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IMF sees favourable outlook for economy

ISLAMABAD: The Executive Board of the International Monetary Fund (IMF) concluded the Article IV consultation with Pakistan.

Pakistan's outlook for economic growth is favorable, with real GDP estimated at 5.3 percent in FY 2016/17 and strengthening to 6 percent over the medium term on the back of stepped-up China Pakistan Economic Corridor (CPEC) investments, improved availability of energy, and growth-supporting structural reforms. Inflation has been gradually increasing but remains contained, and the financial sector has remained sound.

However, macroeconomic stability gains made under the 2013-16 EFF-supported program have begun to erode and could pose risks to the economic outlook. Fiscal consolidation has slowed, with the 2016/17 budget deficit target of 4.2percent of GDP (authorities' latest projection) likely to be exceeded. The current account deficit has widened and is expected at 3 percent of GDP in 2016/17, driven by quickly rising imports of capital goods and energy. Foreign exchange reserves have declined in the context of a stable rupee/dollar exchange rate. On the structural front, while the successful implementation of business climate and financial inclusion reforms has continued, some renewed accumulation of arrears in the power sector has been observed, and financial losses of ailing public sector enterprises continue to weigh on scarce fiscal resources. Key external risks include lower trading partner growth, tighter international financial conditions, a faster rise in international oil prices, and over the medium term, failure to generate sufficient exports to meet rising external obligations from large-scale foreign-financed investments.

Executive Board Assessment

Directors commended the Pakistani authorities for strengthening macroeconomic resilience during their 2013–16 Fundsupported program. Directors agreed that the growth outlook remains favorable, but noted that policy implementation weakened recently and macroeconomic vulnerabilities are reemerging. Against this backdrop, Directors called on the authorities to safeguard the macroeconomic gains of recent years through continued implementation of sound policies, and to continue with structural reforms to achieve higher and more inclusive growth.

Directors encouraged the authorities to strengthen fiscal consolidation. They noted that the FY 2017/18 budget aims at further gradual consolidation, albeit at a slower pace than targeted under the Fiscal Responsibility and Debt Limitation (FRDL) Act, and will likely require additional revenue measures in light of recent revenue underperformance.
Directors emphasized that sustained fiscal consolidation over the medium term, in line with the FRDL Act, is critical to strengthen economic resilience, safeguard fiscal sustainability, and limit pressures on the current account and international reserves. To this end, Directors recommended mobilizing additional tax revenues by broadening the tax base and strengthening tax administration; and enhancing the composition of public spending by containing the wage bill's growth, further reducing electricity subsidies, and increasing priority social spending. They also recommended strengthening the national fiscal federalism framework and public debt management.

Directors stressed the importance of maintaining a prudent monetary policy stance to preserve low inflation. They noted that monetary policy has been appropriately accommodative, and urged the State Bank of Pakistan (SBP) to remain vigilant and be ready to tighten it in case inflationary pressures emerge or foreign exchange market pressures intensify. Directors called on the authorities to allow for greater exchange rate flexibility—rather than relying on administrative measures—to help reduce external imbalances and bolster external buffers. In this regard, they welcomed the authorities' commitment to remove, within one year, the cash margin requirement for imports of consumer goods, which constitutes an exchange restriction and multiple currency practice. Directors welcomed the ongoing progress in strengthening central bank autonomy, and called for implementing the remaining recommendations from the 2013 Safeguards Assessment and to phase out government borrowing from SBP. Directors saw many of the abovementioned measures as preconditions for moving to an inflation targeting regime in the medium term.

Directors underscored the importance of further advancing financial sector reforms to continue strengthening resilience and support financial deepening. They welcomed efforts to bring undercapitalized banks into regulatory compliance, further strengthen the regulatory and supervisory frameworks, address nonperforming loans, and enhance the AML/CFT framework. Directors looked forward to the operationalization of the new deposit insurance.

Directors stressed that further progress in the structural reform agenda is needed to make growth more inclusive and reduce poverty. They welcomed the progress in fostering financial inclusion and implementing the business climate reform strategy, and encouraged the authorities to press ahead with these efforts. Directors also recommended further strengthening of social safety nets. They called for maintaining a strong regulatory framework in the energy sector, swiftly addressing the renewed buildup of arrears in the sector, and ensuring its financial soundness. Directors noted that restructuring and attracting private sector participation in public enterprises as well as improving their governance will ensure their financial viability and economic efficiency while reducing fiscal risks.

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Sustainable Energy Sector Reform Programme: Govt, ADB sign $400m loan accord

ZAHEER ABBASI

ISLAMABAD: Pakistan and Asian Development Bank (ADB) on Friday signed $400 million loan agreement for financing of Sustainable Energy Sector Reform Program.

Talking to Business Recorder, Secretary Finance Tariq Bajwa said that $300 million would be provided by ADB and €100 million in co-financing by the Agence Francaise de Development (AFD). He further stated that the amount would be disbursed to Pakistan in one go before Eidu-ul-Fitr.

Finance Minister Ishaq Dar witnessed the signing ceremony of the agreement for the loan between government of Pakistan and ADB, which was signed by Tariq Pasha, Secretary Economic Affairs Division (EAD) with Ms Xiaohong Yang, Country Director ADB.

According to Finance Division, the objective of the program is to improve government's energy sector in order to support economic growth. The reform program will help in improving the financial viability of the power sector by better managing tariff and subsidies, improving sector performance and opening the market to private participation. This will result in better transparency and accountability of institutions in the power sector.

Speaking on the occasion, the Finance Minister acknowledged ADB's support and partnership with Pakistan in the energy sector and emphasized on government's determination to resolve the issue of energy in Pakistan. He said that additional electricity will be added to the national grid by early 2018 through completion of ongoing projects, which will significantly reduce load-shedding.

A statement issued by EAD after the loan signing ceremony stated that ADB and AFD have approved over $400 million in loans to support Pakistan's efforts to provide a more reliable and secure energy sector. The $300 million ADB assistance, the third such loan under the Sustainable Energy Sector Reform program, brings the bank's total financing to $1billion since 2014. AFD will add €100 million in co-financing.

Under the program, Pakistan is undertaking reform initiative that will reduce energy subsidies and adjust tariff policy, besides improving sector performance and open the market to private participation, and increase accountability and transparency. The reform measures aim to address financial viability and reduce costs to taxpayers. Specific measures include recently agreed legislation that will improve governance through more clearly defined roles for both the government and the energy sector regulator, and reduce debt levels in the energy sector.

