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APTMA elections 2017-18
PHC suspends proceedings

RECORDER REPORT

A Divisional Bench of Peshawar High Court (PHC) Monday suspended the election proceedings of All Pakistan Textile Mills Association (APTMA) for the year 2017-18. The status-quo was granted on the writ petition filed by Ahmad Kuli Khan Khattak of Rehman Cotton Mills Limited, a candidate from APTMA Khyber Pakhtunkhwa Zone on the reserve seat for KP on the Central Executive Committee of APTMA.

The petitioner has made the Director General Trade Organizations (DGTO), Secretary General APTMA, Election Commission of APTMA, APTMA KP Zone and Shehzad Ayub, a candidate for the top slot of APTMA. Barrister Syed Mudassir Amir, council of the petitioner in his arguments before the bench told that a candidate Shehzad Ayub, a defaulter of the annual subscription fee submitted his nomination forms at Punjab office in violation of the Memorandum and Articles of Association of APTMA.

Furthermore, the counsel also told the court about the closure of his mills since last three years and the machineries installed in his mills has already been sold and shifted from the premises. Furthermore, SNGPL has already disconnected the gas supply to the concerned Zainab Textile Mills Limited.

The counsel for the petitioner also argued that Punjab Zone of APTMA also violated the Memorandum and Articles of Association and as well as Trade Organizations Rules 2013 by creating two additional polling stations at Multan and Faisalabad wherein the number of registered voters is less than the mandatory 50 members just one day before the election.

He told the court that the central chairman of APTMA is elected on rotation basis of 3:2:1 formula (three terms for Punjab, two for Sindh Balochistan and one for KP) and this year the term is of KP region. The Counsel for Shehzad Ayub, one of the respondents pleaded for granting stay only in the announcement of the result and not the whole election process. However, the court did not agreed with his contentions and issued stay order to stop the whole election proceedings.

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GSP plus status
UK announces support for Pakistan

MUSHTAQ GHUMMAN

ISLAMABAD: The United Kingdom (UK) on Monday announced her support for Pakistan at the European Union (EU) for continuity of GSP plus scheme till 2023 besides maintaining these preferences on bilateral basis even after Brexit.

This was announced by the visiting British Minister of State for Trade Policy, Greg Hands at a joint press conference with Pakistani Commerce and Textile Minister, Pervaiz Malik. UK High Commissioner to Pakistan Thomas Drew and Pakistan's Secretary Commerce Younas Dagha assisted their Ministers.

After formal talks at the Ministry of Commerce, a joint statement maintained that as the UK is leaving the EU, it recognises the need to a smooth transition in its trading arrangements.

"The UK's firm intention is to maintain these preferences on a bilateral basis, with the generous access to UK markets that it brings. Alongside that, whilst the UK is still a member of the EU, the UK will continue to support Pakistan to benefit from the EU's GSP plus scheme, whilst in return Pakistan pledges to continue to make progress to improve human rights, labour rights, environment and good governance in line with the commitment made as part of the GSP plus scheme," said the statement.

During the press conference, the visiting Minister reiterated these promises along with commitments made by Pakistan with respect to improvements in human rights.

Pakistan has acknowledged that as a result of GSP Plus incentive, Pakistan's exports to the EU have increased from Euro 4.54 billion in 2013 to Euro 6.29 billion in 2016 which indicates an increase of 38 per cent.

The UK is Pakistan's biggest trade partner in Europe with a bilateral trade amounting to Euro 2.08 billion in 2016. Pakistan's exports to UK amounted to Euro 1.3 billion as compared to imports of Euro 756 million.

"As required by the EU GSP plus regulation Pakistan has fully cooperated with the EU in sharing information on steps it has taken to comply with 27 Conventions mandatory for GPS plus. The government of Pakistan provided information on EU's list of issues/scorecard and an additional set of questions for 2014, 2015 and 2016," said an official who attended meeting of the two Trade Ministers.

The UK will also help Pakistan break down barriers to trade and use the opportunities this brings to create jobs and reduce poverty.

The visiting Minister said with more than 200 million consumers, Pakistan is an exciting market for British business. To support UK companies export to Pakistan and for Pakistani buyers of UK goods and services, the UK export credit agency's support, UK Export Finance (UKEF), is to more than double to up to 400 million pounds, an additional 200 million pounds to help UK exporters win, fulfill and get paid export contracts and Pakistan's buyers access finance to source high quality UK goods and services.

Both governments are ambitious to see more British trade and investment in Pakistan as well as Pakistani businesses exporting to and operating in the UK. From textile to pharmaceuticals, engineering and sporting goods to finance legal or business services, Pakistan has a huge potential in the global economy.

