister said the implementation of necessary economic reforms in the country must continue with the same vigour and determination as had been done over the past four years.

He said successful implementation of economic reforms would play a vital role in achieving higher, sustainable and inclusive economic growth.

Earlier, the finance secretary briefed the minister on the status of preparations for the budget for FY2017/18.

He said interaction with all the stakeholders is being actively undertaken for the preparations and the prescribed timelines are being strictly followed.

The secretary also briefed the minister on the progress of various ongoing economic reforms being undertaken by the government, including in the energy sector.

THE NEWS
Sunday, 16th April, 2017

Asian economies escape 'manipulator' tag, expect more pressure on trade

BEIJING: Asian countries escaped the currency manipulator label in the latest U.S. Treasury report, but remain wary of possible trade friction as President Donald Trump maintains his administration will seek to address trade imbalances.

Trump has said some U.S. trading partners, particularly China, manipulated their currency, but has since backed off that claim and acknowledged that China had not weakened the yuan to make its exports cheaper.

China, Japan, South Korea and Taiwan remained on a list for special monitoring of currency practices, China by virtue of a massive trade surplus with the United States.

"Fixing trade imbalances will be an issue for the U.S. in its dialogues with China and Japan, while the manipulator threat has been put on the backburner," a Japanese government official told Reuters.

The semi-annual U.S. Treasury currency report released on Friday did not name any major trading partner as a currency manipulator, although it seemed to leave open the option for action in the future.

Trump has softened his rhetoric against China´s trade practices as Beijing has intervened in foreign exchange markets to prop up the value of its yuan, and as he looks to China for help dealing with rising tension on the Korean peninsula.

"I think the United States decided to forego (labeling China a currency manipulator) this time because it wants China´s cooperation on North Korea," said Takeshi Minami, chief economist at Norinchukin Research Institute in Tokyo.

"Depending on how the North Korean situation develops, we don´t know what will happen in half a year (when the next currency report is due to be published)."

New language in the Treasury report citing a history of currency intervention in China, South Korea and Taiwan is in line with what experts say could be eventual changes to the criteria aimed at deterring future manipulation.

With Washington pushing a trade agenda aimed at reducing deficits, experts say the most logical option is to lengthen the time period for reviewing currency market interventions from 12 months to several years.

"One thing we noticed was the report touched on the previous history of (currency manipulation).

They´re telling us not to do so in the future and we have no intention of doing so," a senior South Korean finance official said. The report showed the high priority the administration puts on addressing trade imbalances and said it would be "scrutinizing China´s trade and currency practices very closely".

The report came after China data showed its surplus with the United States was nearly unchanged in the first quarter compared to a year earlier at $49.6 billion, and cited China´s market protection as an impediment to a balanced trade relationship.

While Trump and Chinese President Xi Jinping last week agreed to 100-day trade talks, U.S. business leaders in China have expressed concern about a lack of progress in gaining further access to the Chinese market despite years of negotiations.

The Treasury report´s language on Japan was similar to past reports, and focused on the need for structural reforms to improve domestic demand, analysts said.

"The basic message is that Japan needs to expand its domestic demand and one can read this as them telling Japan to import more American goods," said Minami of the Norinchukin Research Institute.

U.S. Vice President Mike Pence will visit Japan next week for a bilateral economic dialogue, with U.S. officials signalling they would press Japan to remove non-tarrif trade barriers and buy more U.S. products.

"The report won´t have an impact on the upcoming Japan-U.S. economic dialogue next week.

But the U.S. administration's focus on the trade deficit is something to keep an eye on," said Nobuyasu Atago, chief economist at Okasan Securities in Tokyo.

THE NEWS
Sunday, 16th April, 2017

Irrigation bottlenecks feared to hamper summer crops

LAHORE: Tarbela dam's water level on Saturday hit almost the dead level, fanning a fear of shortage of irrigation supplies to the farmlands, especially in Sindh, during the peak sowing season of summer crops, officials said.

An official said the water level at Tarbela dam's lake was recorded at 1,381.37 feet at 6 am on Saturday's morning and live storage at just 0.016 million acre feet (MAF) – the level was just around a foot above the dead level. "It might touch the minimum conservation level by the evening," added the official.

He recalled that Tarbela dam's storage too plunged to the rock-bottom level on March 10, but the increased inflow later helped in restoring the lake water.

The official said as inflows again started dipping, the stored water is depleting again, "and now only the inflows can meet the demand of irrigation water."

The world's largest fill-type dam, Tarbela dam is constructed over the River Indus near the small town of Tarbela in the Haripur district in Khyber Pakhtunkhwa. It is also the world's second biggest dam by reservoir capacity, which stands at 11.62 million acre-feet (MAF).

