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No foreign loan procurement under new PM

ZAHEER ABBASI

ISLAMABAD: The government has not procured any commercial foreign loans since the new Prime Minister Shahid Khaqan Abbasi assumed his office despite growing challenge to the balance of payment position (BoP) due to widening trade gap.

Pakistan's trade deficit increased to $3.204 billion in July 2017, higher by 55.46 percent over $2.061 billion for the same month a year before but, more disturbingly, July witnessed a 14.71 percent decline in exports over June 2017.

Sources in Finance Ministry said the government has not received any foreign loans in August 2017 and no new loan agreements have been signed in August 2017 while data for the month of July 2017 is not available and is in the process of being compiled.

Background interaction with officials of Finance Ministry revealed that so far steps taken, or not as in the matter of not procuring foreign loans, by the Abbasi administration reflects a "disassociation from the polices of Finance Minister Ishaq Dar". They added that if this trend persists then there would be a major shift away from heavy reliance on external borrowing.

Sources further maintained that decisions taken by the Abbasi administration, including the removal of Finance Minister Dar from the chairmanship of the ECC and CCoP, appear to indicate that the new Prime Minister is not supportive of the economic policies pursued by Ishaq Dar which, they added, were a source of sustained criticism by the opposition and economists.

External borrowing especially from the commercial banks at exorbitantly high cost was the special focus of the opposition and independent economists, they pointed out.

According to EAD data, the Sharif administration procured $4.367 billion from foreign commercial banks during 2016-17. In June 2017 alone borrowing from foreign banks was as follows: $697 million from Standard Chartered Bank (SCB) London, $300 million from Bank of China, $275 million from CITI bank and $235 million from Switzerland-based financial group Credit Suisse in June 2017 for budgetary support.

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External debt: Govt required to pay off $7.43bn this year

AAMIR SAEED

ISLAMABAD: Pakistan has to pay $ 38.224 billion and Rs 15.883 trillion against external and domestic public debt respectively including principal amount and interest in the next seven years, (during 2017-2023).

Minister for Finance, Revenue and Economic Affairs Senator Ishaq Dar informed this to National Assembly on Friday in a written response to a question asked by Pakistan Tehreek-e-Insaf member Dr Arif Alvi.

The external public debt was $ 58 billion and the net internal public debt was Rs 12.31 trillion as on 31-12-2016, the minister informed the house.

According to the details of external debt, the country is bound to pay $7,432 million including $1,595 million interest in 2017; $4,263 million including $1,457 million interest in 2018; $7,070 million including $1,314 million interest in 2019; $4,571 million including $1,089 million interest in 2020; $5,793 million including $987 million interest in 2021; $4,604 million including $830 million interest in 2022 and $4,491 million including $729 million interest in 2023.

The internal debt details show that the country is bound to pay Rs8,498 billion including Rs1,102 billion interest in 2017; Rs2,335 billion including Rs562 billion interest in 2018; Rs2,330 billion including Rs423 billion interest in 2019; Rs936 billion including Rs295 billion interest in 2020; Rs819 billion including Rs238 billion interest in 2021; Rs730 billion including Rs167 billion interest in 2022 and Rs235 billion including Rs105 billion interest in 2023.

To another question, the minister informed the house that total domestic debt taken by the present government through the State Bank of Pakistan and commercial banks during the period from 01-07-2016 to 31-03-2017 is Rs819.1 billion.

The bank-wise break-up shows the government borrowed Rs734.62 billion from State Bank of Pakistan and Rs84.5 billion from commercial banks during the abovementioned period.

The minister said the domestic debt is raised by selling government securities, i.e., Market Treasury Bills, Pakistan Investment Bonds and Government Ijara Sukuk to Primary Dealers.

All other banks and non-banks can buy these securities from the primary dealers, he said, adding that the ownership of these securities, therefore, keeps on changing on daily basis.

The finance minister also informed the house that Pakistan's per capita debt is Rs 94,890.

To another question, the minister informed the house that the pendency of total sales tax refund claims as on 30-06-2017 is to the tune of Rs139 billion which is 3.9 percent of revenue target of Rs3,521 billion for the year 2016-17.

It is further added that the pendency as on 01-07-2013 was Rs100 billion which was 5 percent of the revenue target of Rs2,007 billion for the year 2012-13, he said.

He said the comparison shows that since the present government took over in 2013, the refund pendency has decreased as percentage of revenue target.

The minister further said that a sum of Rs23.625 billion in 6,331 cases has been paid to the exporters as sales tax refund during the period 2016-17.

Federal Board of Revenue makes payment against sales tax Refund Payment Orders (RPOs) in queue based on the date of issuance of the RPO, he said, adding that as regards the RPOs issued between

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01-07-2016 to 30-06-2017, the refund payment was to be made in two stages, as per announcement made by the Finance Minister in the budget speech.

He said the payment against RPOs involving payment up to Rs1 million has already been made on July 15, 2017 whereas the payment against RPOs of higher amount shall be made by August 14, 2017.

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THE RUPEE

Steady trend

RECORDER REPORT

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

INTER-BANK MARKET RATES: The national currency firmly held the present levels against the dollar for buying and selling at Rs 105.39 and Rs 105.40 respectively, they said.

In the final Asian trade, the dollar slipped versus the yen, hampered by renewed investor concerns over the Trump administration's ability to push forward its economic policy agenda.

The dollar fell 0.2 percent to 109.33 yen, pulling further away from this week's high of 110.95 yen that had been set on Wednesday.

The yen often comes into favour in times of market stress, partly due to the notion that Japanese investors might eventually repatriate their overseas assets if such market turmoil persists.

The dollar was trading against the Indian rupee at Rs 64.108, the US currency was trading against the Malaysian ringgit at 4.295 and the greenback was at 6.677 in relation to the Chinese yuan.

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, they said.

The rupee, however, failed to retain overnight levels in terms of the euro, losing 25 paisas for buying and selling at Rs 124.00 and Rs 125.50 respectively, they said.

Open Bid	Rs. 106.50
Open Offer	Rs. 106.70

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

Bid Rate	Rs. 105.39
Offer Rate	Rs. 105.40

RUPEE IN LAHORE: The Pakistani rupee moved both ways against the US dollar and British pound in the local currency market on Friday.

According to currency dealers, the US dollar continued trading on a mixed pattern following divergent trend in the local currency market. At the close, it ended at Rs 106.45 and Rs 106.65 on buying and selling side, respectively, as compared to the overnight closing rates of Rs 106.40 and Rs 106.70 respectively, they added.

Likewise, the national currency also followed the same suit versus the pound sterling. The British currency was bought and sold at Rs 135.90 and Rs 136.60 against Rs 135.70 and Rs 136.70 of Thursday, they said.