"We will do this through our trade policies and through links between businesses in both countries. Currently, the UK supports Pakistan through the EU's trade preference scheme GSP plus. This arrangement encourages economic growth and sustainable development in Pakistan. It also helps business and consumers in Britain," Hands further stated.

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In reply to a question, Pevaiz Malik said that talks with the UK Minister were held in a conducive environment wherein both sides discussed avenues to increase bilateral trade.

"We have agreed to enhance bilateral trade and for this new avenues will be found," he added.

The visiting British Minister of State for Trade Policy said that Pakistan has to take measures to improve governance, adding that the UK does not encourage corruption.

"We wish to enhance bilateral trade with Pakistan. Presently, 120 British companies are present in Pakistan. Pakistan is the best country for investment. We want to increase the number of British companies," he continued.

In reply to a question, he said, Pakistan has to improve the conditions of human rights, labour rights for community of GSP plus status.

Answering another question, he said that the UK is also holding a trilateral meeting - China, Pakistan and UK - on China Pakistan Economic Corridor (CPEC), adding that there is lot of opportunities in CPEC.

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Bank of China allowed to commence business

RECORDER REPORT

KARACHI: In a major development, State Bank of Pakistan (SBP) allowed the Bank of China Limited to commence banking business in Pakistan.

State Bank of Pakistan (SBP), in exercise of the powers conferred on it by clause (a) of Sub-Section (2) of Section 37 of the SBP Act, 1956, has declared “Bank of China Limited” as a scheduled Bank with effect from September 18, 2017.

Earlier, SBP had issued a banking license to the bank in May 2017. The Bank of China Limited has complied with the important regulatory and operational requirements of SBP necessary to commence banking business in Pakistan.

In Pakistan, the Bank of China aims to provide specialized banking services to serve the financing needs of the China Pakistan Economic Corridor (CPEC)-related projects by leveraging on its experience and global technology platform.

The Bank of China is a subsidiary of China Central Huijin, the investment arm of China. The Bank of China is the 4th and 5th largest global bank in terms of Tier-1 Capital and total Assets, respectively. It is listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange. Globally, the footprint of Bank of China is spread across 50 countries out of which, 19 are located across Chinese “One Belt One Road” initiative.

The Bank of China is the second Chinese bank, which entered in Pakistan. The Bank of China’s entry into Pakistan will not only further strengthen the bilateral relationship of Pakistan and China but will also represent growing confidence of international investors on the country’s banking sector and the stable economic outlook.

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'Shariah pronouncement'

SECP to empower advisors to issue edicts

SOHAIL SARFRAZ

ISLAMABAD: The Securities and Exchange Commission of Pakistan (SECP) will empower experts on Shariah to issue "Shariah pronouncement" (fatwa) in different cases including financing arrangement against any Shariah prohibitions.

The SECP has explained "Shariah pronouncement" (fatwa) under draft of the Shariah Advisors Regulations, 2017 issued by the SECP here on Monday.

Under the SECP regulations, "Shariah pronouncement" means a fatwa, certificate or a Shariah opinion issued by a Shariah advisor for the purposes of section 451 of the Act in the manner as specified in these regulations.

The SECP said that a Shariah pronouncement for Islamic financial services shall provide the underlying reasoning and references in detail, including but not limited to the following:

Shariah pronouncement for Islamic financial services shall, at the minimum, cover the following: if the purpose of the financing arrangement is against any Shariah prohibitions; how the arrangement addresses the prohibited riba (usury) and if the arrangement carries excessive gharar (risk, uncertainty, or hazard), and if yes, how it has been addressed.

A company or entity may use an abridged version of a Shariah pronouncement in its publications, where deemed necessary by the company or entity, however, the detailed Shariah pronouncement shall be made public available through its website.

A Shariah pronouncement shall be signed by at least one individual who meets the minimum fit and proper criteria provided in Annexure I of these regulations.

A Shariah advisor shall strive to use plain and simple language in a Shariah pronouncement, the SECP said.

A Shariah advisor shall provide a Shariah pronouncement to the company or entity in English along with Urdu translation.

The SECP said that a Shariah advisor shall maintain record of all Shariah pronouncements issued by him for at least 10 years.

Dissemination of Shariah pronouncement: a company or entity obtaining a Shariah pronouncement shall disseminate it through appropriate means including its website.

Restriction on conflicting Shariah pronouncements: no Shariah advisor shall issue a Shariah pronouncement regarding a company or entity or its security that is not solicited by that company or entity.

Once a company or entity has obtained a Shariah pronouncement from a Shariah advisor declaring the company or entity or its security Shariah compliant, no other Shariah advisor shall issue a Shariah pronouncement declaring the company or entity or its security non Shariah-compliant.

