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G20 ministers fail to get US on board for trade

BADEN-BADEN, Germany: Finance ministers from the world's biggest economies on Saturday failed to get the US to renew an anti-protectionist pledge and a vow to fight climate change, in the face of Donald Trump's "America First" push.

After a two-day meeting, ministers from G20 developed and emerging nations said they were "working to strengthen the contribution of trade to our economies" but failed to spell out a pledge to reject protectionism in a closing statement.

An entire section on action against climate change was dropped from the final document, sparking dismay among America's partners as well as environmental activists.

"I regret that our discussions today were unable to reach a satisfying conclusion on two absolutely essential priorities that our world and which France would have liked to see the G20 continue to take firm and concerted action on," said French Finance Minister Michel Sapin.

Host German Finance Minister Wolfgang Schaeuble however struck a conciliatory tone, noting that in the US the matters of finance and trade were divided in two portfolios.

"Trade questions are not the responsibility of the finance minister... that's why it was a bit complicated, that's true," he said, as the American delegation was led by US Treasury Secretary Steven Mnuchin.

The conspicuous omissions come as Trump champions a "Buy American" strategy that includes threats to penalise companies that manufacture abroad by heavily taxing their products.

Carried to power on the back of a political storm over deindustrialisation in vast areas of the US, Trump vowed in his inauguration speech to "follow two simple rules: buy American and hire American."

Since taking office, he has withdrawn the US from a trans-Pacific free trade pact and attacked export giants China and Germany over their massive trade surplus.

His stance has been condemned by Washington's trading partners, and led Beijing to issue a stern warning against sparking a trade war.

Trump himself insisted at a tense Washington press conference Friday, following his first meeting with German Chancellor Angela Merkel, that "I'm a free trader but also a fair trader".

He also rejected a description of his policies as "isolationist."

References to action against climate change under the Paris Accord were absent from the G20 statement, unlike at a China-led summit last year.

Delegates said the US team was unable to commit as they had not been given instructions from Washington to do so at the meeting in the western German spa town of Baden-Baden.

The exclusion of climate marked a new setback for environmental action, activists say, after Trump proposed to take the axe to environmental financing.

Under his first national budget proposal, he suggested cutting financial resources for the Environmental Protection Agency (EPA) by a third, as well as eliminating contributions linked to UN climate change programmes.

On the campaign trail, Trump had threatened to pull the US out of the Paris Accord on combating climate change.

"The lack of attention to climate in the G20 finance statement is no doubt due to the Trump administration's irresponsible and isolated approach to climate change," said Li Shuo, senior climate policy advisor at Greenpeace East Asia.

"Other countries should not allow this to happen again,".

But Schaeuble sounded a more optimistic tone, saying that "I'm not pessimistic, but rather I think the process works and we have made progress on a series of important questions."—AFP

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US issues trade challenge at fraught G20

BADEN-BADEN, Germany: The United States on Saturday challenged long-standing global principles surrounding free trade, refusing to renew past anti-protectionist pledges and threatening to reopen negotiations on World Trade Organization deals.

In an early taste of what Donald Trump's "America First" push spells for the world, finance ministers from the G20 group of developed and emerging nations failed to get Washington to sign off on a pledge to reject protectionism in a closing statement.

Commitments of support to the existing multilateral trade system, including the World Trade Organization (WTO), were also conspicuously missing from the final communique.

And an entire section on action against climate change was dropped, sparking dismay among America's partners as well as environmental activists.

Treasury Secretary Steven Mnuchin shrugged off the outcry, saying the "historical language" was not relevant.

"What is relevant is what we agreed as a group: to strengthen the contributions of trade to our economies," he said.

"We will strive to reduce excess global imbalances to promote inclusiveness and fairness and reduce inequality," he added, stressing that what Washington seeks is "free and fair trade" that is good for both Americans and the world.

But trade deals that currently exist are not always balanced, he said, warning that Washington will not hesitate to renegotiate them.

"We want to reexamine certain agreements, we have talked about reexamining NAFTA," he told journalists, referring to the North American Free Trade Agreement between Canada, Mexico and the United States.

"We think there are parts of the WTO that are not being enforced, and will look to aggressively enforce things in the interest of American workers," he added.

"To the extent the agreements are old agreements and need to be renegotiated, we'll consider that as well."

Carried to power on the back of a political storm over deindustrialisation in vast areas of the US, Trump vowed in his inauguration speech to "follow two simple rules: buy American and hire American."

His strategy includes threats to penalise companies that manufacture abroad by heavily taxing their products.

Since taking office, Trump has withdrawn the US from a trans-Pacific free trade pact and attacked export giants China and Germany over their massive trade surpluses.

His stance has been condemned by Washington's trading partners, and led Beijing to issue a stern warning against sparking a trade war.

Trump himself insisted at a tense Washington press conference Friday, following his first meeting with German Chancellor Angela Merkel, that "I'm a free trader but also a fair trader".

He rejected a description of his policies as "isolationist".

French Finance Minister Michel Sapin expressed "regret that our discussions today were unable to reach a satisfying conclusion on two absolutely essential priorities," trade and climate.

"Our world and France would have liked to see the G20 continue to take firm and concerted action," he said. Host German Finance Minister Wolfgang Schaeuble however struck a conciliatory tone, suggesting that Mnuchin was not empowered to act on some issues.

And IMF chief Christine Lagarde said the new White House simply needed time to "adapt and learn".

The US treasury chief himself acknowledged that environmental issues such as the 2015 Paris agreement were "not in my track".

"President Trump is looking at the Paris treaty and other treaties and the administration will have views on that as they consider their policies," Mnuchin said, adding that was "more of an issue for G20 leaders and less of an issue for finance ministers".

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But activists say the exclusion of climate marked a new setback for environmental action, after Trump proposed to take an axe to green financing.

Under his first national budget proposal, he suggested cutting financial resources for the Environmental Protection Agency (EPA) by a third, as well as eliminating contributions linked to UN climate change programmes.

On the campaign trail, Trump had threatened to pull the US out of the Paris Accord on combating climate change.

Greenpeace East Asia's Li Shuo blamed Washington for a G20 statement that he said showed a "lack of attention to climate change".

"Other countries should not allow this to happen again," he added.

EU Economy Commissioner Pierre Moscovici acknowledged that "it was a complicated meeting with a temporary conclusion that could be better but we are working on it.

"And I hope for a better conclusion in four months in Hamburg," he said, adding that given it was the "first contact with this new administration, it would have made no sense to enter into a fight."—AFP

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IHC issues notices:
Petition challenges sell-off of 3 airports

Nuzhat Nazar

ISLAMABAD: The Islamabad High Court (IHC) on Saturday issued notices to secretary aviation division, DG Civil Aviation Authority (CAA), advisor to prime minister on aviation and chairman Privatization Commission in connection with a petition challenging privatization of three international airports of Pakistan.

Justice Aamer Farooq issued notices to the respondents for April 6 after the Collective Bargaining Agent (CBA) for CAA and some other employees of CAA challenged the process.

The petitioners through their counsel Hafiz Arfat Ahmad approached the high court after the CAA invited applications/proposals from international companies to privatize three international airports of Pakistan — New Islamabad International Airport, Allama Iqbal International Airport, Lahore and Jinnah International Airport, Karachi, on February 7.

As per advertisement, the companies desirous of participating in the process shall be responsible for operation, management development works and some other functions.

The counsel said the company would control airport operation and management, administration and maintenance of airport buildings, allied infrastructure, equipment, systems and other facilities, ground handling services and future expansions of airport infrastructure including runways, taxiways, car parks etc.