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

The dollar opened at Rs 107.10 (buying) and Rs 107.20 (selling) against same last rate. It closed at Rs 107.10 (buying) and Rs 107.20 (selling) in evening session.

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Stockbrokers approach FBR against seizure of bank accounts

SOHAIL SARFRAZ

ISLAMABAD: PSX Stockbrokers Association has approached Federal Board of Revenue (FBR) Chairman Tariq Pasha against seizure of bank accounts of brokers having funds of their clients, creating panic among the brokers community.

In a communication of Ghulam Mujtaba Sakarwala, general secretary of the association to the FBR Chairman Friday, the association has made a presentation on the maladministration in monitoring of withholding tax practice of creating bogus demand and seizure of bank accounts despite refunds intimation.

The association alleged that in the presence of monthly and annual statements u/s 165/149 of the Income Tax Ordinance, 2001 monitoring of withholding tax (WHT) ought to be a simple affair but, the concerned assistant/deputy commissioner Inland Revenue, Enforcement and Collection, Unit-I, RTO, (Corporate) Karachi, working under CIR Zone I, CRTO, Karachi, has made the whole exercise extremely difficult and cumbersome for stock brokers.

Stock brokers' members have reported that during the course of audit the concerned (AC / DCIR) neither examines statements u/s 165/149 nor pays any attention to volumes of details obtained from them. Instead of quoting instances, where a particular employee had been paid taxable salary without deduction of tax or any expense attracting deduction was incurred without deduction, the concerned officer, in his show cause notices, picks up gross figures from profit & loss account, applies hypothetical rates of tax deduction and confronts the tax payers with astronomical figures of tax not deducted.

The association said that now instead of adjusting the "arbitrarily" created demand against the already determined refunds, the concerned officer in the very first stance seizes all the bank accounts of our members. While doing this, even bank accounts reserved by law for keeping "Funds of the Clients only" are not spared.

The association claimed that the extreme and illegal action of the tax officer brings the brokerage house close to ruination. Although the ordinance allows a tax payer to pay 25% of the tax demanded and go in first appeal, yet concerned DCIR took away the whole amount from the bank.

The nature of brokerage business is very special. Brokers cannot keep any money out of bank. All business activities are fully documented and recorded to the extent of nanoseconds. Laws applicable to business demand that the money belonging to clients must be kept in separate bank accounts marked by the bank as "Client Account." The FBR needs to issue special instructions to the field officers that the money lying in such accounts may not be treated as money belonging to the brokerage house.

The association has demanded of the FBR that the seizure of bank accounts despite availability of huge refunds for adjustment of demand is the height of maladministration. Kindly hold an enquiry into the matter.

Secondly, suitable instructions may be issued to the field officers that the bank accounts in the name of the brokerage house but titled as "client account" may not be seized for recovery of "tax demand" against the brokerage house because the funds in such accounts do not belong to the brokerage house. (The fact may be verified from the APEX Regulator of the Brokerage Houses - SECP), the association said.

Thirdly, to make field officers to apply their mind to the statements u/s 165 / 149 and the details obtained from the tax payer, suitable instructions may be issued. To meet the ends of justice and fair play the field officers may be bound to confront stock brokers with details of employees that have been paid taxable salaries without deduction of tax, and details of expenses, attracting WHT, but incurred without deduction of tax, before drawing an adverse inference.

The association pointed out that the item 15 of the table given u/s 182 prescribes penalty for failure to collect or deduct tax under the ordinance and its deposit as required u/s 160. For default of Re. 1 penalty to be levied is Rs 25,000 or 10 percent, which ever is higher. Suitable instructions require to be issued u/s 183 to rationalize the penalty. It is unfair and cumbersome for the compliant tax payers, the association said.

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Fuel adjustment: Nepra may approve Rs1.71 refund for July

MUSHTAQ GHUMMAN

ISLAMABAD: The National Electric Power Regulatory Authority (Nepra) is likely to approve a refund of Rs 1.71 per unit to the consumers of power Distribution Companies (Discos) for July 2017 under monthly fuel adjustment formula.

In this regard, Central Power Purchasing Agency (CPPA) submitted the tariff petition to Nepra along with energy purchase data and changes were taken into account. The refund will not be applicable on lifeline consumers, agriculture consumers and KE consumers.

The Authority will hold a public hearing on August 23, 2016 to hear viewpoints of National Transmission and Dispatch Company (NTDC), National Power Control Centre (NPCC) and CPPA besides other interested parties.

In July, total recorded generation was 12,496.6 GWh, with a total cost of Rs 58.653 billion (Rs 4.6935 per unit). Of this, hydel generation was 3,847.5 GWh - 30.79 per cent of total generation followed by coal-fired generation at 368 GWh - 2.95 per cent of total generation, with a cost of Rs 4.2616 per unit, HSD- fired generation 335.6 GWh - 2.69 per cent of total generation at Rs 14 per unit, gas-fired generation 2,145 GWh - 17.17 per cent of total generation at a rate of Rs 4.3654 per unit, RLNG-fired generation was recorded at 1,514.5 GWh-12.12 per cent of total generation and RFO-based generation 3,198 GWh – 25.6 per cent of total generation at a cost of Rs 9.3060 per unit.

In July, 641.59 GWh nuclear energy was produced which was just 0.43 per cent of total generation. The cost of nuclear energy has been calculated at Rs 0.9694. Pakistan also imported 54.28 GWH from Iran at Rs 10.63 per unit.

The volume of mixed energy was 26.69 GWh which constituted 0.21 per cent of total generation at a cost of Rs 6.8697 per unit. The share of wind power was 232.78 GWh, baggasse 75 GWh at a cost of Rs 6.1815 per unit and solar generation was 56.63 GWh.

In July, transmission losses were recorded at 215.6 GWh or 1.75 per cent against allowed limit of 3 per cent. Per unit cost of transmission losses has been calculated at Rs 0.0878 per unit.

According to CPPA, in July net delivered electricity to Discos was 12,267.4 GWh which was 98.17 per cent with a total cost of Rs 58.691 billion or Rs 4.7843 per unit.

In July, generation from 747 MW gas-fired power plant at Guddu (OC) was zero. Likewise, NPCC did not purchase electricity from Orient Power, Saif Power, Saphire and Halmore to be produced on RLNG. NPCC also did not purchase from baggasse –fired M/s Fatima Energy which is contesting a case against Nepra in Islamabad High Court (IHC). CPPA purchased electricity from HDPPL wind and UEPL wind but did not mention this amount in the documents submitted to Nepra.