Any dispute or difference of opinion regarding a Shariah pronouncement within the meaning of these regulations shall be referred to the Commission, which may refer it to any relevant forum including the Shariah Board of the Commission.

According to the draft of the Shariah Advisors Regulations, 2017 issued by the SECP here on Monday, the appointments of a Shariah advisor appointed by a non-banking finance company (NBFC) on behalf of different collective investment scheme, pension funds, discretionary and non-discretionary portfolios managed by the NBFC shall be considered as a single appointment. Provided further that the upper limit shall not apply on research, training, education, and similar ancillary professional services provided by a Shariah advisor.

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THE RUPEE
Mixed patterns

RECORDER REPORT

KARACHI: Divergent trend was seen on the money market on Monday as the rupee moved both ways against the dollar in the process of trading dealers said.

INTER-BANK MARKET RATES: The rupee did not move sharply versus the dollar for buying and selling at Rs 105.41 and Rs 105.42 respectively, they said.

In the first Asian trade, the dollar held firm near a seven-week high versus the yen, supported by recent rises in US yields, while sterling took a breather after surging last week on growing expectations that the Bank of England could raise interest rates soon.

The dollar rose 0.3 percent to 111.19 yen, trading within sight of Friday's peak at 111.33 yen, the dollar's highest level since late July.

The dollar gained nearly 2.8 percent against the yen last week, buoyed by a rise in US Treasury yields that bolstered the greenback's appeal, and as data showing a pick up in US consumer prices helped rekindle expectations that the Federal Reserve could raise interest rates again in December.

The dollar was available against the Indian rupee at Rs 64.015, the greenback was trading versus the Malaysian ringgit at Rs 4.183 and the US currency was at 6.549 in terms of the Chinese yuan. Inter bank buy/sell rates for the taka against the dollar on Monday.80.75-80.75 (previous 80.73-80.73).

OPEN MARKET RATES: The rupee drifted lower by 10 paisas in relation to the dollar for buying and selling at Rs 105.70 and Rs 105.90, they said.

The rupee also lost 40 paisas in terms of the euro for buying and selling at Rs 125.40 Rs 126.70, they said.

Open Bid	Rs. 105.70
Open Offer	Rs. 105.90

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

Bid Rate	Rs. 105.40
Offer Rate	Rs. 105.41

RUPEE IN LAHORE: The Pak rupee appreciated against the US dollar in the local currency market on Monday.

The demand and supply situation of the dollar remained under pressure throughout the trading session following lack of buyers' interest in the currency market.

Consequently, it slipped to Rs 105.70 and Rs 106.05 for buying and selling, respectively, as compared to Saturday's closing trend of Rs 105.80 and Rs 106.10 respectively, local currency dealers said.

Furthermore, the national currency showed strength versus the pound sterling as it recovered by 15-paisa on buying counter and ended at Rs 141.65 as compared to last closing rate of Rs 141.80.

However, no change in its value took place on selling counter as it maintained its opening trend of Rs 142.50, they added.

RUPEE IN ISLAMABAD AND RAWALPINDI: The value of rupee against the remained uncharged at the open currency markets of Islamabad and Rawalpindi here on Monday.

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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July-Aug FDI up 155pc

RIZWAN BHATTI

KARACHI: The country fetched Foreign Direct Investment (FDI) amounting to $ 457 million, up 155 percent, during the first two months of this fiscal year (FY18).

Economists said that growing FDI is a good sign for the developing economy of Pakistan; however it is still much lower than the required level. "The country's external account is under pressure and needs more foreign inflows to finance it, they added.

Economists are optimistic that with improved energy situation and law and order situation, the country is likely to attract more foreign investment in coming months. Massive inflows under the CEPC are also likely to mature during this fiscal year.

According to State Bank of Pakistan (SBP), FDI registered an increase of 155 percent during July-Aug of FY18. FDI amounting to $ 457.2 million arrived in Pakistan during first two months of this fiscal year compared to $ 179.4 million in the same period of last fiscal year (FY17), depicting an increase of $ 278 million.

The rising inflows and lower outflows mainly contributed to higher FDI. During the period under review, FDI inflows stood at $ 506 million against the outflow of $ 49 million.

The detailed analysis revealed that investors from China and Malaysia largely invested their capitals in Pakistan. These two countries have a share of over 80 percent in the total FDI arrived in Pakistan during July-Aug of FY18.

China's FDI surged to $ 259 million in first two months of this fiscal year compared to $ 48.4 million in the corresponding period of last fiscal year. Similarly, Malaysia's direct investment in Pakistan stood at $ 110.8 million in July-Aug of FY18 up from $ 3.1 million.