"As co-financing partner in the reforms project, AFD is committed to promoting green energies in Pakistan through investments in low-carbon-emission energy generation in line with COP21 Paris agreement approved by the Parliament of Pakistan" said Jacky Amprou, AFD Country Director for Pakistan.

The statement added that ADB and AFD are committed to support the Government of Pakistan's strategy to solve the energy crisis and to fight climate change, including through Vision 2025, Pakistan's comprehensive plan for economic growth. The plan aims to increase power generation, provide uninterrupted electricity to all, and improve demand management.

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THE RUPEE
Little changes

RECORDER REPORT

KARACHI: The rupee depicted minor changes against the dollar on the money market on Friday in the process of trading, dealers said.

INTER-BANK MARKET RATES: The rupee shed one paisa versus the dollar for buying and selling at Rs 104.88 and Rs 104.89 respectively, dealers said.

In the fourth Asian trade, the dollar stood tall, on track for weekly gains against a currency basket, after upbeat US economic data gave investors reason to hope the US central bank will stick with its plan to hike rates.

The dollar index, which tracks the greenback against six major peers, added 0.1 percent to 97.491, and was up 0.6 percent for the week. The dollar rose 0.2 percent to 111.18 yen, on track to gain 1.1 percent for the week.

It ticked up to a session high of 111.27 yen, its highest since June 2, after the Bank of Japan kept monetary policy steady as expected, before quickly paring its gain.

The BOJ also upgraded its assessment of private consumption and overseas growth, signalling its confidence that an export-driven economic recovery was broadening and gaining momentum.

The dollar was trading against the Indian rupee at Rs 64.720, the greenback was at 4.277 in terms of the Malaysian ringgit and the US currency was at 6.815 versus the Chinese yuan.

OPEN MARKET RATES: The rupee managed to hold present levels in relation to the dollar for buying and selling at Rs 105.90 and Rs 106.10 respectively, they said.

The rupee picked up 20 paisas in terms of the euro for buying at Rs 117.80 and it did not show any change for selling at Rs 119.00 respectively, and they said.

Open Bid	Rs. 105.90
Open Offer	Rs. 106.10

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

Bid Rate	Rs. 104.88
Offer Rate	Rs. 104.89

RUPEE IN LAHORE: The Pak rupee moved both ways versus the greenback in the local currency market on Friday.

The greenback commenced trading on a mixed pattern amidst divergent trend in the market throughout the trading session. At the close, it ended at Rs 105.90 and Rs 106.25 on buying and selling side as compared to the overnight closing trend of Rs 105.95 and Rs 106.15 respectively, said the local currency dealers.

Furthermore, the rupee failed to sustain as it depreciated against the pound sterling. The pound's buying and selling rates went up from Thursday's closing rates of Rs 134.30 and Rs 135.50 to Rs 134.70 and Rs 135.80 respectively, they added.

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

The dollar opened at Rs 105.95 (buying) and Rs 106.10 (selling) against last rate of Rs 105.90 (buying) and Rs 106 (selling). It closed at Rs 105.95 (buying) and Rs 106.10 (selling). Buying and selling rates of British Pound is Rs 136.50 (buying) and Rs 138.50 (selling).

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Multilateral pact to be inked

Financial, tax info to be shared with OECD states

MUSHTAQ GHUMMAN

ISLAMABAD: Pakistan is to sign Multilateral Competent Authorities Agreement relating to exchange of Country-by-Country reports (CbC MCAA) aimed at sharing detailed financial and tax information of companies with OECD member countries.

Sources in Finance Ministry told Business Recorder that Pakistan signed Multilateral Convention on Mutual Administrative Assistance in Tax Matters (MC) under the aegis of OECD (Organization of Economic Cooperation and Development), on September 12, 2016. Pursuant to Article 6 of the Convention two Multilateral Competent Authority Agreements were to be signed. One relates to automatic exchange of tax related information, which was signed on June 7, 2017, whereas the other, the Multilateral Competent Authorities Agreement relating to exchange of Country-by-Country reports ("CbC MCAA"), is expected to be signed on the margins of upcoming meeting of BEPS Inclusive Framework in Netherlands on 21-22 June, 2017.

As the cornerstone of the OECD's Base Erosion and Profit Shifting (BEPS) project, country-by-country reporting (CbCR) requires multinational enterprises to report detailed financial and tax information relating to the global allocation of their income and taxes, among other indicators of economic activity. The purpose of the CbC MCAA is to set forth rules and procedures necessary for the Competent Authorities of jurisdictions opting to automatically exchange CbC Reports filed by the MNE (Multinational Enterprises) Group in the jurisdiction of its tax residence, with the tax authorities of all jurisdictions in which the MNE Group operates.

Once Pakistan becomes signatory to the multilateral competent authorities agreement on CbCR, the information would be submitted to Pakistan in respect of all the subsidiaries and parent company, wherever located, of every multinational operating in Pakistan, indicating in which jurisdiction the profits have been shifted/parked.

In practical terms, CbCR, aims at laying the foundation of a modern international tax framework under which adequate taxes are paid in the jurisdiction where profits are generated and economic activities take place and where value is added/created.

Simultaneously, the businesses, particularly multinationals, are encouraged with greater certainty through standardizing the compliance requirements and are discouraged to shift or park income in no or low tax jurisdictions. The ultimate goal, of course, is to promote transparency, accuracy in reporting and due taxes to be paid in each jurisdiction.

The CbC reports would be used for assessing high-level transfer pricing and base erosion and profit shifting related risks. It will help relocate profit to the jurisdiction of material economic activity.

According to Revenue Division, it is of major significance for developing countries like Pakistan, due to their heavy reliance on corporate income tax, particularly from multinational enterprises. Therefore, countries like Pakistan have more to gain from exchange of CbC reports as quite a number of multinationals are assessed here. All the pre-requisites for signing the agreement have been fulfilled/completed.

Pakistan has put in place the required legal framework by making amendments in primary legislation through Finance Act 2016 and Finance Bill, 2017, by amending section 107, 108 and 182. Secondary legislation on

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Country-by-Country (CbC) reporting has also been drafted and is being included as Chapter VIA of Income Tax Rules, 2002.