He said the news regarding privatization of three major airports has created a serious sense of insecurity among thousands of employees. All of them were surprised that as to why major components of a profit yielding organization of government are being privatized, he said, adding the financial performance report of CAA of 2015-2016 reflects that the CAA earned more than 50 billion rupees during the period.

He argued that Section 6 of the CAA Ordinance unambiguously states that CAA shall have control over all the civil airports of the country.

He added that when the legislative provision itself contemplates that the control of civil airports is to remain with CAA then it (CAA) could not have issued the impugned advertisement seeking applications/proposals from companies.

CAA, however, has decided to accommodate some influential group, he alleged, adding that the decision to privatize three airports has not been taken by the CAA management rather the managements has been directed to initiate such process.

Ahmad further argued that the sovereign rights on air can only be ensured when the administrative and operational control of the airports is retained by the State instrumentality and by entrusting the same to a private corporate entity will seriously jeopardize things.

The subject of privatization of any state-owned enterprise basically falls within the purview of Privatization Commission of Pakistan., but the process of privatization initiated by the CAA itself is legally not permitted, he said.

In the petition, he maintained, aviation is a highly sensitive activity which is directly linked to the safety and security of Pakistan. Through the impugned advertisement, he said, the CAA has quite surprisingly decided to entrust its core function to a private entity.

Considering the importance and sensitivity of aviation specifically in war times, the proposed entrustment of control of three major airports of the country is definitely going to give a serious blow to the security of Pakistan.

The consequence of privatization of three major airports of the country would be that hundreds of CAA employees would be rendered surplus and finally this will lead to the end of their jobs, he said. “CAA has created a serious sense of insecurity among the employees of CAA.”

Besides making a sizeable contribution to the public exchequer, CAA is a source of livelihood for more than 10,000 employees.

He has prayed the court to declare the advertisement and actions taken pursuant to it illegal.

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Rs.300bn stuck in appeals:

FBR to revise ADR system in budget

SOHAIL SARFRAZ

ISLAMABAD: The Federal Board of Revenue (FBR) has decided to revise the whole system of Alternative Dispute Resolution (ADR) committees in budget (2017-18) under the plan to reduce litigation of Rs 300 billion stuck up in appeals.

Sources told Business Recorder here on Saturday that the decision has been taken in the last meeting of the Tax Reform Implementation Committee (TRIC) at the FBR House.

According to details, a comprehensive plan would be implemented for the revival of the ADR system in coming budget (2016-17). It has been proposed that an ADR committee be constituted within 30 days of receipt of application by taxpayer and recommendations be furnished by the committee within 60 days. In the previous meeting of the TRIC, a sub-committee was constituted which was tasked with submitting proposals with regard to constitution of ADR committees in the existing legal framework. The convener of the aforementioned sub-committee, Member (Legal), FBR made a comprehensive presentation on the existing legal framework of alternate dispute resolution and the amendments introduced in the relevant provisions through the Finance Act, 2016. The committee was apprised that over 27000 cases are pending before the Appellate Tribunal Inland Revenue (ATIR), 5000 cases before the customs tribunal whereas approximately 13000 cases are pending before various high courts. The committee was also informed that it is estimated that a substantial amount of revenue aggregating Rs.300 billion is stuck up in appeals.

On the basis of deliberations made by the sub-committee it was stressed that the concept of alternate dispute resolution would yield the desired results only if the process is quick, judicious, transparent, simple and handled sensitively/confidentially. As regards the composition of the ADR committee(s) it was proposed that it should consist of three members, ie, a tax professional, a member of civil society having high integrity representing trade/commerce/business and a person not below the rank of Commissioner. It was also proposed that the pool be recommended by the field units and approved by FBR. As regards the timelines to be followed during the process of ADR, it was proposed by the sub-committee that ADR committee be formed within 10 days of receipt of application, in case no decision is reached within 90 days the ADR committee be reconstituted within 5 working days and it be made binding upon the reconstituted. The ADR committee will furnish the recommendations within 60 working days.

It was also suggested that the FBR pass an order granting consent to the recommendations of the committee within 5 working days of the receipt and only in exceptional circumstances, within 5 working days give detailed reasons for not approving the recommendations of the committees. The sub committee also proposed that the taxpayer as well as the department be provided with an irrevocable option to accept the majority recommendations.

Thereafter, a detailed discussion was held with regard to the procedural aspects and methodology as well as timelines to be adhered to in order to jumpstart the ADR process and make it effective within the existing legal framework. The modalities involved in the formation/constitution of ADR committees were also discussed at length so as to make the process as practicable/viable as possible within the shortest time spam. Member Tax Reform Commission Abid Shaban dilated upon the main reasons as to why the ADR process has not been able to emerge as a viable alternative vis-à-vis protracted litigation. He also proposed that the time span for decisions/proposals by the ADR committee should be restricted to 21 working days and administrative instructions be issued in this behalf. He also opined that the majority decision should be binding upon the taxpayer as well as the department. He also proposed that it be made mandatory for the board to endorse/approve the recommendations within 5 working days and stressed that attainment of finality in

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ADR proceedings in a predetermined time frame was of vital importance.

Haroon Akhtar Khan, special assistant to the prime minister on revenue and Chairman FBR opined that the ADR committee should be activated/ made functional on a priority basis within the existing legal framework even prior to the introduction of any amendments in the relevant substantive law in the upcoming budget Chief (IR Ops) apprised the committee that names of suitable CA's/tax professionals for ADR committees are procured from field formations and scrutinized for constitution of ADR panels. Chairman TRC Masoud Naqvi emphasized that unless finality is ascribed to the ADR proceedings the same cannot be implemented in its true spirit.

It has been decided that the ADR committees to be advertised/reactivated on a priority basis within the existing legal framework. Secondly, the recommendations to the sought from the Zonal CIR's/TRIC members for constitution/ notification of ADR committee, comprising of 5-10 members each, in three large cities viz Karachi, Lahore and Islamabad. Such ADR panels/committees would be announced/ finalized on a priority basis within 10 working days.

In order to expedite the process of Alternate dispute resolution, administrative instructions to be issued to the effect that ADR committee be constituted within 30 days of receipt of application by taxpayer and recommendations be furnished by the committee within 60 days. Proposals made by the sub-committee on alternate dispute resolution be taken up for consideration in the upcoming budget exercise.

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THE RUPEE: Steady trend

RECORDER REPORT

KARACHI: KARACHI: No major changes were seen on the money market on Saturday as the rupee managed to hold overnight levels against the dollar in process of trading, dealers said.

OPEN MARKET RATES: The rupee was unchanged in relation to the dollar for buying and selling at Rs 106.50 and Rs 106.70 respectively; however, it picked up 25 paisas versus the euro for buying and selling at Rs 113.75 and Rs 115.25 respectively, they said.

At the week-end, the dollar fell to a five-week low, remaining under pressure for a third straight session after the Federal Reserve quashed hopes for a further currency bull run by keeping a gradual rate-hiking pace.

"At the moment, the dollar remains in correction mode, which we had fully expected," said Fawad Razaqzada, market analyst, Forex.com in London. "But we remain fundamentally bullish on the greenback because the Fed remains the only major central bank which is actively tightening its policy."

James Chen, head of research at Forex.com in Bedminster, New Jersey, also pointed out that the pace of Fed rate hikes and policy outlooks can change extremely quickly.

He noted that only a few weeks before Wednesday's Fed announcement, expectations for a March hike were exceptionally low. But Fed officials made a concerted effort to warn the markets of the high likelihood of a Fed rate hike and expectations then soared to a near-certainty, Chen said.

Open Bid	Rs. 106.50
Open Offer	Rs. 107.70

RUPEE IN LAHORE: The Pak rupee showed strength as it recovered its day earlier losses versus the US dollar in the local currency market on Saturday.