Sector-wise analysis revealed that most of the foreign investment has been made in power and communication sector. The SBP reported that foreign investors invested $ 211 million in power sector and $ 94 million in communication sector during the first two month of current fiscal year.

According to SBP, during the period under review, portfolio investment witnessed a downward trend falling by 358 percent. Portfolio investment stood negative at $ 105.7 million in July-Aug of FY18 compared to an investment of $ 40.9 million in the corresponding period of last fiscal year. Similarly, foreign public investment also declined by $ 49.5 million.

Total foreign investment in Pakistan, comprising FDI, portfolio investment and foreign public investment, surged by 37.1 percent to reach $ 301.8 million during July-Aug of this fiscal year up from $ 220.2 million in the same period of last fiscal year.

Month-on-month basis, FDI registered an increase of 148 percent or $ 140 million to $ 234.5 million in Aug 2017 compared to $ 94.6 million in Aug 2016. During Aug 2017, FDI inflows stood at $ 258.2 million against the outflow of $ 23.7 million.

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Miftah likely to replace Dar

ABDUL RASHEED AZAD

ISLAMABAD: The government is likely to appoint Miftah Ismail as Advisor to the Prime Minister on Finance, informed sources in PML-N told Business Recorder.

Miftah Ismail is already performing the role of an Advisor on Finance, sources privy to recent briefings given to the Prime Minister on Finance related matters further revealed.

Finance Minister Ishaq Dar has reportedly requested the party leadership to relieve him of his portfolio to enable him to focus on the reference filed against him by National Accountability Bureau (NAB) on 8 September in compliance with the Supreme Court verdict for possessing wealth beyond known means of income.

Sources contended that the matter of appointing Ismail as Advisor to the Prime Minister on Finance was discussed by Prime Minister (PM) Shahid Khaqaan Abbasi with former PM Nawaz Sharif during his brief sojourn in London en route to attend the United Nations General Assembly meeting in New York.

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Non-filers can't become Shariah advisors: SECP

RECORDER REPORT

ISLAMABAD: The Securities and Exchange Commission of Pakistan (SECP) has decided to bar any individual from becoming Shariah advisor or a director or a partner of a Shariah advisor, who is a non-filer of income tax return with the Federal Board of Revenue (FBR).

The SECP issued SRO 928 (I)/2017 here on Monday to issue draft of Shariah Advisors Regulations, 2017.

According to the regulations, an individual shall be ineligible to become a Shariah advisor or a director or a partner of a Shariah advisor if he is a minor or he is of unsound mind and has applied to be adjudicated as an insolvent and his application is pending.

An individual shall be ineligible to become a Shariah advisor or a director or a partner of a Shariah advisor if he is an un-discharged insolvent; convicted by a court of law for an offence involving moral turpitude; debarred from holding such office under any provision of any law administered by the Commission; lacking fiduciary behavior and a declaration to this effect has been made by the court at any time during the preceding five years and declared by a court of competent jurisdiction as defaulter in repayment of loan to a financial institution.

An individual shall be ineligible to become a Shariah advisor or a director or a partner of a Shariah advisor if in case of a Pakistani national, he is not a tax filer with the Federal Board of Revenue and in case of foreign national, he is not a registered tax payer, if applicable, in respective jurisdiction of residence or nationality.

An individual shall be ineligible to become a Shariah advisor or a director or a partner of a Shariah advisor if he has been convicted of any criminal offence involving fraud, negligence or criminal breach of trust and financial impropriety; does not have a good reputation of ethical professional and social conduct befitting a Shariah advisor as judged by the Commission or has an adverse Credit Information Bureau (CIB) report.

For the purposes of these regulations, in case of overdue payment to any financial institution, CIB report from the State Bank of Pakistan shall be examined and if there is any overdue/past due payment to a financial institution, irrespective of amount, the relevant person shall not be considered fit and proper person except in case where, such overdue amount is under litigation and the same is also appearing as amount under litigation in CIB report or no overdue payment is appearing in the overdue column in the subsequent latest CIB report and in case of any amount appearing in the overdue/write-off column of the CIB report, no rejection shall be made unless the person has been provided an opportunity of making a representation before the Commission.

These regulations shall be applicable on every person providing Shariah advisory services; every company claiming to be a Shariah compliant company except an insurance company, a Takaful Operator or a window Takaful Operator and a banking company or any other company which is required to follow the Shariah governance framework of the State Bank of Pakistan and every company or entity claiming its securities to be Shariah compliant securities.

Fit and proper criteria for Shariah advisor: a Shariah advisor, which is a company or an LLP, shall not provide any services other than such services within the meaning of section 451 of the Act and ancillary professional services pertaining to research, education, and training in Islamic finance services; not undertake any business activity that is prohibited in

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Islam; not obtain for itself any financial services other than Islamic financial services and be independent of that company or entity.