The OECD has invited Pakistan to join and sign the Multilateral Competent Authority Agreement on Exchange of Country-by-Country Reports on the margins of upcoming meeting of Inclusive Framework in Netherlands on 21-22 June. Pakistan also joined the new Inclusive Framework on BEPS Action reports on June 13, 2016, when the invitation in this regard was accepted by Minister for Finance. The Agreement has also been vetted by the Law Division. No negotiations are required for Multilateral Competent Authorities Agreement.

Finance Ministry has sought approval of the summary from Cabinet members through circulation.

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Award of contract: Govt accused of violating rules

NAVEED BUTT

ISLAMABAD: Senator Saleem Mandviwalla of Pakistan People's Party (PPP) on Friday claimed that the government is violating rules by awarding the contract of a project worth Rs61 billion to a Chinese company for extension of Allama Iqbal International Airport Lahore.

Talking to Business Recorder here, he said that the board of Civil Aviation Authority (CAA) has refused to approve the contract and urged the government to follow the proper procedure and rules and bidding process for the award of contract, adding that a tender should be floated for international bidding.

He said the government is committing corruption in mega projects. "Now Civil Aviation Authority is being pressured to approve a tender for his favorites by violating all rules and regulations," he pointed out.

He said the meeting of the Civil Aviation Board was called to accord approval to a tender even before the opening date of tender and it is against transparency.

The senator said that Secretary Aviation Muhammad Irfan Elahi also opposed the contract while terming it a violation of Public Procurement Regulatory Authority (PPRA) rules.

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Unclaimed shares, Modaraba certificates

Filing of annual returns to be made mandatory

SOHAIL SARFRAZ

ISLAMABAD:
The Securities and Exchange Commission of Pakistan (SECP) will make it mandatory for companies to file annual returns of all unclaimed shares, Modaraba certificates, instruments or dividends to the commission.

The SECP has issued draft unclaimed shares, Modaraba certificate s, dividend and other instruments Regulation 2017 through SRO 473(1)/2017 issued here on Friday.

These regulations may be called the unclaimed shares, Modaraba certificates, dividend and other instruments Regulation, 2017.

Instruments or amounts.- (1) The instruments including Term Finance Certificate (TFC) and Sukuks or amounts, which remain unclaimed or unpaid for a period of three years from the date it is due and payable shall be considered as unclaimed instruments under clause (iii) of sub-section (1) of section 244 of the Act.

The SECP said that the profit or any amount due on the abovementioned instruments, if remained unclaimed or unpaid for the period of three years from the date of maturity of such Instrument shall also be included.

After the expiry of notice period, the company shall publish final notice to the shareholders or certificate holders or the owners, as the case may be, to file claim, in two daily newspapers of which one will be in Urdu and one in English have wide circulation, on the Form A.

The SECP said that where no claim is made before the company by the shareholder, certificate holder or the owner, as the case may be, the company after ninety days from the date of publication of notice under regulation 4 shall deposit any unclaimed or unpaid amount to the credit of the Federal Government in the Account and within seven days of such deposit, provide to the Commission, copies of the relevant records along with the report on form B in respect of amount of unclaimed dividend credited to account.

The amount shall be tendered in any branch of the Bank along with Challan (four copies). The Bank will return two copies duly stamped to the depositor as token of having received the amount and forward the third copy of the challan to the Commission.

Delivery of unclaimed shares or Modaraba certificates or other instruments: The company within seven days of completion of notice period, shall deliver unclaimed shares or Modaraba certificates or other instruments, to the Commission, along with the report on Form C providing all the relevant details of such shareholders, certificate holders and other instruments as required under clause (b) of sub-section (2) of section 244 of the Act.

The company shall also inform the Central depository Company (CDC) about the shares to transfer the shares in favor of the Commission and for physical shares to convert the share certificates into form and transfer in favor of the Commission.

Any unclaimed share, Modaraba certificates, dividend and other instrument, delivered to the Commission shall be sold by the commission. In case the unclaimed shares, Modaraba certificates and other instruments delivered to the Commission are listed they shall be transferred in the Central Depository Company (CDC) account opened in the name of the Commission in demat form and the Commission shall sell those unclaimed shares, Modaraba certificates, dividend and other instruments within 3 days after transfer in CDC account.

In case of unlisted shares and other instruments, the Commission shall dispose

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of unclaimed shares and other instruments through a tender process and the Commission may use breakup value of the share for reference while accepting or rejecting the highest bid received in the tender process.

The Commission shall deposit the proceeds of the sale to the Account after deducting expense incurred on the sale of that particular unclaimed share or Modaraba certificates and other instrument.

Any person claiming to be entitled to any money credited to the account, may apply to the Commission on a form D along with such documents as provided in the said Form.

The Commission after verification of claim from the company concerned forward to the Bank, to make the payment to entitled person of the sum equivalent to his unclaimed or unpaid dividend or amount of proceeds.

Filling of annual return of all unclaimed shares, Modaraba certificates, the instruments or dividend:.- Every company shall within a period of thirty days of the close of each financial year, submit to the Commission the year-wise return of unclaimed shares, Modaraba certificates, dividend and other instruments in its books of accounts on Form E along with the auditor certificate authenticating the year-wise amount of shares, Modaraba certificates, the instruments or dividend. The company shall also upload it on its own website, a searchable claimant wise statement having year-wise breakup of unclaimed shares, Modaraba certificates, dividends and other instruments containing following information, namely:- The names and last known address of the persons entitled to receive the sum; nature of amount; amount to which each person is entitled; due date for transfer into the investor education and protection fund and such other information as may be considered relevant by the commission for this purposes, the SECP added.

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Discos' consumers

CPPA proposes Rs1.90/unit refund for May

ISLAMABAD: The Central Power Purchasing Agency-Guaranteed (CCPA-G) has proposed a refund of Rs 1.90 per unit to the consumers of Distribution Companies (Discos) for May 2017 under monthly fuel adjustment mechanism.

National Electric Power Regulatory Authority (Nepra) will hold a public hearing on June 20, 2017 to be attended by the officials of CPPA-G and National Power Control Centre.

However, the proposed refund will not be applicable to K-Electric and agricultural consumers and those domestic users who consume up to 300 units per month.

According to the data submitted to the regulator, the actual fuel charges for May 2017 have been calculated at Rs 4.8807 per unit against reference fuel charges of Rs 6.7764 per unit, showing a difference of Rs 1.8957 per unit.