According to currency dealers, the US dollar resumed trading on a negative note and kept on declining amidst lack of buyers' interest in the market. At the close, it slid to Rs 106.70 and Rs 107.00 on buying and selling sides, respectively, as compared to Friday's closing rates of Rs 106.75 and Rs 107.10 respectively, they added.

Furthermore, the local currency appreciated on buying side while stayed unchanged on selling side against the pound sterling. The pound was bought and sold at Rs 131.00 and Rs 131.50 against the overnight closing rates of Rs 130.80 and Rs 131.50 respectively, they said.

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

The dollar opened at Rs 106 (buying) and Rs 106.50 (selling) against last rate of Rs 107.50 (buying) and Rs 107.60 (selling). It closed at the same rate of Rs 106 (buying) and Rs 106.50 (selling).

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

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Pakistan ranked among world's most powerful countries

ISLAMABAD: Pakistan has been ranked among the twenty-three most powerful countries in the world.

This is according to US News and World Report which released the latest edition of its annual "Best Countries" study.

The US has retained its position as the world's most powerful nation, despite declining respect for its leadership. Its economic, political influence shapes the world, and a mammoth defense budget of about $600 billion and leading economy put it at the top.

The US was perceived as the most powerful, followed closely by Russia and China with the UK coming in fourth. The rise of China is quite remarkable as the country already has the world's largest military, and experts predict it will be the world's largest economy by 2050.

The media organization evaluated 80 countries across a range of criteria, including cultural history, citizenship, and quality of life.

Another key measure was "power," which determines how economically and politically influential a country was and weighed the strength of its international alliances and military.

More than 21,000 business leaders, informed elites, and general citizens were surveyed with the goal of discovering how nations are perceived on a global scale. The organization states that the world's most powerful countries are those that consistently dominate news headlines, preoccupy policymakers and shape economic forecasts. The foreign and economic policy decisions of the countries can have ripple effects all over the world. Also, their military budgets are tracked religiously, and the international community expects them to honor their pledges.

The Power sub-ranking is based on an equally weighted average of scores from five country attributes: a leader, economically influential, politically influential, strong international alliances and strong military alliances.—NNI

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SBP's Saeed next NBP President?

RECORDER REPORT

ISLAMABAD: The government is likely to appoint Deputy Governor State Bank of Pakistan (SBP) Saeed Ahmed as next President of National Bank of Pakistan (NBP).

An official said short that listed names were forwarded to Prime Minister Nawaz Sharif for his approval and Finance Division was expecting to receive a response on Saturday. However, he claimed that Finance Division has not received anything from Prime Minister's Office so far, perhaps because it was not a working day. Some response may be received on Monday, he further stated.

Another official said that most probably Saeed Ahmed will be next the President NBP. Meanwhile, senior executive Vice President of NBP Masood Karim Shaikh was given additional charge of President of NBP with effect from January 21, 2017
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'CPEC has potential to boost economy'

N H ZUBERI

KARACHI: The China Pakistan Economic Corridor (CPEC) has high potential to jump start Pakistan's economy and leapfrog it many places in front of its competitors. In fact, if sensibly utilized, it provides Pakistan with an exceptional opportunity to make itself count as a developed nation.

This was stated in a report of Karachi Chamber of Commerce and industry (KCCI) Research and Development Cell.

The report mentioned that better connectivity would also allow Pakistan to offer its perishable good quality agricultural products in the global markets, which were not being exported till now due to high air-freight costs.

The report looks at a number of ways how CPEC is to favourably affect Pakistan:

Power shortage is plaguing the economy since many years and to be eliminated resulting in high productivity and reduced production costs. The 7 percent estimated GDP loss attributed to power outages would now be catered to travel time and costs of exportable goods from up-country to ports will be greatly reduced.

The huge trade volume to be generated through CPEC would significantly add to diverse economic activities including clearing, shipping services and other allied services.

Direct job creation in almost all sectors of the economy, including transport, construction and power. Construction of SEZs and manufacturing setups therein would ignite secondary and tertiary rounds of employment generation.

Cargo movement on roads trigger lots of economic activities through vehicle maintenance shops and road-side restaurants, estimated to be Rs 50 billion annually.

CPEC would allow small scale production to be outsourced to suppliers having access to cheap labour in remote areas.

CPEC will immensely help the country's real estate sector running along the trade corridor.

CPEC will bring better trade integration with China.

CPEC will link Pakistan to the One-Belt-One-Road (OBOR) project and provide direct access to the markets of Central Asia and Europe.

About 97 percent of the $10 billion Pak-China trade occurs through the sea route. Trade through CPEC would certainly lead to a shift towards road transportation and a substantial increase in bilateral trade.

CPEC is garnering attention of many a foreign firms in the country.

Shanghai Electric's buying of K-Electric for a record $1.67 billion has made headlines across the investment world and global companies in diverse sectors from Automotive (Renault, KIA, Hyundai), Cement (Anhui Conch of China, Asian Precious Minerals of UK), Dairy (FrieslandCampina buying Engro Foods) to Electronics (Turkey's Arcelic $258 million buyout of Dawlance) are fast choosing Pakistan as an investment destination.

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Cotton production stands at 10.7 million bales

RECORDER REPORT

Pakistan Cotton Ginners Association (PCGA) on Saturday released its fortnightly report indicating national cotton production at 10.7 million bales, showing a percentage increase by 9.99 percent. Seed cotton (Phutti) equivalent to over 10,072, 224 bales of cotton have reached ginneries across Pakistan as of March 15, 2017, showing an increase of 9.99 percent compared to corresponding period last year when ginneries received 97,48,518 bales.

According to the 12th fortnightly report of Pakistan Cotton Ginners Association (PCGA) issued here on Saturday, Chairman of PCGA Dr Jeso Mal, Ex-Chairman Shehzad Ali Khan and group Chairman Haji Muhammad Akram, Senior Vice Chairman Suhail Mehmood Haral briefed the media men about cotton production and said that out of the total arrivals, 10.72 million bales of cotton have been converted into bales so far. Ginneries in Punjab recorded arrival of 69,351,34 bales recorded increase of 15.92 percent. Sindh ginneries recorded arrival of 37,871,11 bales while last year Sindh received 37,660,37 bales merely 0.56 percent more. Ginneries in Sindh recorded an increase of 0.56 percent as compared to corresponding period last year. Textile mills have bought 10,048,592 bales while exporters bought 2,02,356 bales. The total bales sold out so far were calculated at 10,250,948 bales. While 4,712,97 bales are lying unsold. Multan received 2,94,482 bales 127.09 percent increase than last year, Lodhran 1,91,923 bales 96.97 percent increase, Khanewal 5,797,38 bales 43.30 percent, Muzaffargarh 3,26,680 bales an increase of 22,18 percent, Dera Ghazi Khan 3,36,832 an increase of 15.69 percent, Rajanpur 3,33,312 bales, 17.79 percent decrease, Layyah 2,69,241 bales 6.85 percent increase, Vehari 3,83,053 bales 22.99 percent increase, Sahiwal 2,11,844 bales 17.20 percent less than last year,Qasur, Nil, Pakpattan 41,909 bales 37.01 less, Okara 19,086- 13.63 percent less, Toba Tek Singh 1,58,529 bales, Faisalabad 41,080 bales 26.64 percent less than last year, Jhang 30,102 showing decrease of 26.51 percent, Mianwali 2,64,342 a decrease of 22.15 percent, Bhakkar 61,641 (25.25 percent less) Sargodha 9,847(12.07 percent less), Rahimyar Khan 11,45,066 bales (Merely 2.90 percent increase), Bahawalpur 9,83,703 an increase of 33.69 percent, and Bahawalnagar 12,52,724 an increase of 34 percent. In Sindh: Hyderabad 2,27,486 bales 9.27 percent less than last year, Mirpur Khas (Thar) 2,70,524 bales one percent less, Sangarh, 12,30,910 bales 7.83 percent decrease, Nawabshah 3,27,157 bales (4.65 percent increase), Naushero Feroze 3,36,411 bales (18.84 percent increase), Khairpur 2,89,517 (9 percent increase) Ghotki 3,01,574 (3.88 percent increase), Sukkur 5,43,742 (19.26 percent increase)Dadu 44,791 bales (25.26 percent increase) Jamshoro 1,12,036 bales (15.76 percent less), Badeen 27,027 bales 14.47 percent less) and Balochistan 75,936 bales (an increase of 32,12 percent). Total 11 ginning factories are operational in the country

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Cotton prices firm on improved trade activity

RECORDER REPORT

KARACHI: Firmness prevailed on the cotton market on Saturday as needy mills did purchasing of quality lint to replenish their stock, dealers said.