CPPA, in its tariff petition regarding fuel changes adjustment recommended that since the generation cost of electricity from different fuels was Rs 4.7843 per unit against the reference fuel price of Rs 6.4933 per unit, Nepra should allow it to refund Rs 1.71 per unit to the consumers of Discos overcharged in July 2017.

CPPA has requested Nepra to allow it previous adjustment of Rs 183.5 million.

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Dar, family members: SBP asked to direct banks to provide details

FAZAL SHER

ISLAMABAD: National Accountability Bureau (NAB) Friday asked State Bank of Pakistan (SBP) to direct banks to provide details of bank accounts of Finance Minister Muhammad Ishaq Dar and his family members.

The NAB on July 31 following the Supreme Court's verdict in Panama Papers case had decided to file three references against former Prime Minister Nawaz Sharif and his family members and one against Finance Minister Dar for possessing assets beyond known sources of income.

The letter written by the NAB to SBP is entitled as "provision of bank record - investigation against Finance Minister Senator Muhammad Ishaq Dar for accumulation of assets beyond known sources of income and others."

It said that in compliance with the order of apex court dated July 28, 2017, the NAB Lahore is going to compile and file a reference against the subject accused person on the subject allegation. "Please direct all banks under your jurisdiction in territorial areas of Punjab, Islamabad and Karachi city to search any A/C and furnish certified copies of bank record of Ishaq Dar, the son of Chanan Din Dar, Tabassum Ishaq Dar, the wife of Ishaq Dar, Ali Mustafa Dar, the son of Ishaq Dar, Asma Ali Dar, the wife of Ali Mustaf Dar, Mujtaba Hussain Dar, the son of Ishaq Dar and Saeed Ahmad, the son of Muhammad Shafi, president NBP," said the letter.

It said that the NAB has asked the SBP to provide details of all bank accounts, including: a) A/C opening form, SS card, CNIC and KYC formalities; b) statement of A/C from inception to data; c) all debit and credit vouchers along with details of contra entries; d) any other facility granted to or to the near relatives of the above person including finance facility or locker, loan facility, National Saving Certificate etc; e) and record of closed A/C and facilities should also be examined. The Bureau further asked that all record would be duly certified by bank official under his/her name and should be submitted to the office of NAB office Lahore on August 25, 2017.

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'Refunds not credited to bank accounts despite RPOs'

RECORDER REPORT

ISLAMABAD: A Lahore-based manufacturer of synthetic yarn has strongly contested that electronic transfer of admissible sales tax refund to bank account has not been done despite issuance of Refund Payment Order (RPO), negating the Federal Board of Revenue's claim that no complaint has been received regarding non-transfer of the refund amount.

Khalid Mahmood Akhtar, General Manager Sales Tax of Olympia Blended Fibre Mills Limited, has written a letter to FBR Chairman Tariq Bajwa for transfer of sales tax refund in their concerned bank account in consequence of Refund Payment Order # 8046199/2017, dated 07.02.2017.

According to the company's representative, the FBR had announced that it has not received any complaint from any of the claimants/exporters to whom payments were made regarding non-transfer of the refund amount. Contrary to this, the company has not received duly admissible sales tax refund electronically into the bank account under the direct credit facility.

The FBR had also clarified that a sum of Rs 23.858 billion was to be electronically transferred to the claimants/ exporters in July and August 2017, as per commitment of minister for finance and revenue made in his budget speech. The said company is surprised how the FBR's electronic system can skip their duly processed/cleared and issued RPO and not made part of the Rs 23.858 billion sales tax refunds issued to taxpayers particularly exporters.

Moreover, the FBR had said that some amount was not credited for various reasons such as closure of account, inactive account, incorrect account number provided by the claimant, etc. On the other hand, the company's representative said that the company's accounts are not facing any such situation as mentioned by the Board.

The FBR has been informed that in consequence of the policy statement issued by the government that the refund payment orders (RPOs) in the cases of refund of over one million rupees will be issued up to April 30, 2017, a refund payment order (RPO) vide # 8046199/2017, dated 07-02-2017, amounting to Rs 51,922,702 has been issued in favour after detailed scrutiny.

But unfortunately, consequent refund payment credit to relevant bank account through electronic transfer was not given in the company's favour neither prior to the cut of date i.e. August 14, 2017 nor till to date, which is against the policy decision and guarantees/ assurance given by the high-ups of the officials.

In view of the situation, the company has requested that sales tax refund credit may be given at the earliest in the interest of justice and fair play, official of Olympia Blended Fibre Mills Limited added.

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10pc increase in exports: Textile division for withdrawal of condition

TAHIR AMIN

ISLAMABAD: Textile division has sent a summary to the Ministry of Finance to withdraw the condition of 10 percent increase in exports for availing incentives announced in the Rs 180 billion Prime Minister Incentive's package for exporters, it is learnt.

Official sources told Business Recorder that the package has not helped in boosting exports to the extent envisaged and exporters would be unable to avail the incentives unless the package is amended.

Textile industry had approached the Textile division requesting for withdrawal of the 10 percent condition. On the basis of input taken from the industry stakeholders, the Division has sent a summary to the Finance Ministry and requested amendment in the package. As per the notification, duty drawback of taxes under the PMs package for exporters will be allowed for exports GSs filed on or after 1st July, 2017 to 30th June, 2018 if the exporter has achieved a 10% or more increase in exports over 2016-17 exports.

The package envisaged Rs 140 billion to be given to exporters in cash while Rs 40 billion would be given in shape of tax exemptions. The government has released Rs 7 billion against duty drawback of taxes under PM's package to the textile sector and Rs 1 billion to the non-textile sector so far, sources added.

An All Pakistan Textile Mills Association (APTMA) delegation met Prime Minister Shahid Khaqan Abbasi on Thursday and tabled four demands including: (i) withdrawal of 10 percent condition for availing incentives of the package; (ii) early releases for the implementation of package; (iii) withdrawing Rs 3.63/kwh surcharge on electricity; and (iv) Rationalization of gas price.

Chairman APTMA Aamir Fayaz told Business Recorder that during the meeting the Prime Minister was informed about the high cost of doing business in Pakistan and was requested to take urgent remedial measures for the revival of industry.

Prime Minister Shahid Khaqan Abbasi assured the exporters of full support and added that the government is committed to facilitating the business community for which all proposals and suggestions will be appreciated.

Fayaz further revealed that the PM has constituted a committee to be headed by Federal Minister for Commerce and Textile Muhammad Pervaiz Malik which would prepare recommendations to boost exports which would be presented before the PM in the next meeting. Fayaz said that the first meeting of the committee is scheduled for today.