In May 2017, total generation has been calculated at 11,024 GWh but CPPA-G delivered 10,888 GWh, which was 98.70 per cent of total generation. The total cost of net delivered electricity to Discos was Rs 53.105 billion. The total impact of refund is expected to be Rs 20 billion.

Of the total generation of 11,024 GWh, 2016 GWh was sold to Independent Power producers (IPPs) at a cost of Rs 325.8 million. Transmission losses has been calculated at 122.8 GWh which is 1.11 per cent of total generation, and substantially less than the maximum allowed losses of 3 per cent by the regulator. The CPPA said the actual generation cost was lower and hence extra money collected from consumers needs to be refunded through adjustment in the next billing month under automatic fuel pass through mechanism.

In May, Central Power Purchasing Agency (CPPA) reported that hydel generation was 3,326 GWh was 30.17 per cent of total generation, followed by 30 per cent through Residual Fuel Oil (RFO) at a rate of Rs 9.4 per unit. Total cost of electricity generated from RFO was Rs 31 billion.

Coal fired generation was 237 GWh which is 2.15 per cent of total generation cost of which has been calculated at Rs Rs 26.13 million or Rs 0.1102 per unit. High Speed Diesel (HSD)-consumed generation was estimated at 406.5 GWh, which was 3.69 per cent of total generation at a total cost of Rs 5.981 billion or Rs 14.7 per unit.

The natural gas-fired generation was 1,944 GWh which was 17.64 of total generation at a cost of Rs 8.630 billion or Rs 4.4378 per unit. Generation from RLNG was 857.3 GWh at a cost of Rs 7.11 per unit. Total cost of RLNG-fired generation was Rs 6 billion.

The cost of nuclear electricity was Rs 1.04 per unit, electricity imported from Iran at Rs 10.6 per unit, mixed Rs 6.88 per unit, baggasse Rs 5.98 per unit.—MUSHTAQ GHUMMAN

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MCC (Appraisement) collects Rs1.004trn in 2nd week of June

RECORDER REPORT

KARACHI: Model Customs Collectorate (MCC), Appraisement South has collected Rs 1.004 trillion in the second week of June with fifteen more days still to go until the end of the financial year.

According to official details, the Appraisement South under the supervision of Member Customs Muhammad Zahid has shown extraordinary growth in revenue collection on imported goods.

The collectorate has surpassed the figure of Rs 1 trillion by collecting Rs l004 billions, which constitutes about a third of the revenue target of FBR which is set at Rs 3.621 trillion for the current year.

This was achieved by improving the quality of assessments, controlling mis-use of exemptions, maintaining transparency and facilitation of the genuine trade and taxpayers.

The efforts are made by special measures undertaken to bring significant improvement in the performance of the collectorate when compared in terms of growth in the volume of import versus the increase in revenue collection.

The Appraisement-South has achieved a highly robust growth of 20 percent over the revenue collection of the financial year 2015-16 with growth in Customs duty of 24%, Sales Tax by l9%, Income Tax by 13% and FED by l7%.

However, the volume of imports measured by the value of imports has registered the growth of l2.5% in the same period. The growth in taxes shows increased efficiency in collection by plugging revenue leakages and taking preventive measures against revenue loss.

Last year, the collectorate had surpassed the target for financial year 20l5-l6, by Rs 85 billion. The total collection was Rs 902 billion last year as against the target of Rs 817 billion registering a staggering growth of 25%. In just two years, the collectorate has taken the revenue collection from 730.6 billion in FY 20l4-l5 to an expected figure of over Rs 1055 billion registering a growth of around 45 percent.

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Cotton market

Mills, spinners take little interest in fresh buying

RECORDER REPORT

KARACHI: Thin business activity was witnessed on the cotton market on Friday as leading mills and spinners adopted wait-and-see mood to observe latest development, dealers said.

The official spot rate was unchanged at Rs 6700, they said. In the ready session, nearly 400 bales of cotton from Rahim Yar Khan changed hands at Rs 6900, they said. In Sindh, seed cotton prices were available at Rs 3300-3350 per 40 kg, they said.

According to the market sources, wait-and-see mood prevailed as arrivals of seed cotton accelerated, resulting nearly four mills become operational in the country. Report showing that about 92 percent of cotton sowing target has been achieved across the country.

So that most of the mills and spinners were expecting that prices may come under pressure in the coming days.

Cotton analyst, Naseem Usman said that timely rains and favourable weather likely to help in achieving the cotton production target for the current season.

Adds Reuters: ICE cotton futures on Thursday fell over two percent to their lowest since December on prospects of robust new crop yields due to favourable weather in the top growing regions of the natural fiber.

The most-active December cotton contract on ICE futures US settled down 1.48 cents, or 2.09 percent, at 69.47 cents per lb, marking the biggest single day percentage loss since September 2016.

Prices earlier touched 69.03 cents per lb, the lowest since the end of December.

The July cotton contract on ICE Futures US also fell over 2 percent to the lowest since end-December.

Total futures market volume rose by 19,331 to 57,473 lots. Data showed total open interest fell 1,367 to 233,176 contracts in the previous session.

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 15.06.2017**	**Difference Ex-Karachi in Rupees**
37.324 Kgs Equivalent	6,700	135	**6,835**	**6,835**	NIL
40 Kgs	7,180	145	**7,35**	**7,325**	NIL

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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	71.88	72.54	70.90	71.60	14:20 June 16	-	-0.31	20925	71.91
Jul'17	70.88	71.46	70.70	70.70	14:20 June 16	-	-0.52	53	71.22
Oct'17	69.44	69.95	68.58	69.10	14:20 June 16	-	-0.37	34633	69.47

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Budget approval sans opposition

The National Assembly passed the Finance Bill 2017 and for the first time in its history, no cut motions were raised due to the absence of opposition parties. This is an extremely disturbing precedence and is yet another example of the Sharif administration's indifference to democratic norms: vibrant parliamentary debate that allows for an exchange of ideas between members adhering to different political and economic ideologies thereby enabling the government of the day to formulate more holistic policies. While it is evident that the opposition parties could not have actually blocked the Bill because its passage requires a simple majority which the government has, yet by allowing debate it would have fuelled the perception that it is willing to heed and respond to the concerns of the opposition as well as taking on board some of their valid suggestions.