The official spot rate was unchanged at RS 6750, they said. In Punjab prices of phutti were unchanged at Rs 3750-3800, as per 40 kg, they said.

In ready session, nearly 3000 bales of cotton sold at Rs 6725-7050, they said.

Cotton analyst, Naseem Usman said that some needy mills and spinners started buying of lint cotton to meet their requirements.

He also said that in the last sessions, slow exports of cotton yarn coupled with rising cotton prices forced mills to away from the new deals, whereas, the ginners were reluctant to dispose of their stocks at current rate.

Though, there was shortage of quality cotton, some experts observed. Partial shortage of cotton crop is going on in the some areas of Sindh.

However, growers fear that water shortage may harm next season cotton crop, experts said.

According to the Pakistan Cotton Ginners Association (PCGA) report till March 15, issued here, showing over 10 million bales of cotton reached at ginneries and figures also depicting an increase of about 10 percent against the last year.

The ginners have only 471,000 bales of cotton, which may not enough to meet mills and spinners' requirements, other brokers said.

Besides, China has set its 2017-2019 target price for cotton in the top growing region of Xinjiang at 18,600 yuan ($2,694.95) a tonne, unchanged from a previous goal, the National Development and Reform Commission (NDRC) said on Friday.

The target price is set every three years but can be adjusted if there are major changes in the cotton market, the state planner said.

China in 2014 started a three-year trial on cotton target pricing in Xinjiang and has decided to deepen reform this year.

The following deals reported: 1000 bales of cotton from Lodhran at Rs 7050, 400 bales from Liaquatpur at Rs 7000, same figure from Bahawalpur at Rs 6950, 600 bales from Norpur Noranga at Rs 6925, 200 bales from Daranwala at Rs 6800 and 500 bales from Alipur at Rs 6725 they said.

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

Rate For	Ex-Gin Price	Upcountry Expenses	Spot Rate Ex-Karachi	Spot Rate Ex-Karachi As on 17.03.2017	Difference Ex-Karachi in Rupees
37.324 Kgs Equivalent	6,800	135	**6,935**	**6,935**	NIL
40 Kgs	7,288	145	**7,433**	**7,433**	NIL

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Karachi Yarn Market Rate

RECORDER REPORT

Karachi Yarn Market Rates on Saturday (March 18, 2017).

CONES CARDED

10/1.

Popular Fibre 920

Diwan 950

Tritex 930

12/1

Nadeem Textile 1125

Indus 1140

Popular Fibre 1100

Bajwa 1150

16/1.

Nadeem Textile 1180

United 1190

Popular Fibre 1150

Abdullah Textile 1150

Indus 1220

A. A. Cotton 1200

Tritex 1170

Bajwa 1210

21/1.

Ishtiaq Tex 1240

Al-Karam (A.K) 1250

Suriya Tex 1250

United 1250

GulAhmed (G.Lite) 1260

Popular Fibre 1220

Shadman 1240

Indus Dyeing 1290

Abdullah Textile 1220

Lucky Cotton 1230

A. A. Cotton 1300

Diwan 1240

22/1.

Bajwa 1270

United 1260

24/1.

A. A. Cotton 1370

Tritex 1320

26/1.

AL-Karam 1370

Dewan 1320

Amin Text 1350

Shadman Cotton 1350

Diamond Int'l 1320

Popular Spinning 1300

Ishtiaq Textile 1320

Lucky Cotton 1320

A. A. Cotton Hosiery 1450

28/1

Abdullah Textile 1350

30/1.

Amin Tex. 1450

Al-Karam 1430

Jubilee Spinning 1350

GulAhmed (G.Lite) 1430

Lucky Cotton 1350

Diamond Intl 1400

A. A. Cotton Hosiery 1480

32/1

Abdullah Textile 1380

40/1

Lucky Cotton 1650

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52/1

Lucky Cotton 1700

COMBED CONE

40/1

Indus CF 1740

20/2.

GulAhmed 1340

Amin 1350

Indus Dyeing 1360

Bajwa 1350

Shadman Cotton 1340

42/1

Abdullah Textile 1650

52/1

Abdullah Textile 1750

20/1. SLUB

Abdullah Textile 1300

30/1 SLUB

Abdullah Textile 1520

60/1.

Abdullah Textile 1750

70/1

Abdullah Textile 1850

CHEES CONES

10/1.

Kasim Tex 700

Latif Tex. (Latif) 700

Super 690

Abdullah Textile (OE) 690

16/1. (O.E.)

Kasim Textile 880

Masal 870

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 83.00

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 73.00

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 91.00

Local Mill 85.00

Rupali 150/48/0 DTY 76.00

Imported 150/48/0 DTY 70.00

Local Mill 70.00

Rupali 150/48 INT DTY 81.00

Imported 150/48 INT DTY 72.00

Local Mill 73.00

Imported 150/144 SIM 76.00

Local Mill NIL

BUSINESS
RECORDER
Sunday, 19th March, 2017

RATE OF BLANDED YARN IN RUPEES

(PER LBS)

P.V. CONES

18/1 PV

A.A. Textiles 118.00

20/1 PVB

A.A. Textile 111.00

A. A. Cotton 112.00

24/1 P.V. BRIGHT

A.A. Tex. 116.00

Sana 109.00

A. A. Cotton (80:20) 116.00

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 128.00

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

A.A. Textile (65-35) 143.00

A. A. Cotton 129.00

40/1. (PVB)

Sana 138.00

A. A. Cotton 145.00

A. A. Textile 147.00

46/1 PVSD

Ibrahim Fibre 169.00

30/1 PV SLUB

A.A. Clock Tower 148.00

A. A. Cotton (PVB) 152.00

A. A. Cotton (PC) 155.00

A. A. Cotton SLUB (PP) 152.00

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

BUSINESS
RECORDER
Sunday, 19th March, 2017

Diwan 103.00

A. A. Cotton 120.00

34/1. (PP)

A. A. Cotton 99.00

40/1 PP

A. A. Cotton 133.00

60/1. (P.P)

Agar 124.00

Diwan 125.00

Anwar 130.00

A. A. Cotton 146.00

8/.1.

A. A. Cotton (52 48) 95.00

10/.1.