A Shariah advisor may be appointed to perform Shariah advisory services across all sectors, including the banking sector, with companies registered in Pakistan, subject to the following limit: provided that the appointments of a Shariah advisor appointed by a non-banking finance company (NBFC) on behalf of different collective investment scheme, pension funds, discretionary and non-discretionary portfolios managed by the NBFC shall be considered as a single appointment. Provided further that the upper limit shall not apply on research, training, education, and similar ancillary professional services provided by a Shariah advisor.

Minimum fit and proper criteria for an individual Shariah advisor: an individual seeking to become a Shariah advisor shall, at the minimum, have any one of the following qualifications as a minimum: holds Shahadat-ul-Aalamiyyah degree (Dars-e-Nizami) from any recognized Board of Madaris with minimum seventy percent (70%) marks and bachelors degree by Higher Education Commission (HEC) of Pakistan with minimum 2nd Class with at least five (5) years' experience of giving Shariah rulings in Islamic commercial jurisprudence including the period of Takhasus fil Ifta or holds a postgraduate degree in Kuliyyatush Shariah or Kuliyyah Usooluddin or LLM (Shariah), with a minimum GPA of 2.5 or equivalent, from an institution recognized by Higher Education Commission (HEC) of Pakistan.

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PC rationalises scope, cost of KCR project

TAHIR AMIN

ISLAMABAD: The Planning Commission has rationalized the scope and cost of Karachi Circular Railway (KCR) project and reduced it from $2.583 billion to $1.971 billion, it is learnt.

Official documents available with Business Recorder reveal that a draft summary for Executive Committee of the National Economic Council (ECNEC) at the rationalized cost has been prepared and would be considered in the next meeting of ECNEC.

The Central Development Working Party (CDWP) in its meeting held on 3rd May, 2017 recommended the project for consideration of ECNEC subject to rationalization of scope and cost by a committee with certain recommendations. After approval, the project would come into the implementation phase. It is now a provincial government project which would be financed by the Chinese government while federal government would provide the guarantee.

The scope and cost rationalized and reduced from $2583.04 million including Foreign Exchange Component (FEC) of $2,414.54 million to $1,971 million including FEC of $1,971 million equivalent to Rs 210.897 billion (all in FEC) is proposed to be funded through Chinese loan under China Pakistan Economic Corridor (CPEC) framework. The federal government earmarked Rs 2.50 million in the Public Sector Development Program (PSDP) for 2017-18 for this project.

Transport & Mass Transit Department (TMTD) of Sindh is the sponsoring agency while Sindh Mass Transit Cell (SMTC), Transport & Mass Transit Department (TMTD)/Karachi Urban Transport Corporation (KUTC) are executing agencies of the project. The project is expected to be completed by September 2020 i.e. in 36 months.

The project is based on the revival/construction of 43.2 km standard gauge (1,435 mm) double railway track (14.945 km at-grade & 28.18 km elevated) with allied structures on the existing land reserved for KCR with allied facilities. There will be a total 24 stations including 14 elevated and 10 at-grade stations. Further procurement of 162 locomotives having seating capacity of 250 with DC traction power supply would be provided through third rail running along the track.

The projected ridership is estimated at 550,000 passengers per day (26,280 passengers per hour per direction) in the opening year 2020 with projected demand of 749,541 passengers per day by the year 2030 and 915,876 by the year 2040. Initially 162 locomotives will be procured to operate 27 sets of train (6 locos each).

The proposed KCR route shall be constructed on modern lines along existing (abandoned) track, which runs through the heart of Karachi's various densely populated areas such as Shah Faisal Colony, COD, Gulistan-e-Johar, NIPA, Gulshan-e-Iqbal, Federal B Area, Manghopir, SITE, Baldia, Orangi, Wazir Mansion, Chanesar Goth etc.

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<u>113 corporate entities</u>
Huge number of non-filers detected

MUHAMMAD ALI

KARACHI: The Federal Board of Revenue (FBR) has detected a huge number of non-filers of income tax returns for Tax Year 2016 in 113 corporate entities based in Islamabad and Karachi; it was learnt.

According to sources, a huge number of non-filers for Tax Year 2016 has been detected in 113 corporate entities having 1,000 plus employees.

The detection was disclosed by the Member IT, FBR after crosschecking the tax details of employees provide by the companies with the number income tax returns filers.

Sources said that after scrutinizing the annual statement submitted by the companies under section 165 (6) of Income Tax Ordinance 2001 with number of income tax returns filed by the employees, the department came to know that huge number of employees, serving in these 113 corporate companies, whom tax was deducted at source, were unable to file their income tax returns in tax year 2016.