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Govt may approve allocation of LNG to housing societies

ABDUL RASHEED AZAD

ISLAMABAD: The government is likely to approve allocation of Liquefied Natural Gas (LNG) to private housing societies next week, it is learnt.

Officials privy to the developments told Business Recorder that due to shortage of locally-produced natural gas the high-end private housing societies such as Bahria Town, Defense Housing Society and Top City have requested the ministry of petroleum to allocate bulk LNG for domestic use. If permission is granted, it is believed that it would relieve the pressure on indigenous gas resources.

Local gas is supplied to domestic consumers at the rate of Rs 6 per mmbtu while LNG will be supplied at Rs 12 per mmbtu. While shortages in supply of domestic gas become acute during the winter months in upcountry areas however LNG supply will be subject to the arrival of vessels from Qatar which may be delayed for some reason or the other, officials told this correspondent.

Next week a high level meeting will deliberate on supplying LNG to housing societies and it is likely to receive the go-ahead.

Awami Muslim League's (AML) President Sheikh Rashid Ahmed has accused Shahid Khaqan Abbasi of corruption/kick-backs in the 15 year LNG deal signed February 2015 between Pakistan and Qatar.

Talking to Business Recorder Sheikh Rashid said that the PML-N struck the LNG deal with Qatar government through one of Nawaz Sharif's close cronies - Saif-ur-Rehman - who is residing in Doha since long; and alleged that the PML-N government finalized the deal on a fast track basis through assigning this special task to Pakistan's ambassador-designate to Qatar.

When asked about the specifics of the case he would file against Shahid Khaqan Abbasi Sheikh Rashid said he would reveal all in the reference he intends to file in National Accountability Bureau (NAB).

When asked to comment on the allegations leveled by Sheikh Rashid, a senior official of the Petroleum Ministry said that PM Abbasi has repeatedly stated that he is ready to face any inquiry on the matter. He further stated that due to such politically-motivated statements Pakistan has been disabled from importing LNG for the past two decades – a much-needed source of energy.

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Regulatory authorities: Official asked to file reply

KHUDAYAR MOHLA

ISLAMABAD: Expressing dismay over non-compliance of court's directives, Islamabad High Court on Friday redirected secretary Cabinet Division to file a written reply over issuance of a notification to place some regulatory authorities under respective ministries in violation of the court's orders.

In March this year, a single-member bench of the IHC Justice Athar Minallah had set aside the notification of the federal government to place the Oil and Gas Regulatory Authority (Ogra), National Electric Power Regulatory Authority (Nepra), Pakistan Telecommunication Authority (PTA), Public Procurement Regulatory Authority (PPRA) and Frequency Allocation Board (FAB) under their respective ministries.

However, the federal government reissued a notification in the matter to which a petitioner, Muhammad Nawaz, had filed a contempt petition before the High Court, alleging that the respondents Fawad Hassan Fawad, Principal Secretary to Prime Minister, and joint secretary Cabinet Division committed contempt of court by reissuing the notification for placing these regulatory bodies under the ministries.

During the course of proceedings of the contempt plea, the petitioner's counsel told the single-member bench of Justice Athar Minallah that his client had come to know about the notification which was re-issued with a slight change in the text with the same subject in order to control and supervise the independent regulatory bodies without any decision, approval or consent of the Council of Common Interests (CCI).

After hearing the counsel for the petitioner, the bench directed the secretary Cabinet Division to re-submit his written reply on the next hearing and adjourned the case till Sep 08.

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FBR issues IT return forms

RECORDER REPORT

ISLAMABAD: Federal Board of Revenue (FBR) has issued income tax return forms for individuals and Association of Persons (AOPs) for tax year 2017.

According to SRO # 819(I)/2017 issued by the FBR, in exercise of the powers conferred by sub-section (1) of section 237 of the Income Tax Ordinance, 2001, the FBR has amended Income Tax Rules, 2002. The amendments having been previously published vide notification # SRO 688(I)/2017, dated 20th July, 2017, and notification # SRO 708(I)/2017, dated the 27th July, 2017.

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Hectic trade activity on falling cotton rates

RECORDER REPORT

KARACHI: Trade activity showed further improvement following the increase in arrivals, which caused a net loss of Rs 700 within a week, dealers said on the cotton market on Friday.

The official spot rate extended overnight decline, losing Rs 150 to Rs 5950, they said. In the ready session, as a result of rising interest by both mills and exporters, volume of business increased so, 34,000 bales of cotton changed hands between Rs 5800-6100, they said.

In both Sindh and Punjab, seed cotton rates were at Rs 2600-2800 per 40 kg, they said.

Keeping a close watch over the fresh decline in the rates, cotton analyst, Naseem Usman said that it looks that prices may not fall sharply in the coming days.

Other analysts said that all buyers were taking interest in fine quality at lower rates, as well. They said that freights costs for the haulage of cotton have also went up owing to transportation of sacrificial animals from rural areas to urban areas.

Reuters adds: ICE cotton snapped a three session falling streak on Thursday and settled marginally higher after hitting a one-month low earlier in the session as markets appeared to digest last week's bearish data from the US Department of Agriculture.

Cotton contracts for December settled up 0.09 cent, or 0.1 percent, at 66.91 cents per lb. It traded within a range of 66.64, a bottom since July 17, and 67.09 cents a lb.

The following deals reported: 3000 bales from Shahdadpur at Rs 5800/5975, 1000 bales from Khipro at Rs 5800/5900, 2600 bales from Tando Adam at Rs 5885/5975, 2000 bales from Mirpurkhas at Rs 5885/5975, 400 bales from Kot Ghulam Mohammad at Rs 5900, 400 bales from Hala at Rs 5900, 400 bales from Nawabshah at Rs 5900, 400 bales from Maqsoodo at Rs 5900, 600 bales from Shahpur Chakar at Rs 5900, 2000 bales from Sanghar at Rs 5900/5950, 1000 bales from Jhole at Rs 5900/5950, 1800 bales from Kotri at Rs 5950, 2000 bales from Hyderabad at Rs 5950, 600 bales from Samundri at Rs 5990/6000, 400 bales from Chistian at Rs 5975, 600 bales from Gojra at Rs 6000, 600 bales from Pir Mehal at Rs 6000, 400 bales from Pak Pattan at Rs 6000, 400 bales from Arifwala at Rs 6000, 200 bales from Muridwala at Rs 6000, 600 bales from Hasilpur at Rs 6000/6050, 1400 bales from Haroonabad at Rs 6000/6050, 1400 bales from Mian Chanu at Rs 6000/6050, 1000 bales from Sahiwal at Rs 6000/6050, 1400 bales from Chichawatni at Rs 6000/6050, 1200 bales from Vehari at Rs 6000/6050, 3600 bales from Burewala at Rs 6000/6050, 400 bales from Kabirwala at Rs 6000/6050, 400 bales from Bahawal Nagar at Rs 6000/6050, 1000 bales from Khanewal at Rs 6000/6100, 400 bales from Bahawalpur at Rs 6000/6100 and 400 bales from Jhang at Rs 6000/6100, 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 17.08.2017	Difference Ex-Karachi in Rupees
37.324 Kgs Equivalent	6,950	145	**6,095**	**6,245**	-150
40 Kgs	6,377	155	**6,532**	**6,692**	-160

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New York cotton edges higher

NEW YORK: ICE cotton gained on Friday, edging away from one-month lows hit in the previous session as the US dollar strengthened, however, the natural fibre was on track for its second straight weekly decline on worries over higher US production.