Zainab 110.00

A. A. Cotton 97.00

Lucky Cotton 135.00

12/1

A. A. Cotton 100.00

Zainab Tex 108.00

16/1

AA SML Carded (52 48) 115.00

IFL (52 48) 121.00

A. A. Cotton 105.00

P.C. COMBED

20/1. PC

A.A.SMLCARDED 118.00

Zainab (Combed) 130.00

A. A. Cotton (Carded) 112.00

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

24/1. PC

A. A. SML Carded 122.00

Zainab (Combed) 124.00

A. A. Cotton 109.00

25/1

A.A. Cotton 117.00

30/1. PC (52 : 48)

Zainab Textile (combed) 131.00

Stallion 100.00

K. Nazir 112.00

Al-Karam 112.00

AA SML (Carded) 130.00

A. A. Cotton (Carded) 122.00

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

36/1. PC

IFL Tex (Combed) 143.00

A. A. Cotton 135.00

40/1 PC

A.A. Textile (Combed) 143.00

45/1 PC

Zainab 164.00

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

BUSINESS

RECORDER

Sunday, 19th March, 2017

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 130.00

I.C.I. 1.2 (SD) 130.00

I.C.I. Bright 132.00

Rupali 1.D 130.00

Rupali 1.2 (SD) 130.00

Ibrahim Fiber (SD) 130.00

Ibrahim 1.D 130.00

Ibrahim Fiber Bright 132.00

Ibrahim Trilobal Bright 132.00

VISCOSE K.G.

FCFC 44 MM Taiwan 255.00

FCFC 51 MM Taiwan 255.00

Grysum India 255.00

Thai Reyon 51 MM 255.00

S.P.V. Ind. 51 MM Indonesia 255.00

ACRYLIC FIBER K.G.

Monty 1.2x51 Italy 197.00

Acelon Korea 1.2x51 197.00

BUSINESS
RECORDER
Sunday, 19th March, 2017

Faisalabad yarn and fibre prices

RECORDER REPORT

FAISALABAD
Cotton yarn rates in rupees per 10 Lbs on Saturday (March 18, 2017).

6-8/S Cone (Cotton)

ARY 500.00

Sher 440.00

Nelibar 710.00

Al-Falah 580.00

Chagi 440.00

Harm 440.00

Shaheen 440.00

Nelum 440.00

10/S Cone (Cotton)

Mezan 690.00

Meraj 440.00

Adil 510.00

Neilum 540.00

Nelibar 730.00

Owais Karni 510.00

Gold Star 680.00

Qadri 570.00

Shaheen 500.00

Al-Falah 690.00

Zam Zam 490.00

A.T.M 530.00

Sun flower 510.00

Apple Soft 670.00

Ton-Ton 640.00

10/S Cone (Soft)

Es Guard 1000.00

S.B. 870.00

Nelibar 890.00

Kinoo 960.00

Malta 1000.00

Ayesha 850.00

12-14/S Cone (Cotton)

Model 720.00

Qadri 640.00

Adil 680.00

16-18/S Cone (Cotton)

Nova 710.00

Chagi 700.00

Adil 700.00

Alfalah 700.00

Neeli Bar 1140.00

Super Motia 790.00

Prince 730.00

Prince W 1140.00

Acro 1050.00

Apple 840.00

Malta 1050.00

Golden Eagle 910.00

20/S Cone (Cotton)

Zahidjee 1290.00

Anmool 1250.00

J.K. 1300.00

Khalid Shafiq 1130.00

Acro 1160.00

Darulsalam 1240.00

Ravi 1170.00

Hadabia 1230.00

22/S Cone (Cotton Warp)

Crescent 1330.00

Yahya 1310.00

HAR 1340.00

Tayyab 1300.00

BUSINESS
RECORDER
Sunday, 19th March, 2017

Polo 1280.00

Ulfat 1320.00

Super Moon 1270.00

24/S Cone (Cotton Warp)

Polo 1350.00

Prince 1340.00

Acro 1330.00

H.A.R. 1330.00

Silver Lines 1370.00

ATM 1340.00

Anmool 1370.00

30/S Cone (Cotton Warp)

Al Noor 1510.00

Crescent 1430.00

Acro 1430.00

Glamour 1420.00

Arain 1380.00

Nagra 1400.00

Gulistan 1525.00

Ujalla 1420.00

Khalid Shafique 1450.00

Shafi 1430.00

Chakwal 1425.00

Anmool 1430.00

Ittehad 1430.00

Hadabiya 1430.00

32/S Cone (Cotton)

Ahmad 1460.00

Malikwal 1460.00

Chand 1440.00

J.K. 1550.00

Target 1480.00

Hadabiya 1460.00

A Three 1465.00

Araian 1450.00

Acro 1460.00

Nafees 1400.00

H.H. 1440.00

40/S Cone (Combed Cotton)

JK 1775.00

JK Carded 1620.00

Acro 1725.00

Nishat 1800.00

Betray 1675.00

Ittihad 1770.00

Al-Nasar 1825.00

Ejaz 1775.00

Nafees 1775.00

Nisar 1725.00

Three-G 1700.00

Suraj 1850.00

MKB 1670.00

Ramzan 1760.00

Ahmad 1700.00

Super Shaheen 1620.00

Darul Islam 1670.00

Four-G 1720.00

A. Three 1720.00

Azam 1680.00

Wasal Kamal 1650.00

Super Gold 1675.00

Jubilee 1660.00

Babri 1700.00

Sally 1720.00

52/S Cone (Combed Cotton)

Crescent 2275.00

Ittihad 2275.00

Suraj 2275.00

Babri Comp 2100.00

Tanveer 2275.00

Sultan 2125.00

Diamond 2150.00

Koiyal 2125.00

BUSINESS
RECORDER
Sunday, 19th March, 2017

Malikwal 2025.00

Parado 2125.00

Four Star 2175.00

N.P. 2125.00

Prime Plus 1980.00

Saif 2100.00

Super Shaheen 2025.00

Nafees 2100.00

Habib 2125.00

Colony 2175.00

Umer auto 1875.00

Two-G 1950.00

60/S Cone (Combed Cotton)

Nishat 2575.00

J.K. 2600.00

Ittehad 2580.00

Kohinoor 2580.00

Koiyal 2725.00

Gujjar Khan 2750.00

Pagri 2625.00

Deen 2625.00

Alam 2625.00

72-74/S Cone (Cotton)

Prime 2650.00

Commander 2320.00

Bemisal 2320.00

Idreas 2320.00

N.P. 2875.00

Tower 2650.00

80/S Cone (Cotton)

Gold King 3200.00

Super King 3150.00

Mapel Leef 3350.00

Amjad 3050.00

Azam 3250.00

Admiral 3075.00

Commander 3050.00

Four Star 3325.00

Rolex 3275.00

Diamond Gate 3375.00

Al Falah 3350.00

Chairman 3275.00

Battery 3375.00

Chairman 3275.00

30-31/S Cone (Polyester Cotton)

Gold Star 139.74

Sun 130.56

JK 119.00

Bilal 109.00

Tahir Rafique 112.00

Zahidjee 112.00

Bashir 116.00

Shadman 113.00

Sarfraz 110.00

Cherry 110.00

Khalid Nazir 113.00

Wasal Kamal 109.00

North Star 108.00

Super Khuwaja 114.00

Anaar 117.00

Action 100.00

Marjan 114.00

Pak Panther-II 109.00

Nayab 116.00

Kiran 117.00

NP 110.00

Mehtabi 110.00

Club 116.00

K.K. 114.00

Ruby 115.00

Metro 105.00

BUSINESS

RECORDER

Sunday, 19th March, 2017

38/S Cone (Polyester Cotton)

Gold Star 150.96

Dawood 117.00

Amin-2 117.00

Multan 123.00

Golden 110.00

Kirshma 113.00

AD 112.00

Sarhad 114.00

Aslam 98.00

Corolla 113.00

Royal 113.00

Chairman (N) 117.00

40/S Cone (Polyester Cotton)

A.A. 159.12

Mehtabi 143.00

Shadab 143.00

Marjan 134.00

40/S Cone (AV)

Koiyal 175.00

Super LG 160.00

A.J. 165.00

Ahmad Fine 166.00

Asheana 206.04

40/2 Cone (AV)