The Sharif administration during its third tenure has been reluctant to not only employ available tools to deal with differences of opinion, reflected by the failure to call a meeting of the Council of Common Interests every three months or agree on the 9th National Finance Commission award as required by the constitution; but has resisted attempts by the regulatory bodies to provide checks and balances to some rather outlandish policy proposals by the line ministries by issuing a notification subordinating these regulatory bodies to the ministries which was successfully challenged in court.

The two parliamentary standing committees on finance represented by political parties according to their numbers do formulate a set of recommendations for consideration by the Finance Minister and in this context, Ishaq Dar did state in his closing remarks that around 75 percent of the recommendations would be incorporated. However, the National Assembly committee is headed by PML-N Qaiser Ahmed Sheikh who, as a loyalist, pushed through the bulk of Dar's proposals while few of the recommendations made by the Senate committee headed by PPP's Salim Mandviwalla were entertained. Be that as it may, Dar in his closing remarks identified three major pressure groups whose recommendations he approved – notably, the Federation of Pakistan Chambers of Commerce and Industry, All Pakistan Textile Mills Association, and appeased the stock market players by making the new capital gains tax rates applicable on shares that will be bought two weeks hence on or after 1st July 2017.

However, these recommendations focused on adjustments to the taxes imposed in the budget for 2017-18 and therefore did not challenge the government's expenditure priorities in the budget. Had the opposition been present there is no doubt that serious economic issues that plague the economy today would have been aired – issues that are being swept under the carpet by the Dar-led Finance Ministry through blatant manipulation of data.

Heavy reliance on borrowing both from domestic and external sources has been a source of serious worry for Business Recorder as well as independent economists for two reasons. Since Dar took over the portfolio he has increased reliance on borrowing from the commercial banking sector abroad, at high rates of return and very short amortization period, which stands at 2 billion dollars today leading to outflows in December 2016; and a massive rise in debt equity through issuance of Eurobonds and sukuk at rates well above the low international interest rates prevalent in the West. Additionally, Dar is understating external debt servicing plus payment of principal when due in the budget by supporting an overvalued rupee (with a massive negative impact on exports) and domestic borrowing by reducing the interest rate on national savings schemes (negatively impacting on the income of the vulnerable) which accounts for a decline

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in savings requiring ambitious investment targets to be funded by borrowing from abroad.

However, there is a consensus that budget documents are no more than wish lists with respect to development expenditure and revenue generation and their applicability is not even effective on the first day of the new fiscal year, i.e., July 1. This is more relevant this year as Dar presented the budget nearly six weeks before the end of the fiscal year which implies his expenditure and revenue projections for the outgoing year are even less likely to meet the claims in the budget documents which, when coupled with the fact that it is going to be an election year, implies that 2017-18 budget documents would have very limited, if any, relevance to ground realities.

DAWN
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Large-scale manufacturing jumped 10pc in April

Mubarak Zeb Khan

ISLAMABAD: Large-scale manufacturing (LSM) grew 9.7 per cent year-on-year in April, the second-highest monthly growth recorded in the past few years.

However, annual growth during the July-April period stood at 5.6pc, according to data released by the Pakistan Bureau of Statistics on Friday.

Manufacturing is the backbone of Pakistan's economy and is the second-largest sector. It consists mainly of large-scale manufacturing that has a share of 80pc within manufacturing and 10.7pc in overall GDP. Small-scale manufacturing accounts for 1.8pc in GDP and 13.7pc within manufacturing.

The production data of 36 items received from the Ministry of Industries and Production and that of 65 items received from the provincial bureaus of statistics contributed to LSM growth by 4.4pc and 1.08pc, respectively.

However, the production data of 11 items received from the Oil Companies Advisory Committee contributed slightly to LSM growth by 0.10pc in April.

The official industry-specific data shows that in April iron and steel products recorded the highest growth of 53.3pc, followed by food and beverages 33.6pc, engineering goods 30.6pc, coke and petroleum products 13.5pc, automobiles 11.5pc, pharmaceuticals 8.9pc, paper and board 4.2pc, rubber products 2pc, non-metallic mineral products 1.9pc, wood products 1pc and textile 0.7pc.

Other sectors that showed a decline included fertilisers 9.6pc, leather products 8.7pc, electronics 3.5pc and chemicals 0.3pc.

The LSM sector also benefitted from the continued improvement in the supply of electricity and gas coupled with the expansion in credit to the private sector.

The expansion in credit to the private sector remained high due to lower cost of credit and better market conditions. A welcome development was the rise in net credit disbursement for fixed investment.

Sectors-specific data shows that growth in the iron and steel sector mainly came from rising production of billets/ingots (up 88pc) and hot and cold rolled sheets, strips and coil (up 27pc).

Robust construction activities also led to an increase in demand for steel and allied products. The improved energy supply and recovery in global prices provided room to local players to increase their prices which ultimately helped them to boost their capacity utilisation.

The cement sector recorded a growth of 2.1pc.

Production of food, beverages and tobacco recorded the second-highest growth in April over the last year on account of a rise in sugarcane crop over last year by 329pc, rising domestic prices and wide usage of ethanol in power generation by manufacturers.

The other items which recorded positive growth are juices, syrups and squashes whose production rose by 10.2pc, blended tea 7pc and cooking oil 7.3pc.

In the engineering sector, the production of diesel engines increased by 167pc and safety razor blades by 0.16pc.

In the automobile sector, tractors' output grew 36.2pc, trucks 38.7pc, jeeps and cars 7.8pc and motorcycles 17.2pc in April. However, the production of light commercial vehicles fell by 3.4pc after the end of Punjab government's Apna Rozgar scheme. Bus production dropped 44pc.

In the pharmaceutical group, capsules, injections, liquids/syrups and tablets posted growths of 1.5pc, 20pc, 3pc, and 11.4pc, respectively.

The production of coke and petroleum products went up 13.5pc year-on-year in April, mainly because of increase in the production of motor spirits 27.7pc, high-speed diesel 16.3pc, diesel oil 162pc, furnace oil 22.5pc, lubricating oil 4.3pc, jute batching oil 52pc and liquefied petroleum gas 21pc.

However, the production of jet fuel dropped by 3.6pc, kerosene 6.5pc, and solvent naphtha 20c.

DAWN
Saturday, 17th June, 2017

Balochistan to spend more on development

Saleem Shahid

QUETTA: The provincial government is trying to increase allocation for development despite resource constraints by implementing strict discipline and reforming its current expenditures, Balochistan Finance Minister Sardar Aslam Bizenjo said on Friday.