Water inflow of Indus River at Tarbela was just 24,300 cusecs and outflow was 30,000 cusecs, the Water and Power Development Authority said in a daily water report.

Inflow of Kabul River at Nowshera was 20,600 cusecs; inflow of Jhelum River at Mangla was 58,000 cusecs and outflow was 65,000 cusecs; and inflow of Chenab River at Marala was 31,200 cusecs and outflow was 16,000 cusecs.

Inflow at Jinnah Barrage on Indus River was 55,100 cusecs and outflow was 49,100 cusecs; at Chashma, inflow was 35,500 cusecs and outflow was 45,000 cusecs; at Taunsa, inflow was 42,400 cusecs and outflow was 38,900 cusecs; at Panjnad, inflow was 17,500 cusecs and outflows was 10,800 cusecs; at Guddu, inflow was 38,200 cusecs and outflow was 38,200 cusecs; at Sukkur barrage, inflow was 33,700 cusecs and outflow was 10,400 cusecs; and at Kotri barrage, inflow was 4,200 cusecs and outflow was recorded nil.

Facing an unprecedented water shortage even before the onset of summer months, the Indus River System Authority, in consultation with provinces, especially Punjab, decided to divert supplies from Jhelum River through Mangla dam to the lower riparian provinces of Sindh and Balochistan as a stopgap arrangement.

Consequently, around 10,000 cusecs of water is being released from Punjnad barrage upstream Guddu barrage on daily basis from April 14 onwards.

Guddu is the first barrage located in the northern most tip of Sindh, bordering Punjab, while Punjnad barrage is located on Sutlej River on southern edge of the province.

Punjnad, which means five streams, is formed by a sequential confluence of the five rivers of the pre-partition Punjab, including Jhelum, Chenab, Ravi, Beas and Sutlej. Water released from Punjnad ultimately empties into mighty Indus River near Mithankot in Punjab.

Official said barrages of Sindh are facing severe shortage of water this year compared with the last year. For example, inflow at Guddu Barrage last year on April 14 was 80,600 cusecs against this year's flow of just 36,100 cusecs. The average inflow of last 10-year, registered at Guddu barrage, has been 50,900 cusecs.

"This massive water shortfall is badly hampering newly sown cotton crop and other kharif crops, including mango orchards," he observed.

On Saturday, combined quantum of outflow from Taunsa barrage on Indus River and Punjnad barrage on Sutlej River was recorded at 49,700 cusecs (38,900 and 10,800 cusecs, respectively).

It is expected that with such outflows, water volume reaching Guddu barrage in Sindh would greatly improve from the present level of 38,000 cusecs.

"We hope that water supplies would continue to remain steady in the near future despite downward trend, being seen upstream once again, in flows of Indus and Kabul rivers at Tarbela and Nowsherha, respectively after taking into account the conveyance losses," said the official.

THE NEWS
Sunday, 16th April, 2017

Large scale manufacturing expands 8.04pc in Feb

KARACHI: Large scale manufacturing (LSM) sector posted a staggering 8.04 percent year-on-year growth for February, official data showed on Saturday, as the key industries, including automobiles, cement and steel, are showing recovery on soft interest rate, improved energy supplies and trade incentives.

The Pakistan Bureau of Statistics (PBS) said automobile sector recorded the highest 34.1 percent growth in February over the same month a year ago, followed by engineering products (23.81pc), food, beverages and tobacco (15.5pc), pharmaceutical (12.23pc), iron and steel products (8.88pc), coke and petroleum products (4.56pc), non-metallic mineral products (2.05pc) and textile sector (1.91pc).

In February, production of jeeps and cars rose almost 44 percent year-on-year, according to the ministry of industries, which recorded output of 36 items.

Compared to January, the LSM growth was 1.01 percent in February.

LSM accounts for 10.9 percent of GDP and 80 percent of all the manufacturing activities.

The sector's output surged 4.12 percent for the first eight months of the current fiscal year of 2016/17. The number is near to the government full-year target of 5.9 percent. LSM registered 3.21 percent growth in 2015/16.

The highest growth was recorded in iron and steel products (16.15pc), followed by electronics segment (13.39pc), automobiles (10.04pc), pharmaceutical (8.48pc), non-metallic mineral products (7.07pc), food, beverages and tobacco (6.90pc), paper and board (5.71pc) and engineering products (2.76pc).

Ministry of industries registered 4.56 percent rise in July-February 2016/17 over the same period a year ago.

Robust construction activities led to an increase in demand of cement and steel products, while automobile sector elicited a boost from increased sales of tractors. Around 31,000 tractors were produced during the period under review.