Keeping the said in view, the FBR in order to facilitate its field formation has undertaken an exercise not only for broadening of tax base but also for filing of tax returns from non-filer corporate employees.

For the purpose, a list of 113 companies having 1000 plus employees has been prepared indicating total employees, filers and non-filers employees in tax year 2016.

Moreover sources said that chief commissioners of Regional Tax Offices (RTOs) and LTUs were sent written directives to approach Chief Operating Officers (COOs) and Chief Financial Officers (CFOs) of these companies and convince them to ensure filing of returns from the employees as a statutory obligation.

In addition, RTOs and LTUs having jurisdiction over such employees were also ordered to coordinate with such tax offices having jurisdiction over such companies in order to generate extra revenue, increase in tax base and reduce the figure of non-filers.

Replying to a question, sources said that companies failed to file annual statement for said period were not included in the list; adding that these 113 corporate units were from refineries, internet services, containers terminals, shipping companies, banking, aviation, textile, petroleum, pharmaceutical, sugar, insurance sectors and others.

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Economy

weighing options

The government finally, at least on paper, started talking on the increasing balance of payment concerns. This column has been advocating immediate actions to be taken to arrest the falling foreign exchange reserves. It is indeed good to see government's economic machinery, starting to debate and analyze the options the country has.

Economists, analysts and bureaucrats - not part of sitting government, have been emphasizing on currency adjustment for years now. On the flipside, virtually all government officials, BR Research met, agree with currency adjustment off the record. On it, they have echoed Dar's mantra. Once out of the office, many start advocating for currency depreciation. A recent example is an opinion piece by Ex finance Secretary, Waqar Masood, criticizing the burning of hard earned SBP foreign exchange reserves to keep currency value intact.

However ironic it maybe, he is spot on. Yes, the impact of currency depreciation on exports is not clear; but there is no justification of depleting reserves just to keep the price equilibrium at government's desired levels.

BR Research understands the political limitations of new PM, who also chairs the ECC. This column has written about number of solutions other than currency adjustments in the past few weeks. Such as upward revision of petroleum products prices (read: 'Options for Dar and Abbasi' published on August 30,2017), going back to global debt market (read: 'Policy tightening is unavoidable' published on August 23, 2017), monetary tightening, and administrative measures to curb imports and fiscal incentives to promote exports.

But the political situation was too messy and finance minister was too busy in handling corruption cases against him, economic management was simply at the back burner. But now, there seems to be some urgency in dealing with growing external vulnerabilities.

Recently, Ministry of Finance has coined up the option of raising $1 billion from sovereign Sukuk issue. The ministry is seeking to appoint financial advisors by 15th October. It's a welcome move, a bit late, however. The government last issued similar bond at 5.5 percent yield in Oct16. Lately, the international market is receptive to sovereign bonds issuance as the response to countries such as Iraq and Argentina was overwhelming. It seems that Pakistan might not have any issue in raising much needed money.

Also earlier this month, Ministry of Finance briefed the PM that keeping the petroleum prices low is a flawed policy and that has resulted in 25 percent increase in gasoline consumption during FY17. Accordingly to ministry's calculation, prices in Pakistan, on average, stood at $0.61 a litre compared to $0.93 in India, $1.51 in Turkey, $1.12 in Bangladesh and $0.88 in Sri Lanka. The comparison was no different in 2015 as well. Mind you, many of these countries' currencies depreciated against USD in the past couple of years, making petrol cheaper in Pakistan.

It's high time to correct the policy and the petroleum prices should be increased to curtail demand. The other advantage of higher prices could be more tax revenues to slash fiscal deficit. The need is to increase PL as that is not part of the divisible pool and may help federal government to curb the consolidated fiscal deficit seeing provinces are in no mood to show budget surpluses.

In a recent ECC meeting, the Privatization Commission has been advised to submit a viable plan for privatization of Pakistan Steel Mills. Hopes may well be on the lower side, efforts to work on a viable plan is encouraging for an otherwise dormant ministry.

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The Ministry of Finance is apparently relying on short term borrowings to not let the foreign exchange reserves to slip further. The decline of reserves is halted as the toll is up by $400 million in the last two weeks, which is encouraging. The recent numbers of exports, FDI and remittances are showing some growth as well. However, the quantum of imports is too big to make even double digit growth in foreign exchange earnings avenue peanuts.

The problem, even with all the renewed efforts is that the day before Pakistan goes back to the IMF may not be too far. However, seeing the deteriorating relationship with US, there are chances of imposition of some sort of US based sanctions on Pakistan. And if that happened; would the fund entertain Pakistan?