He was addressing a post-budget press conference along with Secretary Finance Akbar Hussain Durrani.

Mr Bizenjo said the share of Balochistan in the federal divisible pool had significantly increased after agreement on the 7th National Finance Commission Award.

The province requires a lot of more funds to catch up with other provinces, he added.

In the past, Balochistan's resources were used for the development of Karachi, Lahore and Islamabad for a long period of time, he said.

The province is paying Rs15bn annually on account of pension which is a huge burden on its economy

He complained that the Federal Minister for Planning and Development Dr Ahsan Iqbal had ignored the needs of Balochistan while allocating funds under the federal Public Sector Development Programme.

Balochistan requires more funds for development because of its size despite thinly populated areas, he added.

Improving service delivery

The minister said the provincial government is implementing fiscal and governance reforms to improve public service delivery in Balochistan.

The government would take very strict action against teachers and doctors who were regularly drawing salaries but not performing their duties, he said. He went on to add the government had reached an agreement with Nadra to identify ghost provincial employees.

Mr Bizenjo said the provincial government departments have been instructed to scrutinise the credentials of 30,000 employees.

He said the completion of the mega projects under the China Pakistan Economic Corridor (CPEC) was critical for the future prosperity and development of Balochistan.

The government has increased the budget for social sectors including education, health, and potable water as well as security.

Replying to a question, the minister said, "You cannot improve public service delivery without improving security."

He further said that the government had allocated a significant amount of money for developing agriculture in the province.

Pointing out the government subsidy of Rs13 billion on agriculture tube well bills, Mr Bizenjo said the step had helped the province become self-sufficient in wheat production this year.

Replying to a question, Secretary Finance said the revenue collection had improved in the province with the introduction of tax reforms.

Balochistan Revenue Authority collected Rs3bn GST on services, he added.

Mr Durrani said Balochistan is paying Rs 15bn annually on account of pension which is a huge burden on its economy and would further increase in coming years.

In view of this, the provincial government had decided to invest over Rs3bn during the financial year 2017-18 and every year the investment amount would be increased to meet the pension expenditures, he added.

Replying to a question, the secretary finance said that oil and gas companies, which were issued exploration licenses in the province, were reluctant to initiate work citing the reason of unstable law and order scenario in the province. However, he said that after 18th Constitutional Amendment, the Balochistan government had asked the companies to proceed with the exploration work in allocated areas else their licences would be cancelled.

The finance minister said the provincial government had increased the powers of local bodies' institutions and also enhanced their funds. During 2016, Rs 11bn were provided to the local bodies in Balochistan, said Mr Bizenjo.

DAWN
Saturday, 17th June, 2017

Slow trading on cotton market

The Newspaper's Staff Correspondent

MULTAN: Trading was lacklustre on the cotton market on Friday as the arrival of new phutti (cotton seed) could not gain momentum.

The secretary for Punjab's agriculture department has cancelled the Eid holidays of the entire field staff. The decision, according to farmers' representatives, has been taken as the cotton sowing target of the province has not completed yet.

They said farmers were disappointed due to the current agriculture policies, and that the government should impose duty on cotton imports without any delay.

Meanwhile, the staff of pest warning and agriculture extension has been shifted to cotton belt of Punjab from barani areas. The staff will remain in the area till the completion of third picking of the crop. Barani areas are those that primarily lack access to water for crop and livestock production, resulting in lower and uncertain crop yields and livestock productivity.

Cotton brokers said phutti prices could be increased in the coming days if the arrivals did not improve. The Karachi Cotton Association kept its spot rate unchanged. On the ready counter, a deal of 400 bales was reported at Rs6,900 per maund (around 37 kilograms) from Rahim Yar Khan.

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

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MARKETS

FOREX

Exchange Rates for Currency Notes (Rs)

	Interbank market*		Open market**	
	Buying	Selling	Buying	Selling
USA	104.50	104.70	105.90	106.10
UK	133.50	133.75	134.75	136.00
Euro	116.49	116.71	117.80	119.00
S.Arabia	27.87	27.92	28.15	28.35
UAE	28.45	28.51	28.80	29.00
Japan	0.9394	0.9412	0.9438	0.9638

*forex.com.pk **ECAP

KIBOR

Karachi Interbank offered rates

	Bid	Offer
Three months	5.90	6.15
Six months	5.91	6.16
One year	5.97	6.47

LIBOR

Special US dollar bonds for June 15

Three months	1.26744 %
Six months	1.42711 %

THE NEWS
Saturday, 17th June, 2017

LSM registers 5.58pc growth in July-April

KARACHI: Large scale manufacturing (LSM) sector grew 5.58 percent for the first 10 months of the current fiscal year of 2016/17, nearing the annual target set by the government, as appetite for industrial products and consumer items improved during this period, official data showed on Friday.

The government set annual growth target of LSM sector at 5.9 percent for the current fiscal year.

In April, LSM sector with 80 percent share in manufacturing and 10.7 percent in GDP increased staggering 9.72 percent over the same month last year, said the Pakistan Bureau of Statistics (PBS). However, there was 17.88 percent month-on-month drop. Iron and steel production registered the highest 20.26 percent of growth in July-April 2016/17, followed by electronics (15.10pc), food, beverages and tobacco (11.60pc), automobile (11.41pc), pharmaceuticals (9.01pc), non-metallic mineral products (6.54pc), paper and paper board (5.56pc), engineering products (0.06pc), coke and petroleum products (0.97pc), textile (0.73pc) and rubber products (0.36pc).

Production of wood products, leather items and chemicals fell 94.64 percent, 17.76 percent and 2.33 percent, respectively in the period under review. The government forecast LSM growth at 6.3 percent for the next fiscal year of 2017/18.

Finance Minister Ishaq Dar, in his budget speech for 2017/18, said China-Pakistan Economic Corridor (CPEC) projects would enter into their third year of implementation during 2017. The industrial development projects are stimulating demand of steel and iron products, while energy projects, which are the major component of CPEC, would likely to boost industrial production. An estimated 10,000 megawatts of electricity is in the pipeline. Given the country's demand of 22,000MW, the addition will be a messianic solution to reduce recurring power shortfall of 5,000MW.