However, textile industry, which earns the country more than half of exports revenue, remained subdued.

The State Bank of Pakistan (SBP) said export decline and structural bottlenecks constrained the performance of the sector.

“Efforts are needed to address the issues, like low investment on research and development, product development, innovation, branding and tapping of new markets; lack of skill upgradation and resulting low labour productivity; use of obsolete technology; and high export concentration in low-value added products,” the SBP said in a recent report on the state of Pakistan's economy.

The Bank said the government's recently announced export incentives package of Rs180 billion would take some time to make an impact on the sector's performance.

PBS data further showed that provincial bureau of statistics, which track performance of 65 products from across the country, recorded 3.79 percent upward revision in the output in July-February.

Production of deep freezers and refrigerators grew 53.87 percent and 24.2 percent, respectively during the period under review.

The SBP said electronics sector witnessed a sharp turnaround during the first half of 2016/17, recording a growth of 14.5 percent, against a contraction of 8.2 percent during the same period last year.

It said consumer durables like refrigerators (up 25.0 percent) and deep-freezers (up 54.4 percent) mainly contributed to this improved performance.

“Further rise in energy supply in the coming months, increase in consumer financing in a low interest rate environment, better market access for the rural population, expansionary plans of leading players, and foreign investment, all indicate a sustainable trajectory for the industry's growth going forward,” it added.

PBS said the Oil Companies Advisory Council, which measures output of 11 petroleum products, recorded 0.78 percent growth in July-February. Production of jute batching oil, motor spirits and liquefied petroleum gas soared 10.4, 9.92 and 9.89 percent, respectively.

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Cotton unchanged

Karachi

No domestic transaction was recorded at the Karachi Cotton Exchange on Saturday, while spot rates remained unchanged.

The spot rates remained unchanged at Rs6,750/maund (37.324kg) and Rs7,234/40kg. Ex-Karachi rates also stood firm at Rs6,885/maund and Rs7,379/40kg after an addition of Rs135 and Rs145 as upcountry expenses, respectively.

Karachi Cotton Brokers Association chairman Naseem Usman said that the cotton outlook was unclear, as the sector is facing shortage and around 70 percent spinning mills were closed.

"Despite such situation, buyers remained on the sidelines and opted not to purchase the lint," he said. "However, this resulted in firm lint prices in the local market."

Besides spinning mills, all ginning factories have gone on annual closing because of shortage of crop, which also resulted in a short season.

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LSM sector witnesses slow growth

Imran Ali Kundi

ISLAMABAD - Pakistan's Large Scale Manufacturing (LSM) has recorded slower-than expected growth of 4.12 percent during eight months (July-February) of the current fiscal year, weighing on growth prospects.

For the ongoing financial year 2016-17, the government had targeted LSM growth at 5.9 percent. However, the LSM sector is recording much lesser growth as against the government's projection. The International Monetary Fund (IMF) in its report had noted that slower-than expected growth of LSM and stagnant exports are weighing on growth prospects. The IMF estimated that Pakistan's GDP would remain at around 5 percent as against the target of 5.7 percent due to the slower growth in industrial sector.

According to the Pakistan Bureau of Statistics (PBS), the LSM grew by only 8.4 percent during February 2017 as against same month of the last year. The PBS computes the quantum index numbers of the LSM on the basis of latest production data of 112 items received from various sources, including the OCAC, Ministry of Industries and Production and provincial Bureau of Statistics.

The LSM data, provided by the Ministry of Industries and Production for 36 items, showed growth of 3.08 percent during July-February period of the year 2016-17 over a year ago. Similarly, the data provided by the Provincial Bureaus of Statistics for 65 items showed growth of 0.99 percent over the same period. The output of 11 items whose data is provided by the Oil Companies Advisory Committee had increased by 0.05 percent during the period under review. The main drivers of the LSM sector's growth during the period under review were; paper and board that recorded growth of 5.71 percent iron and steel with growth rate of 16.15 percent, non-metallic mineral products with growth of 7.07 percent, pharmaceutical 8.48 percent, electronics 13.39 percent, automobiles 10.04 percent and fertilisers recorded growth of 0.21 percent.

The sectors, whose output declined, included wood production that plunged by 95.26 percent, leather products by 1.54 percent and chemicals 2.23 percent. The automobile sector witnessed growth due to 43.18 percent increase in truck production, 78.9 percent increase in tractors production, 20.93 percent increase in the production of buses and 21.63 percent increase in the production of motorcycles.