Cotton prices "are not done falling yet. We expect the market to move toward 65 cents over the next two weeks," said Rogers Varner, president of Varner Brokerage in Cleveland, Mississippi.

"Perfect weather conditions (in US growing regions) are bearish, but demand is a little bit friendly."

Cotton contracts for December settled up 0.37 cent, or 0.6 percent, at 67.28 cents per lb. It traded within a range of 66.68 and 67.5 cents a lb.

In the previous session, prices touched their lowest since July 17 at 66.64 cents a lb. Prices were down about 1.4 percent for the week so far, in what would be a second consecutive weekly decline for the contract.

The first survey of US 2017 crop production indicated an output of 20.5 million bales, 1.5 million above last month and the largest production in 11 year, the US Department of Agriculture said in its monthly World Agricultural Supply and Demand Estimates (WASDE) last week.

Meanwhile, in top producer India, cotton output and imports were higher compared to the previous year, while exports fell, according to government data released earlier in the session.

The dollar index was down 0.25 percent. The Thomson Reuters CoreCommodity CRB Index, which tracks 19 commodities, was up 0.92 percent.

Total futures market volume rose by 176 to 15,674 lots. Data showed total open interest gained 2,029 to 221,607 contracts in the previous session.

Certificated cotton stocks deliverable as of Aug. 17 totaled 15,786 480-lb bales, down from 16,842 in the previous session.—Reuters

New York cotton

RECORDER REPORT
The fluctuations observed during the day:

	Current Session						Prior Day		
	Open	High	Low	Last	Time	Set	Chg	Vol	Set
Oct'17	-	67.79	67.79	67.79	14:45 Aug 18	67.79	0.34	19	67.45
Dec'17	67.00	67.50	66.68	67.28	14:45 Aug 18	67.28	0.37	11316	66.91
Mar'18	66.78	67.20	66.50	67.06	14:45 Aug 18	67.06	0.30	3317	66.76

DAWN
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Report on rupee depreciation due next week

Shahid Iqbal

KARACHI: A committee investigating the rupee's sudden depreciation against the dollar last month is expected to submit its report next week, according to banking sources.

The spokesman for the State Bank of Pakistan (SBP), Abid Qamar, did not state the exact date of submission. But he confirmed the imminent submission of the report.

"The probe committee is about to conclude its job. Hopefully, it will submit the report very soon," he told Dawn.

SBP earlier said the exchange rate adjustment would address the emerging imbalance in external account

The rupee's value against the dollar went down 3.1 per cent on July 5, jolting the currency market. It led to a sharp reaction from the finance minister who held an emergency meeting with the heads of all commercial banks next day. The rupee regained most of its lost value subsequently.

Following the sudden movement in the exchange rate, the government quickly appointed a full-time governor of the SBP. Until then, an acting governor was in charge of the central bank.

The government directed the SBP to initiate an enquiry into the sudden movement in the interbank market.

The SBP constituted a committee headed by one of its senior officials while the deputy governor – who was acting governor at the time of depreciation – was also part of the probe committee.

The spokesman said the report will be submitted to the Ministry of Finance.

Interestingly, the move to depreciate the rupee was owned by the SBP through a press statement. It said the adjustment was needed to bring a balance in the exchange rate. Now the same institution is heading the probe committee that is looking into the SBP's approval for depreciation.

The spokesman was tight-lipped about the findings of the investigation. But sources in the financial sector said there will hardly be anything 'harmful' in the report. A number of banks were also questioned with regard to the depreciation.

The ministry had demanded that the report be submitted within 10 days. But 38 days have passed since then and yet the ministry does not seem insistent on demanding that the report be submitted immediately.

Independent economists believe the depreciation in the value of the rupee is required to improve exports and control the massive increase in imports.

DAWN
Saturday, 19th August, 2017

LSM growth hits four-year high

Mubarak Zeb Khan

ISLAMABAD: Large-scale manufacturing (LSM) expanded by 5.6 per cent in 2016-17, the Pakistan Bureau of Statistics (PBS) reported on Friday.

This is the highest rate of increase recorded in the last four years, which reflects the revival of growth in large industries' production.

LSM grew 3.13pc in 2015-16, 3.38pc in 2014-15, 5.39pc in 2013-14 and 4.28pc in 2012-13.

On a monthly basis, LSM grew 3.33pc in June, PBS data showed. It registered a record single-month growth of 9.7pc in April.

LSM constitutes 80pc of manufacturing and its share in overall GDP is 10.7pc. Small-scale manufacturing accounts for 1.8pc in GDP and has a share of 13.7pc within manufacturing.

Production data of 36 items received from the Ministry of Industries and Production and that of 65 items from the provincial bureaus of statistics contributed to LSM growth by 4.18pc and 1.22pc, respectively.

Production data of 11 items received from the Oil Companies Advisory Committee contributed to LSM growth by 0.21pc in 2016-17.

According to industry-specific data for 2016-17, iron and steel recorded the highest growth of 20.48pc, followed by electronics 17.02pc, food, beverages and tobacco 11.49pc, automobiles 11.22pc, pharmaceuticals 9.19pc, paper and board products 7.18pc, non-metallic mineral products 4.44pc, engineering products 4pc, coke and petroleum products 2.79pc, fertilisers 1.66pc and textiles 0.81pc.

Sectors that showed a decline included leather products, which went down by 17.02pc, chemicals 2.11pc and wood products 93.74pc.

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

Sector-specific data showed growth in the iron and steel sector mainly came from rising production of billets/ingots (up 28.77pc) and hot and cold rolled sheets, strips and coil (13.85pc).

Robust construction activities also led to an increase in demand for steel and allied products. Improved energy supplies and recovery in global prices ultimately helped local players boost their capacity utilisation.

The cement sector recorded growth of 4.48pc in July-June over the last year.