The government allocated funds to the tune of Rs180 billion for CPEC and its supporting projects during the next financial year, while the export stimulus package of Rs180 billion for five manufacturing sector (textiles, carpets, sports goods, leather, and surgical instruments) is envisaged to enhance production and export earnings.

In April too, the highest growth was recorded in iron and steel products (53.32pc), followed by food, beverages and tobacco sector (33.56pc), engineering products (30.6pc), coke and petroleum products (13.48pc), automobiles (11.49pc), pharmaceuticals (8.90pc), paper and paper board (4.24pc), rubber products (2.18pc), non-metallic and mineral products (1.92pc) and textile (0.73pc).

The bureau logs trend of industrial sector on the basis of statistics from Oil Companies Advisory Committee (OCAC), ministry of industries and provincial bureaus of statistics. Ministry of industries track production trend of 36 products, OCAC monitors 11 oil, lubricant and petroleum products and provincial authorities measure outputs of 65 items nationwide.

Ministry of industries measured 6.45 percent growth in outputs in July-April FY17. Production of billets rose 30.89 percent to 3.499 million tonnes during 10 months. Sugar production increased 37.14 percent to 6.969 million tonnes.

Provincial bureau of statistics recorded 4.18 percent rise in production during the period under review. They recorded 36.84 percent rise in production of deep freezers to 97,990 units in July-April. Outputs of air conditioners, fans, motors and refrigerators also increased during this period. OCAC registered three percent increase in petroleum, oil and lubricant production during the first 10 months of 2016/17. The biggest output surge was in jute batching oil – 37.71 percent to 2.097 million litres, followed by motor spirits (11.61pc to 2.056 billion litres and liquefied petroleum gas (9.59pc to 402 million litres).

THE NEWS
Saturday, 17th June, 2017

ADB, AFD approve over $400 million to accelerate energy reforms in Pakistan

ISLAMABAD: The Asian Development Bank (ADB) and the Agence Francaise de Development (AFD) have approved over $400 million in loans to support Pakistan's efforts to provide a more reliable and secure energy sector, a statement said on Friday.

The ADB assistance of $300 million, the third such loan under the Sustainable Energy Sector Reform programme, brings the bank's total financing to $1 billion since 2014. AFD will add €100 million in the co-financing.

Xiaohong Yang, ADB's country director for Pakistan, and Tariq Mahmood Pasha, secretary economic affairs division, for the government of Pakistan, signed the loan agreement. Finance Minister Ishaq Dar witnessed the signing ceremony.

Yang said, "Pakistan's ambitious energy reform programme demonstrates the government's commitment to improve reliability, sustainability, and affordability of the energy sector." "Maintaining the momentum for reform will help ensure that all Pakistanis have access to electricity, while keeping the economy on an inclusive, sustained growth path," she added.

Under the programme, Pakistan has embarked on a substantial reform initiative that will reduce energy subsidies and adjust tariff policy, improve sector performance and open the market to private participation, and increase accountability and transparency.

The reform measures aim at addressing the financial viability and reduce costs to taxpayers. Specific measures included recently agreed legislation that will improve governance through more clearly defined roles for both the government and the energy sector regulator, and reduce debt levels in the energy sector.

"As co-financing partner in the reforms project, AFD is committed to promoting green energies in Pakistan through investments in low carbon emission energy generation in line with COP21 Paris agreement approved by the Parliament of Pakistan," said Jacky Amprou, AFD country director for Pakistan.

The ADB is Pakistan's largest development partner in the energy sector with a focus on investments, reforms to strengthen governance and promote structural transformation, effective implementation of projects and programmes, capacity development, and promotion of regional power and gas trading initiatives.

ADB and AFD are committed to support the government of Pakistan's strategy to resolve the energy crisis and to fight climate change, including through Vision 2025, Pakistan's comprehensive plan for economic growth.

The plan aims at increasing the power generation, provide uninterrupted electricity to all, and improve demand management. The Manila-based ADB is dedicated to reduce poverty in Asia and the Pacific through inclusive economic growth, environmentally sustainable growth, and regional integration. Established in 1966, the bank is celebrating 50 years of development partnership in the region. It is owned by 67 members — 48 from the region. In 2016, the ADB assistance amounted to $31.7 billion, including $14 billion in co-financing.

THE NEWS
Saturday, 17th June, 2017

Foreign firms keen to invest in Pak LNG sector

ISLAMABAD: World major players are keen to invest in liquefied natural gas (LNG) sector of Pakistan after seeing immense business potential of the commodity.

"LNG is the cheapest source of fuel and the world's major players are showing interest to invest in the LNG sector of Pakistan by setting up their own terminals and developing transmission network to supply the commodity to consumers," sources in the ministry of petroleum and natural resources told APP on Friday.

The government wanted to involve private sector in this sector and there would be good news in the next few weeks, they added.

Currently, the sources said, 600 million cubic feet per day (mmcfd) LNG is being imported, which greatly helped meet the country's energy requirements, as all gas-based power generation plants are now functioning fully, 1,200 CNG stations restarted their operations, while industrial and fertiliser sectors getting uninterrupted supply.

Before LNG import, Pakistan was importing one million tones fertiliser per annum and now it is exporting six million tonnes fertiliser, they said, adding that the entire power generation sector is getting smooth gas supply, besides Nandipur Power Plant has also been converted on LNG.

The sources said LNG import from Qatar would not be affected in the prevailing political situation in the Gulf, except any force majeure situation or any international sanction with regard to LNG export for Qatar.

Pakistan is importing 2.7 million tonnes of LNG, whereas India is importing 9MT and South Korea, Japan and China are importing 60MT LNG from Qatar. Pakistan, the sources said, was already negotiating LNG import deals with various countries, including China, Turkey, Russia, Malaysia and Oman, adding, "Pakistan will strike LNG deals with potential exporters."

THE NEWS
Saturday, 17th June, 2017

Cotton stable

Karachi

Dull trading continued at the Karachi Cotton Exchange on Friday, while spot rates remained unchanged.

The spot rates remained firm at Rs6,700/maund (37.324kg) and Rs7,180/40kg. Ex-Karachi rates also stood unchanged at Rs6,835/maund and Rs7,325/40kg after an addition of Rs135 and Rs145 as upcountry expenses, respectively. An analyst said the market witnessed slow activity because of the end of the season, while the new crop has yet to take boom. “The activity will improve after Eid holidays, as mills would enter in the market,” he added. Despite water shortages and repeated sowing, hot weather has helped the crop in maturing earlier that has started arriving in factories, he added.