Koiyal 184.00

Super LG 178.00

A.J. 175.00

Ahmad Fine 174.00

30/S Cone (CVC)

Ayesha 126.00

SUN 134.65

Kamal 124.00

26/S Cone (PV)

AA 124.44

Ashiana 123.42

MM 97.00

Blue Star 98.00

Super Jett 100.00

Shuttle 97.00

M-4 100.00

Bemisal 94.00

Ghouri 97.00

U-2 96.00

L.G. 109.00

U-7 90.00

Triple two 94.00

AJ Gold 97.00

Candle 96.00

Jaguar 97.00

34-36/S Cone (PV)

A.A. 145.84

Ashiana 144.84

Sapna 135.00

Blue Star 110.00

Super Jett 110.00

Shahzad-H 110.00

Shuttle 107.00

Bemisal 106.00

Shuttle less 108.00

Cheeta 104.00

Candle 107.00

Target 106.00

Dewan 107.00

Royal 102.00

Spin Cott 106.00

H.R. 106.00

S.S. 115.00

Tanveer 118.00

44-46/S Cone (PV)

A.A. 174.40

BUSINESS RECORDER

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Ashiana	173.38
Sapna	153.00
Super Jet	123.00
Bemisal	126.00
Marghala	123.00
U-2	124.00
Cheeta	122.00
Target	122.00
S.S.	139.00

65/S Cone (PV)

Ashiana	225.42
U-2	185.00
Bemisal	189.00
Ghori	182.00
Cheeta	187.00
A.J Gold	187.00
Tanveer	187.00
Maqbool	186.00

34/S Cone PP

Zamin	95.00
Shadman	111.00
Ellahi	112.00
Dewan	96.00
U-2	97.00

60/S Cone PP

Zamin	118.00
Anwar	120.00
Taj Mahal	117.00

36-38/S Cone (Staple)

Diamond Gate	1700.00
Marghala	1680.00
Saif	1690.00
Four Star	1720.00
A.J.	1690.00
Fazal Cloth	1670.00
L.G.	1690.00
Super Gold	1690.00
Azam	1680.00
Best	1660.00
K.P.K.	1700.00
Colony	1690.00
Martial	1680.00

30/S Cone (Ecrylic)

Koial	163.00
Saif	164.00
Combine	135.00

40/S Cone (Ecrylic)

Koial	176.00
Saif	174.00
Latif	170.00
Pagri	175.00

DAWN
Sunday, 19th March, 2017

Corporate governance in family businesses

THE NEWSPAPER'S STAFF REPORTER

ISLAMABAD: The Securities and Exchange Commission of Pakistan (SECP) has introduced a voluntary regime to provide guideline principles for improving corporate governance, mainly in family-owned companies.

Addressing a seminar on Saturday, Amina Aziz, director of SECP's corporate supervision department, has suggested that non-listed companies should improve corporate governance and financial reporting requirements to get themselves listed on the stock exchange.

"Raising capital from public through stock exchanges required more scrutiny about financial reporting, governance mechanism, legal compliances and market surveillance," Ms Aziz said.

The seminar was organised in collaboration with the International Finance Corporation (IFC) and Centre for International Private Enterprise (CIPE) to promote corporate culture among businesses and encourage corporatisation and listing of small companies.

SECP's principles are in line with the best international practices and local statutory requirements, which provide guidance in different areas, including role of board of directors and independent directors, remuneration, oversight, training of directors, internal control mechanism, and performance evaluation.

While highlighting the importance of principles for small and medium-sized enterprises (SMEs) and non-listed companies, she said small business incubators have tremendous potential for growth and could transform to large-scale entities with potential for listing on stock exchange to attract capital from the public.

The speaker highlighted the importance of SMEs in the economy and called for improving corporate governance practices in Pakistan.

Mujahid Eshai, former president of the Institute of Chartered Accountants of Pakistan, also emphasised the need to practise good corporate governance in SMEs and non-listed companies for sustainable business growth. He also highlighted the role of independent directors on a company's board.

Hammad Siddiqui of CIPE said effective implementation of SECP's corporate governance principles can modernise the entire corporate culture of Pakistan.

The speakers said annual reports of non-listed companies should contain a balanced and understandable assessment of the company's financial position.

Moreover, their board of directors should be encouraged to develop an appraisal mechanism to evaluate the company's performance. The meetings of board of directors provide a forum to ascertain the financial and operational performance of a company and the relevant agenda information should be shared with board in a timely manner, the speaker added.

DAWN
Sunday, 19th March, 2017

Active buying on cotton market

THE NEWSPAPER'S STAFF REPORTER

KARACHI: Trading interest revived on the cotton market on Saturday amid active buying from spinners.

Ginners who had been holding their limited stocks entered into moderate to big deals with spinners who had yet to accumulate stocks to meet their seasonal demand.

As the current cotton season has almost ended in Punjab, the lower Sindh has already started sowing new crop for the next season, i.e. 2017-18.

Prices on the domestic market also remained steady in line with global trend where most of the leading cotton markets closed steady.

The Karachi Cotton Association’s spot rates were firm at overnight level. Major deals on the ready counter were: 1,000 bales from Lodhran at Rs7,050, 400 bales from Liaquatpur at Rs7,000, 400 bales from Bahawalpur at Rs6,950, 600 bales from Noorpur Noranga at Rs6,925, 200 bales from Dahranwala at Rs6,800 and 500 bales from Alipur at Rs6,725.

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	**6,800**	**135**	**6,935**
40 Kgs	**7,288**	**145**	**7,433**

THE NEWS
Sunday, 19th March, 2017

Cotton production up 9.99pc to 10.72mln bales

MULTAN: Country's cotton production until March 15, 2017 reached 10.722 million bales, increasing 9.99 percent over the same period last year, a fortnightly report released by ginners showed on Saturday.

"Out of the total arrivals, cottonseed (Phutti) to the tune of 10,722,328 bales has undergone the ginning process," Pakistan Cotton Ginners Association (PCGA) report said.

According to the report, the arrivals in Punjab ginneries were recorded at 6.9 million or 6,935,370 bales, growing by 15.92 percent compared to the corresponding period last year.

"Arrivals at ginneries in Sindh As much as 3.787 million or 3,787,111 bales reached the ginning factories in Sindh, showing a tad increase of 0.56 per cent over the same period last year," the report added.

It further said the textile mills purchased 10.048 million or 10,048,592 bales, while exactly 471,297 bales were still lying with the ginneries as the unsold stock.

THE NEWS
Sunday, 19th March, 2017

Exporters urged to tap global textile markets

SIALKOT: Trade Development Authority of Pakistan (TDAP) chief executive S M Muneer has urged the exporters to come forward to tap the international textile markets.

Addressing a meeting of Sialkot exporters held at the Pakistan Sports Goods Manufacturers and Exporters Association (PSGMEA) office on Saturday, he assured all-out efforts to be made to ensure the early resolution to their problems. He also vowed to remove all hurdles in the way of exports and trade in the country.

Muneer asked the Sialkot exporters to hold an international standard expo of the Sialkot-made export products, including sports goods and surgical instruments to lure foreign buyers. Federation of Pakistan Chambers of Commerce and Industry (FPCCI) president Zubair Tufail said that the prime obligation of the commercial counselors is to promote Pakistani products.