Within food, beverages and tobacco, the highest growth of 37.8pc was recorded in sugar production on account of an increase in the sugarcane crop, rising domestic prices and wide usage of ethanol in power generation by manufacturers.

Other items that recorded positive growth are juices, syrups and squashes whose production rose by 12.06pc, blended tea 8.93pc, cooking oil 3.49pc and vegetable ghee 5.44pc.

In the engineering sector, the production of diesel engines increased by 210.68pc and that of safety razor blades by 9.53pc.

In the automobile sector, tractors' output grew 55pc, trucks 36.11pc, jeeps and cars 5.39pc, motorcycles 20.74pc and bus production 4.49pc. However, the production of light commercial vehicles dipped by 32.29pc.

In the pharmaceutical group, capsules, injections, liquids/syrups and tablets posted growth of 3.12pc, 21.09pc, 8.26pc and 6.59pc, respectively.

The production of coke and petroleum products went up 3.39pc year-on-year mainly because of an increase in the production of motor spirits, which rose by 13.64pc, high-speed diesel 4.41pc, furnace oil 4.41pc, jute batching oil 47.65pc, jet fuel oil 5.01pc and liquefied petroleum gas 13.60pc.

However, the production of lubricating oil dropped 7.03pc, diesel oil 17.68pc, kerosene 12.35pc and petroleum product 10.55pc.

DAWN
Saturday, 19th August, 2017

Japan is long-term trade partner: Dar

APP

ISLAMABAD: Finance Minister Ishaq Dar said on Friday that Japan and Pakistan are long-term partners in their quest for economic development.

Mr Dar was talking to Japanese Ambassador Takashi Kurai who called on him to discuss relations and overall business cooperation between the two countries.

Mr Kurai said that his country was always ready to contribute to socio-economic uplift in Pakistan. He informed the finance minister about the new investments being made by Japanese companies here.

He referred to the joint venture for powdered milk production facility and fresh investment for expansion in automotive sector as examples of continued interest from Japanese investors in the country.

He added that a number of companies were currently exploring opportunities in various sectors.

Mr Dar recalled his meeting with the Japanese Deputy Prime Minister on the sidelines of the Asian Development Bank's annual meeting in Yokohama and said that it opened new avenues of cooperation in the financial sector.

Mr Kurai also said that a delegation from the Japan Bank for International Cooperation would visit Pakistan next month to take the discussions further and work out details for financial sector collaboration.

He also recounted meeting of Pakistan-Japan Business Forum (PJBF) in November 2015 and setting up of Joint Trade Committee which was working for promotion of bilateral trade.

Mr Dar appreciated the ambassador for his proactive role in promoting bilateral economic cooperation. He assured him that the government would extend all possible help to Japanese investors and businessmen in their new ventures.

He also welcomed the planned visit of the Japanese bank's delegation and said it would provide an opportunity to both sides to discuss technical issues in greater detail.

DAWN
Saturday, 19th August, 2017

Cotton price falls as ginners sell in haste

The Newspaper's Staff Reporter

KARACHI: Cotton prices came crashing down on Friday due to panic selling from ginners holding huge stocks.

The Karachi Cotton Association revised the spot rates downwards by Rs150 to Rs5,950 per maund.

Market experts noted that it was worrisome for cotton prices to go below the Rs6,000 mark on ready trading.

The current flow of phutti (seed cotton) has forced many ginning units in Punjab to stop lifting it from Sindh — as was being done earlier in the season. Above all, global factors also influenced trading and cotton prices.

There was sudden surge in demand for Punjab variety cotton which came down below Rs6,000 from Rs6,700 per maund recorded early in the season.

Under the current scenario, growers are going to suffer heavily because prices of phutti came down in the range of Rs2,700 to Rs2,800 per 40kg compared to earlier prices of Rs3,000-3,300 per 40kg.

For the first time during the current season, some exporters also entered the market. Sources said around 70,000 bales were booked for exports. All the leading world cotton markets closed easy on Friday due to depressed demand for cotton. The New York and Chinese markets closed easy whereas the Indian market also came under pressure.

The following deals were reported on Friday: 3,000 bales, Shahdadpur, at Rs5,800 to Rs5,975; 1,000 bales, Khipro, at Rs5,800 to Rs5,900; 2,600 bales, Tando Adam, at Rs5,885 to Rs5,975; 2,000 bales, Mirpurkhas done at Rs5885 to Rs5975, 2000 bales, Sanghar, at Rs5,900 to Rs5,950; 1,000 bales, Jhole, at Rs5,900 to Rs5,950; 1,800 bales, Kotri, at Rs5,950; 2,000 bales, Hyderabad, at Rs5,950; 3,600 bales, Burewala, at Rs6,000 to Rs6,050; 1,200 bales, Vehari, at Rs6,000 to Rs6,050; 1,400 bales, Chichawatni, at Rs6,000 to Rs6,050; 1,000 bales, Khanewal, at Rs6,000 to Rs6,100; 1,400 bales, Haroonabad, at Rs6,000 to Rs6,060; 1,400 bales, Mian Channu, at Rs6,000 to Rs6,050; and 600 bales, Pir Mehal, at Rs6,000.

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	6,250	135	6,395
40 Kgs	6,698	145	6,853

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MARKETS

FOREX

Exchange Rates for Currency Notes (Rs)

	Interbank market*		Open market**	
	Buying	Selling	Buying	Selling
USA	105.30	105.50	106.50	106.70
UK	135.72	135.97	136.50	137.00
Euro	123.56	123.79	124.00	125.50
S.Arabia	28.08	28.13	28.15	28.40
UAE	28.67	28.72	28.80	29.10
Japan	0.9628	0.9646	0.9637	0.9837

*forex.com.pk **ECAP

KIBOR

Karachi Interbank offered rates

	Bid	Offer
Three months	5.89	6.14
Six months	5.90	6.15
One year	5.96	6.46

LIBOR

Special US dollar bonds for Aug 17

Three months	1.31639 %
Six months	1.45722 %

THE NEWS
Saturday, 19th August, 2017

Weekly inflation inches down

ISLAMABAD: Weekly inflation for the combined income groups inched down 0.23 percent for the week ended August 17 as compared to the previous week, official data revealed on Friday.

Pakistan Bureau of Statistics (PBS) data showed that the sensitive price indicator (SPI) was recorded at 219.42 points for the above mentioned group for the week under review against 219.92 points last week.

SPI is computed with the base year of 2007/08, covering 17 urban centres and 53 essential items for all the income groups.

PBS data showed that SPI inflation decreased 0.18 percent for the lowest income group earning up to Rs8,000/month as it fell to 209.48 points in the week under review from 209.86 points a week ago.