What alternate options does the country have? Will China come to rescue us for the balance of payment crisis? Will other multilaterals (WB, ADB etc) continue to support Pakistan? Well, lately ADB has approved infrastructure loans for KPK and Sindh government. But the change of heart can happen anytime.

Times are unpredictable; let’s hope the worst does not happen.

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Power sector bleeding out

Ever wondered how much the governance and financial mismanagement in the power sector costs the national exchequer? A staggering Rs1.3 trillion! The number was released by the Auditor General of Pakistan in a report presented in Parliament last month. Mind you the audit was not even done in its entirety with only 191 of 263 formations of the Water and Power Development Authority (WAPDA) and power-sector companies being scrutinized.

The amount is up some Rs320 billion from FY13 when the AGP found embezzlement and irregularities of Rs980 billion in WAPDA accounts and various power companies under the domain of the Ministry of Water and Power (MoWP), Clearly then, it should not be surprising that circular debt has repeatedly reared its ugly head over the years.

A closer look at the AGP report gives some insights. The audit found irregularities worth Rs957 billion pertaining to poor financial management, Rs103 billion on account of weak internal controls and Rs259 billion of flawed asset management. All in all these irregularities cost the economy around 2.3 percent of its GDP last year!

The report highlighted cost overruns due to poor management as a significant issue. This once again calls into question the capacity of WAPDA to build and maintain mega hydropower projects. A glaring example of the incompetence has been apparent in projects such as Neelum-Jheelum. Ultimately a quick fix is available in the form of illogical and baseless surcharges that are frequently challenged in the courts. However, in the end the consumer gets charged for the government's incompetence and negligence.

NEPRA also noted in its State of Industry Report 2016 "unless quantum improvement is achieved, through professional handling in the performance and governance of these companies, drag would bring down the sector and defeat the overall objectives of the government to lower the costs of energy mix and to provide least expensive electricity to common man. "

Well that is an ideal objective at the very least given that the power sector is not even operating on breakeven terms. The government's actions such as the one to cripple the regulator's role while at the same time increasing direct control of the power sector by the ministry leaves little hope for improvement.

This column has said it before and will reiterate it once again. All the years of crippling energy shortages point out that it really does not matter how many mega-watts are added to the system, or even if the transmission network is overhauled in its entirety. The crux of the matter is that unless governance and proper financial accountability of the power sector is undertaken, circular debt will never disappear. Neither will there be any sustainable economic and financial viability of the power sector in the long run.

BUSINESS
RECORDER
Tuesday, 19th September, 2017

Cotton prices up on release of first PCGA report

RECORDER REPORT

KARACHI: Rates maintained higher trend on the cotton market on Monday amid release of first seed cotton arrivals report by the Pakistan Cotton Ginners Association (PCGA), dealers said.

The official spot rate picked up by Rs 50 to Rs 6000, they said. In the ready session, over 20,000 bales of cotton changed hand between Rs 5900-6200, they said. In Sindh seed cotton prices were higher by Rs 50 to Rs 2750-2850 and in the Punjab, rates also gained sharply at Rs 2750-3000, as per 40 kg, they said.

Market sources said that the PCGA released it's first fortnightly report of seed cotton (Phutti), equivalent to 2.3 million bales has reached ginning factories across Pakistan till September 15, 2017. The PCGA released its first fortnightly report of the cotton season 2017-18 on Monday putting cotton arrivals at 2,365,555 bales and out of this stock, 2,013,162 bales have undergone the ginning process.

Cotton analyst, Naseem Usman said that the showed slight rise due to persistent demand by the mills and spinners.

On the other hand, the ginners were not in a hurry to make fresh deals on anticipation of further increase in the rates, other experts said.

The following deals reported: 400 bales from Kotri at Rs 5900, 1200 bales from Sanghar at Rs 5900/5950, 1400 bales from Mirpurkhas at Rs 5900/6000, 2000 bales from Tando Adam at Rs 5900/5950, 2000 bales from Shahdadpur at Rs 5900/6000, 1400 bales from Nawabshah at Rs 6100/6125, 800 bales from Rohri at Rs 6100, 1000 bales from Salehpat at Rs 6100, 3000 bales from Khairpur at Rs 6100/6125, 400 bales from Fort Abbas at Rs 6150, 400 bales from Kassowal at Rs 6150/6200, 600 bales from Chistian, 400 bales from Mohammadpur Dewan, 600 bales from Hasilpur, 600 bales from Bakhar, 1000 bales from Haroonabad, 1200 bales from Burewala, 600 bales from Rajanpur, 600 bales from Mianchano all sold at the same rates, 400 bales from Khanewal at Rs 6175, 600 bales from Alipur at Rs 6175, 200 bales from Vehari 6200 and 400 bales from Fazilpur at Rs 6200, dealers 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 16.09.2017	Difference Ex-Karachi in Rupees
37.324 Kgs Equivalent	6,000	145	**6,145**	**6,095**	+50/-
40 Kgs	6,430	155	**6,585**	**6,532**	+53/-

BUSINESS
RECORDER
Tuesday, 19th September, 2017

China's COFCO targets overseas grain partners

PARIS: China's COFCO International said it plans more partnerships in grain after a US supply deal last month, as it expands overseas with a focus on grain, oilseed and sugar.