FPCCI senior vice president Aamer Ata Bajwa, FPCCI vice president Manzoor Ul Haq Malik, Pakistan Sports Goods Manufacturers and Exporters Association (PSGMEA) chairman Khurram Aslam, Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) central chairman Ejaz A Khokhar, Sialkot business community leader Riazud Din Sheikh, Sialkot Chamber of Commerce and Industry (SCCI) president Majid Raza Bhutta, Sialkot International Airport Limited (SIAL) chairman Malik Muhammad Ashraf, Sialkot WFSGI director Dr Nouman Idrees Butt and PSGMEA executive council members attended the meeting. Meanwhile, FPCCI president Zubair Tufail has said that all-out efforts would continue to arrange national and international trade and industrial exhibitions in future in active collaboration with the Trade Development Authority of Pakistan (TDAP), a statement said on Saturday.

The trader representative bodies are fully aware of the problems being faced by the businessmen and are making all-out efforts to resolve them, he added.

The FPCCI is also striving to increase the number of national and international exhibitions with enhanced quota for the Sialkot exporters, he added.

THE NEWS
Sunday, 19th March, 2017

G20 fails to reaffirm free trade commitment; drops anti-protectionist, climate pledges

BADEN-BADEN, Germany: The world´s financial leaders failed to reach a compromise deal to endorse free trade on Saturday, backtracking on past commitments to keep trade open and reject protectionism, the communique of G20 finance ministers and central bankers showed.

Finance ministers from the world´s biggest economies dropped an anti-protectionist pledge and a vow on action against climate change, after Washington refused to sign up to the commitment.

After a two-day meeting, ministers from G20 developed and developing nations said they were "working to strengthen the contribution of trade to our economies" but failed to spell out a pledge to reject protectionism in a closing statement.

Making only a token reference for the need to strengthen the contribution of trade to the economy, finance ministers and central bank chiefs of the world´s top 20 economies broke with a decade-old tradition of rejecting protectionism and endorsing open trade.

In the new U.S. administration´s biggest clash yet with the international community, G20 finance chiefs also walked back on a pledge to support climate change finance, an anticipated outcome after U. S President Donald Trump called climate change a "hoax".

Speaking on the sidelines of the meeting, delegates said that the U.S. was holding out on key issues, unwilling to compromise and essentially torpedoing a deal as it requires all members to sign up.

Trump has already pulled out of a key trade agreement and proposed a new tax on imports arguing that certain trade relationships need to be reworked to make them fairer for U.S. workers.

G20 financial leaders, however, reaffirmed their a commitment to refrain from competitive currency devaluation, a key agreement as the U.S. has repeatedly complained that some of its trade partners are using artificially devalued currencies to gain a trade advantage.

The failure by ministers to agree on trade and climate action was met with dismay by France, whose Finance Minister Michel Sapin said: ""I regret nevertheless that our discussions today were not able to reach a satisfactory conclusion on two priorities that are absolutely essential in today´s world."

Where the US has threatened foreign manufacturers with steep import taxes, France "rejects all unilateral protectionist measures", Sapin added.

He cited the fight against climate change and trade, saying France was convinced of the need for "regulated free trade" that was profitable for everybody.

"This is not a good outcome of the meeting," a G20 delegate quoted Bundesbank President Jens Weidmann as saying. Germany has a $65 billion trade surplus with the United States.

U.S. Treasury Secretary Steven Mnuchin said on Thursday in Berlin that the Trump administration had no desire to get into trade wars but that certain trade relationships need to be re-examined to make them fairer for U.S. workers.

After a meeting with German Chancellor Angela Merkel on Friday, Trump said that he did not believe in isolationism but that trade policy should be fairer.

Top 20 economies however pledged to finalise new banking regulations, easing concerns that the new U.S. administration would pull out of a long-delayed global accord known as Basel III.

Designed to avert a repeat of the financial crisis, Basel III rules have been on hold due to an impasse between the United States and Europe, with some fearing the accord might never be revived as the new U.S. administration advocates deregulation.

"We confirm our support for the Basel Committee on Banking Supervision´s work to finalise the Basel III framework without further significantly increasing overall capital requirements across the sector, while promoting a level playing field," G20 finance ministers and central bank chiefs said in a statement.

U.S. President Donald Trump has ordered a review of banking rules with the implicit aim of loosening them.

That raises the prospect of the U.S. pulling out of some international cooperation efforts.

Arguing that lax regulation had been a key cause of the global financial crisis a decade ago, the European Central Bank said deregulation threatens the relative stability that has supported the slow but steady recovery.

With central banks keeping rates ultra low, deregulation also risked overheating the bank sector, raising the prospect of failures and bailouts, European officials argued.

Federal Reserve Chair Janet Yellen has also come under pressure to step back from international regulatory cooperation.

An influential member of the House of Representatives called on her earlier this year to end talks in forums like the Basel Committee, whose proposed rules he said would disadvantage the United States.

"It is incumbent upon all regulators to support the U.S. economy, and scrutinise international agreements that are killing American jobs," Patrick McHenry, the Vice Chairman of the House Financial Services Committee, told Yellen.

THE NEWS
Sunday, 19th March, 2017

Tax on early transfer to eliminate new car 'own money'

KARACHI: Additional tax on the transfer of a new car within three months of its purchase would help the government to eliminate a common practice of a premium charge – extra money demanded from a consumer for an early automobile delivery, a dealer said on Saturday.

"Early delivery demand from the customers encourages investors to exploit them by offering vehicles on premium payments," said Iqbal Shah, chairman of Pakistan Automobile Assemblers Dealer Association (Pamada) in a statement. "If a customer agrees to secure delivery as per the schedule no premium will exist."

Shah said vehicles are not commodity items, which could be made and shelved. They are manufactured on customer orders.

The automobile industry has taken various steps to discourage premiums through, for example, refusing multiple vehicle bookings on a single computerised national identity card and displaying vehicle availability information at the dealership floors and on the company website.

"We request the customers to book their vehicles only at the authorised dealerships and wait for the delivery as per the delivery date," said the Pamada chairman.

He said original equipment manufacturers discourage premiums, run consumer education campaigns through advertisements and ensure the vehicle availability information on their websites. However, the immediate delivery demand continues to encourage investors to fleece the consumers through own money.

The automotive dealer said domestically-manufactured vehicles are in high demand due to government's efforts to improve the economy and ongoing China-Pakistan Economic Corridor projects.

Car production increased to 124,923 units in the first eight months of the current fiscal year of 2016/17 as compared to 121,755 units in the same period of 2015/16, showed the data by the Pakistan Automotive Manufacturers Association. A total of 5,691 trucks and buses were manufactured during this period as compared to 4,078 units in the comparable period.

"Lead times on vehicle delivery arise whenever there is high demand and are a common phenomenon across the globe," Shah said, referring to an almost six-month waiting period on certain Suzuki variants in India.

He said presently all automakers in the country are operating at their full capacity and resorting to production overtimes to meet growing demand and working on increasing their capacity. The Auto Industry Policy 2016-2021 is attracting new entrants from all across the globe. "Their entry in Pakistan will result in more choices for the consumers and encourage healthy competition."

The association chief said the production is at its optimal. In 2007, the industry invested in capacity expansion.

"However, sudden relaxation on used cars import adversely affected the market, resulting in closure of three plants," he said. "Therefore, in order to sustain the interest of global players in the country's auto market, stability and consistency of policies is needed."

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Pakistan keen to set up climate change monitoring system for Indus rivers

LAHORE: Pakistan will put forward an advice of deploying a monitoring mechanism to assess the adverse affects of climate change on the water flows of Indus rivers system during a meeting, scheduled on March 19, with an Indian delegation, officials said on Saturday.

As per the fourth point of agenda of the 113th meeting of Permanent Indus Waters Commission, Pakistan has communicated to India that discussion would be held on the monitoring of the parameters relevant to the climate change for the Indus system rivers, a senior official confirmed with The News.