However, the production of light commercial vehicles (LCVs) dipped by 39.45 percent and jeeps and cars production enhanced by 2.59 percent. In the case of electrical appliances, production of refrigerators jumped by 24.2 percent, deep freezers' production upped by 53.87 percent, that of electric-bulbs by 13.53 percent, production of storage batteries went up by 10.28 percent and electric meters production enhanced by 31.43 percent.

However, the production of air-conditioners declined by 22.29 percent, switchgears by 7.48 percent and production of electric transformers went down by 9.28 percent during the period under review. Meanwhile, manufacturing of cigarettes went down by 39.77 percent, that of jute goods by 18.76 percent, hessian 33 percent and phosphorus fertilisers 1.98 percent.

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Dar reviews budget preparations ahead of IMF, WB meetings

Our Staff Reporter

ISLAMABAD - Federal Minister for Finance Ishaq Dar chaired a meeting on Saturday to review budget preparations, ahead of his forthcoming visit to Washington for participation in Spring Meetings of the IMF and the World Bank.

The meeting was attended by the finance secretary, secretary of Economic Affairs Division and senior officials of the Ministry of Finance and Ministry of Petroleum and Natural Resources.

The finance secretary briefed the finance minister about preparations for the budget for FY 2017-18. He said that interaction with all stakeholders was being actively undertaken for preparations and prescribed timelines were being followed strictly. The finance secretary also briefed the minister about progress on various ongoing economic reforms being undertaken by the government, including those in the energy sector.

The finance minister said that extensive interaction with all stakeholders had been a hallmark of the budget exercises of the ruling PML-N. He said the government would do comprehensive consultations with all stakeholders and experts during budget preparations every year, and the same was being ensured this year. The finance minister said, as always, well-being of the general public would be the utmost priority of the government in the forthcoming budget.

Referring to recent Article IV consultations with the IMF, the finance minister said that implementation of necessary economic reforms in the country must continue with the same vigour and determination as had been done over the past four years. He said that successful implementation of economic reforms would play a vital role in achieving higher, sustainable and inclusive economic growth.

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Chinese experts praise growing trend of Pakistan's economy

INP

ISLAMABAD - Chinese experts have highly appreciated upward trend of Pakistan economy, attributing the same to the multi-billion dollar China-Pakistan Economic Corridor (CPEC), a flagship project of the Belt and Road initiative.

According to a Chinese media, the CPEC is a best example for all the countries along the Silk Road, meeting their socio-economic targets through regional collaborative partnership. One Road (B&R) initiative has begun to bring tangible benefits to Pakistan's economy, which is likely to have a positive demonstration effect for persuading other countries in the region, India included, to consider adopting a more open attitude about the B&R initiative.

Chinese State-run newspaper Global Times, quoting an IMF, stated that economic growth in Pakistan is expected to reach 5 percent in the fiscal year 2016-17, partly helped by rising investment related to the CPEC. Pakistan's economy still lags behind India's, but some economic indicators show signs of a narrowing in the development gap between the two South Asian countries.

For example, CMPak, a China Mobile subsidiary in Pakistan, has established 6,951 3G base stations and 5,223 4G base stations in the country as of the end of 2016, according to science news site stdaily.com. China-Pakistan cooperation is creating a boom in the telecom industry as the two countries work together to push forward the CPEC.

Pakistan is currently seeing growth in various sectors like cement, steel, pharmaceutical, automobile and electronics. The steady development of the CPEC has been a helping hand for the country to stabilise its domestic political situation and improve the lives of ordinary people, making the nation more attractive to foreign investment.

The UK and other countries have expressed an interest in increasing investment and being a partner of the CPEC. With efforts in stepping up industrialisation along the CPEC, Pakistan is doing what India and other emerging economies frequently talk about, integrating itself into the global industrial chain.

The Pakistani economy is projected to be on a steady uphill path due to projects like the CPEC, which is an example of the benefits that the B&R initiative can bring to countries along the routes. However, Pakistan's rapidly growing economy is also likely to produce new challenges to the CPEC and other investments.

For instance, it will be a tough test for China and Pakistan to think about how to reach an equitable distribution of the economic pie to various regions and tribes around Pakistan. The South Asia country may need to propel economic reforms to ensure more local people benefit from the project.

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Rs7.5b approved for 8 new grid stations

APP

SIALKOT:- The federal government has approved Rs7.5 billion Gepco grant for establishing eight new grid stations in the region, Gepco Chief Executive Chaudhry Muhammad Akram disclosed it to the media here on Saturday. He said that under the mega project, Gepco would set up new grid stations during the next five years. Also 179 km long new electricity lines would be laid and 190 km long other lines would be replaced. He said that 32 grid stations would also be upgraded in the region.–APP