Karachi Cotton Exchange recorded only one transaction of 400 bales from Rahimyar Khan at Rs6,900/maund on conditional basis.

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Govt set to get $623m from ADB, WB, AFD

Imran Ali Kundi

ISLAMABAD - Pakistan would receive $623 million loan from Asian Development Bank (ADB), World Bank (WB) and the Agence Francaise de Development (AFD) in next few days.

The loans would help Pakistan in building foreign exchange reserves, which had come down to $20.2 billion. The World Bank approved a package of $223 million to help millions of Pakistanis, especially women and the poor, to get access to financial services and to improve living conditions in parts of Karachi. Meanwhile, the ADB and the AFD have approved over $400 million in loans to support Pakistan's efforts to provide a more reliable and secure energy sector. The $300 million in ADB assistance, the third such loan under the Sustainable Energy Sector Reform programme, brings the bank's total financing to $1 billion since 2014. AFD will add €100 million in co-financing.

ADB Country Director Xiaohong Yang and Economic Affairs Division (EAD) Secretary Tariq Mahmood Pasha signed the ADB loan agreement. Finance Minister Ishaq Dar witnessed the agreement signing ceremony held in Islamabad on Friday. "Pakistan's ambitious energy reform programme demonstrates the government's commitment to improve the reliability, sustainability, and affordability of the energy sector," said Yang. "Maintaining the momentum for reform will help ensure that all Pakistanis have access to electricity, while keeping the economy on an inclusive, sustained growth path," she added.

Under the programme, Pakistan has embarked on a substantial reform initiative that will reduce energy subsidies and adjust tariff policy, improve sector performance and open the market to private participation, and increase accountability and transparency. The reform measures aim to address financial viability and reduce costs to taxpayers. Specific measures include recently agreed legislation that will improve governance through more clearly defined roles for both the government and the energy sector regulator, and reduce debt levels in the energy sector.

"As co-financing partner in the reforms project, AFD is committed to promoting green energies in Pakistan through investments in low-carbon-emission energy generation in line with COP21 Paris agreement approved by the Pakistan's government," Said AFD Country Director Jacky Amprou. ADB is Pakistan's largest development partner in the energy sector with a focus on investments, reforms to strengthen governance and promote structural transformation, effective implementation of projects and programmes, capacity development, and promotion of regional power and gas trading initiatives. For the last ten years, AFD has been promoting green energies in Pakistan through investments in low-carbon-emission energy generation in line with COP21 Paris agreement.

ADB and AFD are committed to support the government of Pakistan's strategy to solve the energy crisis and to fight climate change through Vision 2025, Pakistan's comprehensive plan for economic growth. The plan aims to increase power generation, provide uninterrupted electricity to all and improve demand management.

Meanwhile, the World Bank has also approved $223 million. "The two new projects have a strong element of inclusion that is at the heart of the World Bank's partnership with Pakistan, especially where women, youth and the poor are concerned,'' said World Bank Country Director Illango Patchamuthu. "Five percent of the world's unbanked population live in Pakistan. We need to change this to empower people financially, especially women. Karachi contributes about 15 percent of the country's economy and the World Bank's support will improve public spaces, mobility, and safety for its citizens," the WB country director said.

The Financial Inclusion and Infrastructure Project will provide $137 million to help millions of Pakistanis, especially women and the poor who do not have bank accounts and cannot get loans, to have access to these and other financial services. It will upgrade Pakistan's payment systems to ensure affordable and faster payment services. The project is designed to implement selected actions of the National Financial Inclusion Strategy.

"Our goal is to provide transparent and accessible financial services including micro and small loans to individuals and firms, particularly women and women-owned businesses in Pakistan," said Gabi George Afram, the project's Task Team

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Leader. “We will be working closely with the Central Directorate of National Savings (CDNS) to provide more efficient and convenient access to financial services to 7 million clients through computerisation of their financial systems.”

The project will improve access to financial and banking services for 50 percent of all adults, half of them women, throughout Pakistan by 2020. It will also boost private sector credits to small and medium businesses to 15 percent from 7 percent in 2015.

The $86 million Karachi Neighbourhood Improvement Project will benefit almost one million residents, business owners and commuters by improving living conditions in the Saddar, Korangi and Malir areas of Karachi. It will help improve the safety, accessibility, and attractiveness of public spaces in Karachi, such as streets, parks, city squares and pedestrian areas. It will ensure equal access to all including women, youth and the poor. The project will also make it easier for the public and investors to access services such as construction permits and business registrations.

“This project represents the start of a long-term partnership between the city of Karachi and the World Bank Group and will help strengthen confidence in the city’s administration among residents,” said Jaafar Friaa, the project’s Task Team Leader. “A systematic engagement with citizens will ensure that investments in public spaces are responsive to the local context and build community ownership of the project.”

This project will support the setting up of a multi-member Steering Committee that includes the local government, civil society and private sector. It will guide the development of the city by laying out a vision. Both credits are financed by the International Development Association, the World Bank’s fund for the poor, with a maturity of 25 years, including a grace period of 5 years.

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LSM output grows by 5.58 percent in 10 months

APP

ISLAMABAD : The country's large scale manufacturing (LSM) sector grew 5.58 percent during the first ten months (July-April) of the current fiscal year as compared to the corresponding period of the last year, mainly contributed by textiles and food & beverages.

On year-on-year basis, the industrial growth increased 9.72 percent during April 2017 as compared to the corresponding period of the last year. However, on month-on-month basis, the industrial growth decreased 17.88 percent in April 2017 as compared to the growth of March 2017.

The highest growth of 4.40 percent was witnessed in the indices monitored by the ministry of industries; followed by 1.08 percent growth in the products monitored by the Provincial Bureaus of Statistics and 0.10 growth in the indices of the Oil Companies Advisory Committee (OCAC).

The major sectors that showed growth during July-March (2016-17) included textile (0.73 percent), food, beverages and tobacco (11.60 percent), coke and petroleum products (0.97 percent), pharmaceuticals (9.01 percent), non-metallic mineral products (6.54 percent), automobiles (11.41 percent), iron and steel products (20.26 percent), fertilizers (0.21 percent), electronics (15.10 percent), paper and board (5.56 percent),engineering products (4.29 percent) and rubber products (0.36 percent).