“As climate change would influence the flow of the rivers, so it cannot be excluded from the treaty framework,” the official of Pakistan’s Indus Waters Commission said. “Further, Paragraph 29 of Annexure G of Indus Waters Treaty mentions the international conventions and customary international law. Under these, the environment and climate change cannot be excluded.”

The treaty states except as the Parties may otherwise agree, “The law to be applied by the court shall be this treaty.”

The Indus Waters Treaty gives option to the parties to resolve the issues. Pakistan and India signed the treaty after hectic negotiations in Karachi on September 19, 1960. It consists of 12 articles and 8 appendices.

A 10-member delegation of Indian Indus Waters Commission would arrive in Pakistan today (Sunday) for taking part at the two-day annual meeting of the commission.

India agreed to revive Indus waters commission-level talks for discussing water issues after having virtually ended boycott of the negotiation process after around one and half year of impasse. The last meeting of the commission was held in 2015. India has also started exchanging water flow and agriculture use data with Pakistan.

Another official said there is dire need to have a joint monitoring of Indus basin to deal with such a burning issue.

Global warming is going to greatly affect the river flows, the official added.

“Therefore, we can never ignore the importance of having such a monitoring mechanism.”

Watershed management is another tool that could help in making water flows smooth. Both countries should develop a mechanism in this regard and also ensure real time exchange of data related to river flows.

The official said both the countries should immediately take steps under the guiding principles of treaty to effectively mitigate adverse effects of climate change.

He said Pakistan is already a victim of flow restriction on the eastern rivers. Even, India was not releasing flows in Ravi and Sutlej rivers to reduce environmental degradation. Due to a loss of regular flow in the eastern rivers, the riverbed has accumulated sand dunes, which are causing havoc to the fragile ecology of the area.

A senior official said India insisted on discussing the objections of Pakistan on Kishanganga and Rattle hydroelectric projects at the platform of Pakistan Indus Waters Commission instead of World Bank-driven process. Pakistan has refused this.

“We have responded to that and our response is that these will not be discussed as the process of discussion has been completed and gone to the forward stages.”

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Time to shift industrial policy from vertical to horizontal

Mansoor Ahmad

LAHORE: Pakistan needs an industrial policy that not only facilitates the sunrise industries but also takes measures to let the inefficient units close down instead of putting them on artificial life support in the shape of subsidies and tax waivers.

Economists the world over are divided on the approach to boost industrialization. Some favor supporting domestic industries at all cost, arguing the forces of globalization favour the global elites and marginalise the newcomers. They assert the industrial policy should be transparent and its benefits must be available to both incumbents as well as entrants.

The wheels of the entrants should not be greased so generously (by the government) that it makes it impossible for the gears of the incumbents to move. Similarly, the existing players should not be allowed to become too big to let the newcomers enter the game or have a level playing field.

Industrial policies come in many shapes, sizes, and sometimes flavours, but some strategies clearly work better than others. In fact it is the political need of every government to try to foster conditions for industrial success at home.

Any government decision, regulation, or law that encourages ongoing activity or investment in an industry falls in the ambit of industrial policy. That the politicians use industrial policies as a means to mollify their electorate goes without saying. The tendency of preventing your voters from changing sides by bribing them with free lunches in the name of promoting economy/investment most of the times results in aberrations. Such moves make some segments of the economy richer at the expense of others. The policy should be fair and transparent that provides equal opportunities to all segments of economy. By unduly micromanaging industries, governments tend to prop specific industries distorting the economy.

Pakistan’s industrial and economic policies are focused on textile sector, which, despite all the featherbedding, has failed to increase its share in global economy. The incentive offered to this sector is denied to most of the other potentially stronger sectors like engineering and agriculture. It is more important to create a climate of collaboration between government and the private sector than to provide financial incentives.

Economists point out there are two types of policies the governments pursue to foster industrial growth one is horizontal and the other is vertical. In the horizontal approach, they provide inputs that a broad range of firms, across different sectors, need for their growth and development. The important inputs needed by all industries include transport infrastructure, trained manpower, and in modern world a labor force proficient in English. The vertical approach limits the ability of a country to exploit its full economic potential.

Most economists plead with the governments to devise policies that promote education and good governance instead of going for massive infrastructure investments. Still, some countries like India have accelerated growth on the strength of investing heavily on infrastructure. These countries actually started with a huge infrastructure deficit and achieved good economic growth but going forward they would need educated workforce and transparency to sustain the initial success. This also stands true for Pakistan where the present regime is concentrating solely on infrastructure.

Pakistan’s industrial policy lacks many factors needed for broad-based industrial growth. Besides infrastructure the government would have to invest heavily in education besides improving business environment through transparent as well as even-sided governance. Connectivity is also an important aspect of fostering industrial growth. The present regime is investing adequately on road, rail, and mass communication infrastructure. Moreover an industrial policy should have the ability to reverse market failures. Most importantly before finalising an industrial policy the government should make sure the institutions are capable of executing it.

Industrial policy failures are not limited to developing countries. They also hit developed economies employing wrong policies. For instance, France supported specific sectors as a part of reviving the troubled industrial sector by acquiring a stake in the automaker Peugeot

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as an act of “industrial patriotism. On the other hand, German approach is not limited to any specific sector. The European power is striving to create a competitive framework that enables little known entrepreneurs to emerge as global leaders. Thus, the governments should be “actively creating new markets, instead of just fixing some of them.”

The Nation on Web

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Govt urged to raise issue of dams' construction by India Indus Water Treaty talks

Our Staff Reporter

LAHORE - As India has accepted Pakistan's invitation to attend the Indus Water Treaty talks in Lahore, the All Pakistan Business Forum (APBF) has asked the government to warn the Indian commissioner against fast-tracked construction of hydropower projects worth $15 billion in Indian Occupied Kashmir and disrupting water supplies to Pakistan.

APBF Presidnet Ibrahim Qureshi said that it is good that the Indian Commissioner of the Permanent Indus Commission has accepted his Pakistani counterpart's invitation for talks on the Indus Waters Treaty scheduled to be held in Pakistan. It is the time for Pakistan to raise the issue of dams' construction by the Indian government, depriving Pakistan of its due share of water, Qureshi said.

It seems that finally India has realised the importance of this mechanism under the Indus Waters Treaty for resolving water disputes related to the Indus water and its tributaries, he added. He said that six hydro projects in Indian-held Kashmir either cleared viability tests or the more advanced environment and forest expert approvals in the last few months. Together these projects on the Chenab River, would triple hydropower generation in Occupied Kashmir from the current level of 3,000 MW.

The Commission, which is mandated to meet at least once every year, alternately in Pakistan and India, comprises Indus Commissioners from both sides and discusses technical matters related to the implementation of the treaty. It has met 112 times since 1960.

Qureshi said that the upcoming meeting on the treaty should raise concern over the Kishenganga of 330MW and Ratle of 850MW hydroelectric power plants, being built by India on the Kishenganga and Chenab rivers, respectively.

He said that this is an opportunity for the two countries to begin to resolve the issue in an amicable manner and in line with the spirit of the treaty rather than pursuing concurrent processes that could make the treaty unworkable.

He said that India has fast-tracked hydropower projects of around $15 billion in Occupied Kashmir, ignoring warnings from Islamabad that power stations on rivers, flowing into Pakistan, will disrupt water supply. Qureshi urged Pakistan to oppose these projects, as they violate the World Bank treaty on the sharing of the Indus River and its tributaries upon which 80 percent of Pakistan irrigated agriculture depends.

He said that Pakistan's water supply is also dwindling because of climate change, outdated farming techniques and an exploding population. He said New Delhi could use these projects as a way to control Pakistan's supplies from the Indus, seen as its jugular vein. The cumulative effect of these projects could give India the ability to store enough water to limit the supply to Pakistan at crucial moments in the growing season, he said.