Further, SPI inflation for groups earning income between Rs8001 and 12,000, Rs12,001 and 18,000, Rs18,001 and 35,000 and above Rs35,000 declined 0.20, 0.22, 0.23 and 0.24 percent, respectively.

Prices of 14 items registered decrease, while prices of eight items increased and prices of 31 items remained unchanged during the current week.

The items, which registered fall in their prices, included chicken (farm), tomatoes, sugar, bananas, garlic, gram pulse, masoor pulse, eggs, gur, mash pulse, red chilly, moong pulse, wheat and wheat flour.

The products, which recorded rise in their prices, included onions, potatoes, rice (basmati broken), liquefied petroleum gas cylinder, curd, georgette, beef and vegetable ghee.

The items, with no change in their average prices during the week under review, included rice (irri-6), bread, mutton, milk (fresh), milk (powdered), mustard oil, cooking oil, vegetable ghee, salt (powdered), tea (packet), cooked beef, cooked daal, tea (prepared), cigarettes, long cloth, shirting, lawn, gents sandal, gents chappal, ladies sandal, electricity and gas tariffs, kerosene oil, firewood, electric bulb, washing soap, match box, petrol, diesel, telephone local call and bath soap.

THE NEWS
Saturday, 19th August, 2017

LSM posts four-year high growth of 5.6 percent in FY2017

KARACHI: Large scale manufacturing (LSM) sector posted a four-year high growth of 5.6 percent during the last fiscal year of 2016/17 as a massive development spending to fill infrastructure gap and a boom in construction piqued appetite of iron and steel products, official data showed on Friday.

LSM, accounting for 80 percent of the industrial sector's 10 percent contribution to GDP, recorded 3.13 percent growth in FY2016, 3.38 percent in FY2015, 5.39 percent in FY2014 and 4.28 percent in FY2013, revealed data from Pakistan Bureau of Statistics (PBS).

The LSM growth of FY2017 was a little shy of the annual target of 5.7 percent. The government also set the sector's target at 5.7 percent for FY2018.

PBS data showed that iron and steel production recorded the highest growth of 20.48 percent during the last fiscal year, followed by electronics (17.02pc), food, beverages and tobacco (11.49pc), automobiles (11.22pc), pharmaceuticals (9.91pc), paper and paper board (7.18pc), non-metallic mineral products (4.44pc), engineering products (4pc), coke and petroleum products (2.79pc), fertilisers (1.66pc) and textile (0.81pc).

The government, in the budget for the current fiscal year, cut regulatory duty on aluminium waste scrap – a primary raw material for auto parts and fans manufacturing industries – to five percent from 10 percent in a bid to encourage industrial sector.

Besides, government has been reducing corporate tax rate by one percent every year since 2013. The tax rate came down to 30 percent from 35 percent four years ago. Though businessmen still hold some reservations over the present tax regime, including delay in disbursement of refunds, the tax rate reduction has been a shot in the arm of trade and industry.

In July-June, woods, leather products and chemical manufacturing sectors registered decline of 93.74, 17.02, and 2.11 percent, respectively.

PBS said LSM output increased 3.33 percent for June compared with the same month a year earlier and decreased 6.51 percent if compared to May 2017.

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. OCAC monitors production trend of 11 oil, lubricant and petroleum products. Ministry of industries tracks outputs of 36 products, and provincial authorities measure production of 65 items nationwide.

Provincial authorities registered the highest 4.09 percent year-on-year rise in output during the last fiscal year, followed by OCAC (3.32pc) and ministry of industries (2.98pc), showed PBS table.

Provincial bureau of statistics recorded 41.65 percent growth in production of electric meters, followed by sewing machines (35.84pc), deep freezers (24.13pc), refrigerators (22.67pc), electric fans (23.45pc), and electric motors (21.25pc) in FY2017.

Output of jute batching oil surged 47.65 percent to 2.596 million litres in the last fiscal year, followed by liquefied petroleum gas up 13.6 percent to 501.370 million litres, and motor spirits soaring 13.64 percent to 2.517 billion litres.

Auto industry manufactured 53,975 tractors during the last fiscal year, up 54.59 percent year-on-year. Sugar production surged 37.80 percent to 7.048 million tonnes, followed by manufacturing of trucks rising 36.11 percent to 7,712 units and production of billets and ingots increasing 28.77 percent to 4.099 million tonnes, according to PBS statistics.

THE NEWS
Saturday, 19th August, 2017

Cotton declines

Karachi

Cotton arrivals surged at the Karachi Cotton Exchange on Friday, while spot rates dropped Rs150/maund.

The spot rates dropped to Rs5,950/maund (37.324kg) and Rs6,377/40kg. Ex-Karachi rates also decreased to Rs6,095/maund and Rs6,532/40kg after an addition of Rs145 and Rs155 as upcountry expenses, respectively. An analyst said prices are likely to remain under pressure for some time because of an increase in arrivals.

KCE recorded 28 transactions of around 35,000 bales at a price of Rs5,800 to Rs6,100/maund. Transactions were recorded from Mirpurkhas, Sanghar, Hyderabad, Kotri, Shahdadpur, Tando Adam, Nawabshah and other stations in Sindh, while Jhang, Bahawalnagar, Khanewal, Haroonabad, Burewala, Chichawatni, Vehari, Sahiwal, Hasilpur, Mian Channu, Pir Mahal, Pakpattan and other stations from Punjab.

New York cotton market recorded a mixed trend on its futures.

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Weekly inflation down by 0.23pc

APP

ISLAMABAD - The weekly inflation for the week ended on August 17 for the combined income groups decreased by 0.23 percent as compared to the previous week.

According to the data released by Pakistan Bureau of Statistics (PBS) on Friday, the Sensitive Price Indicator (SPI) for the week under review in the above mentioned group was recorded at 219.42 points against 219.92 points last week.

As compared to the corresponding week of last year, the SPI for the combined group in the week under review witnessed increase of 0.21 per cent.

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

Meanwhile, the SPI for the lowest income group up to Rs 8,000 decreased by 0.18 percent as it went down from 209.86 points in the previous week to 209.48 points in the week under review.

As compared to the last week, the SPI for the income groups from Rs 8001 to 12,000, Rs 12,001 to 18,000, Rs 18,001 to 35,000 and above Rs 35,000, also decreased by 0.20 percent, 0.22 percent, 0.23 percent and 0.24 percent respectively. During the week under review, average prices of 14 items registered decrease, while 8 items increased with the remaining 31 items' prices unchanged. The items, which registered decrease in their prices during the week under review included chicken (farm), tomatoes, sugar, bananas, garlic, gram pulse, masoor pulse, eggs, gur, mash pulse, red chilly, moong pulse, wheat and wheat flour.

The items, which registered increase in their prices during the week under review included onions, potatoes, rice (basmati broken), LPG cylinder, curd, georgette, beef, vegetable ghee.

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

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Govt fails to meet LSM growth target

Imran Ali Kundi

ISLAMABAD - The government has missed the large-scale manufacturing (LSM)'s growth target by a small margin of 0.3 percent during previous fiscal year 2016-17.

Pakistan's large-scale manufacturing (LSM) has recorded 5.6 percent growth during previous fiscal year 2016-17 as against the target of 5.9 percent, according to Pakistan Bureau of Statistics. The LSM, which constitutes 80 percent share within manufacturing and 10.7 percent in overall GDP, has still recorded handsome growth due to continued improvement in the supply of electricity and gas and expansion in credit to the private sector.

The PBS computes the quantum index numbers of the LSM on the basis of latest production data of 112 items received from various sources, including the OCAC, Ministry of Industries and Production and provincial Bureau of Statistics. The LSM data, provided by the Ministry of Industries and Production for 36 items, showed growth of 4.18 percent during the year 2016-17 over a year ago. Similarly, the data provided by the Provincial Bureaus of Statistics for 65 items showed growth of 1.22 percent over the same period. The output of 11 items whose data is provided by the Oil Companies Advisory Committee had increased by 0.21 percent during the period under review.

The main drivers of the LSM sector's growth during the period under review were; paper and board that recorded growth of 7.18 percent iron and steel with growth rate of 20.48 percent, non-metallic mineral products with growth of 4.44 percent, pharmaceutical 9.19 percent, electronics 17.02 percent, automobiles 11.22 percent and fertilisers recorded growth of 1.66 percent.

The sectors, whose output declined, included wood production that plunged by 93.74 percent, leather products by 17.02 percent and chemicals 2.11 percent. The automobile sector witnessed growth due to 36.11 percent increase in truck production, 54.59 percent increase in tractors production, 4.49 percent increase in the production of buses and 20.74 percent increase in the production of motorcycles. However, the production of light commercial vehicles (LCVs) dipped by 32.29 percent and jeeps and cars production enhanced by 5.39 percent.

In the case of electrical appliances, production of refrigerators jumped by 22.67 percent, deep freezers' production upped by 24.13 percent, that of electric-fans by 23.45 percent, production of storage batteries went up by 4.68 percent and electric meters production enhanced by 41.65 percent. However, the production of electric bulb declined by 2.39 percent, switchgears by 8.25 percent and production of electric transformers went down by 12.08 percent and TV set production down by 3.26 percent during the period under review. Meanwhile, manufacturing of cigarettes went down by 35.84 percent during the fiscal year 2016-17.

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Pakistan ideal destination for Chinese investment

NNI

SHANGHAI - Pakistan can achieve objective of economic development and become a major industrial zone by attracting Chinese investment and surplus production because of its low labour cost and big consumer market.

"China is a huge economic power and looking forward to new markets for its surplus production and Pakistan could become an ideal destination for Chinese investment and goods because of vibrant middle class and hardworking workforce," Pakistan Counsel General Dr Naeem Khan said.

He opined that with huge consumers market and skilled, hardworking and low cost labour, Pakistan can attract the Chinese investors and traders and make Pakistan a major industrial zone. He said that China is committed to invest more than $60 billion under China Pakistan Economic Corridor (CPEC), a flagship project of Belt and Road Initiative in energy and infrastructure sectors in Pakistan.

"China is helping us in construction of roads, telecommunication network, Gawadar port and airports and all this will play a key role in handling future production capacity," he said. Naeem said the China considering Pakistan a strategic partner has been encouraging its investors and traders to go Pakistan to take part in investment and trade activities.

"We can achieve our goal of economic prosperity by utilising this opportunity in an appropriate manner by enhancing our economic base and overcoming challenges," he added. Terming the CPEC a cornerstone for the economic development of Pakistan, he said, "At present the trade volume between Pakistan and China is around $20 billion and if we want to enhance our trade with China, we will have to enhance our capability by improving the infrastructure, ports, roads and telecommunications to handle this increase."

With enhanced energy production and top of line infrastructure, Pakistan would be able to fulfil demand of industrial production in future. Terming the skilled workers as one of the best workforce in the world, he said Pakistani engineers, technicians and labourers would play a pivotal role to make the CPEC a success. "Our quality workforce was the key force behind development in Middle East while Pakistani doctors are serving in the US and UK," he added.

On the role the consulate to attract and promote investment in Pakistan, he said, "We have been introducing Pakistani products in the trade fairs besides maintaining a close liaison with political and economic leadership as well as the chambers of commerce for this purpose."

On issues being faced by Pakistani community living in and around the Shanghai, the counsel general said he is aware of these issues which mostly relates to the local Chinese government. "We also take up these issues with local officials and take steps for the welfare of Pakistani community," he added.

Chinese agricultural group keen to enhance business in Pakistan

INP from Beijing: Tianjin Tianlong Agricultural Science and Technology – China's well-known company in the field of hybrid rice production - has shown keen interest to enhance their bilateral cooperation with Pakistan, learned a delegation of journalists from South Asian and South East Asian countries.

The delegation was briefed that the company was engaged in new crop breed research and its industrialisation, deep process technology for agricultural products and forage biotechnology research and industrialisation, crop seeds production and distribution. It was told that production of rice was on rise in Pakistan and taste was also well-known all over the world. The company was having a good export of its hybrid rice to Pakistan as China Pakistan Economic Corridor (CPEC) has provided enormous opportunities to cooperate more.

The company was established in early 2003 and through years rapidly growing Tianlong Agriculture started from one researching basis lab, developed at now, several fully invested subsidiary companies over China and also had trading partners or customers from South Asia, East Asia, Europe, Africa.

Tianlong not only focused on seeds research, it has already expanded the business in many fields, such as hybrid rice seeds trading, processing technological researches for agricultural products, the feed's biotechnology research, agricultural products import & export. Tianlong is the second largest exporter of hybrid rice seeds in China while already had few customers in 10 countries including Pakistan, Hongkong,

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Indonesia, North and South Korea, Vienan.

The representative said that the company was also supplying the agricultural machinery, rice fertiliser and mixed feed to different countries. It was briefed that the hybrid rice production technology of the company was 25 years ahead than its competitors in all over the world. It was also informed that the company was wholly responsible for hybrid rice production in North and South China.

“China has to feed millions of its people so we were focusing the production of hybrid rice and this kind of technology was considered as the achievement of the world,” the company’s representative said. Currently, Tianlong had success experiences as wholesales for the Peru and Chile fishmeal companies, the representative said.