The state-owned trading house has spent more than $3 billion buying agricultural traders Nidera and Noble Agri and has embarked on an overhaul of its newly acquired operations, notably in Europe and South America.

"Following the successful integration of Nidera and Noble Agri into COFCO International and the establishment of a high-performing HQ in Geneva, we are launching a new chapter in COFCO International's development," its CEO Johnny Chi said.

"We plan to advance a strategy focused on strengthening our core businesses of grains, oilseeds and sugar with a geographical focus on the Americas, Europe and Australia," Chi said in a statement emailed to Reuters.

COFCO last month unveiled a partnership with US farm cooperative Growmark to own and operate a grain terminal COFCO inherited from Nidera on the Mississippi River.

"COFCO International plans to establish several new international partnerships and is open to working together with all stakeholders in the supply chain," Chi said.

Buying Nidera and Noble Agri thrust COFCO into the league of multinational agricultural traders but integrating the two firms has raised uncertainty over its short-term prospects.

Zhao Shuanglian, chairman of parent company COFCO Corporation, was quoted as saying the "highly-performing" South American grain, oilseed and sugar portfolio would play "a major role" in COFCO International's expansion.

COFCO International's Brazilian activities have undergone a series of changes, a reorganisation that sources have partly attributed to an accounting hole found in Nidera's Latin American operations.

Sources also said last month that the group is considering selling Nidera's Latin American seed business.

A COFCO International spokesman declined to comment about a possible sale

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	69.47	70.94	69.47	70.41	14:45 Sep 18	70.41	-	4	-
Dec'17	68.93	69.95	68.80	69.50	14:45 Sep 18	69.50	-	12464	-
Mar'18	67.87	68.99	67.86	68.90	14:45 Sep 18	68.90	-	4293	-

BUSINESS
RECORDER
Tuesday, 19th September, 2017

FY17 FDI down 11 percent, NA told

NAVEED BUTT & AAMIR SAEED

ISLAMABAD: Foreign Direct Investment fell by 11.1 percent in financial year 2016-17 as compared to the previous year, while the total direct investment inflows remained $ 14.3 billion during the period under review.

Minister In-charge of Prime Minister's Office informed this to the National Assembly on Monday in a written response to a question.

The year-on-year basis, foreign direct investment was recorded at $ 2.7 billion with an increase of 26.9 percent in 2012-13; $ 2.85 billion with an increase of 6.8 percent in 2013-14; $ 2.8 billion with a decrease of 1.7 percent in 2014-15; $3.2 billion with an increase of 13.2 percent in 2015-16; and $2.8 billion with a sharp decrease of 11.1 percent in 2016-17.

The House was informed that average per year FDI from FY 2012-13 to FY 2016-17 comes to $ 2,857.74 million, which is higher than the base year FDI $2,099.1 million (2011-12).

The countries that agreed to invest in Pakistan during the period include China, USA, UK, UAE, Hong Kong, Switzerland, Italy and the Netherlands.

The House was informed that total internal and external debt of the country at the end of June 2017 stood at Rs 19,633.5 billion. The net internal debt stands at Rs 13,081.4 billion and the total external public debt is $62.5 billion.

Giving details of the loans received from international multilateral institutions from January 2013 to June 2017, he informed the House that total amount received stands at $19.7 billion.

During the period, Pakistan received $6.38 billion from International Monetary Fund (IMF), $4.11 billion from Asian Development Bank, $4.96 billion from International Development Association (IDA) of World Bank, $2.84 billion from Islamic Development Bank (IDB) for short term (2 years), $585.4 million from Islamic Development Bank, $565.5 million from International Bank for Reconstruction and Development (IBRD), $70 million from Trade and Development Bank of Economic Cooperation Organization (ECO), $70 million from OPEC Fund, $55.6 million from International Fund for Agricultural Development (IFAD) and $26.5 million from Asian Infrastructure Investment Bank (AIIB).

To another question, the minister informed the House that the government collected Rs 199.69 billion in taxes from mobile phone consumers during the last five years.

The government collected Rs29.9 billion in taxes from mobile phone consumers in 2017-18 (till August), Rs43.96 billion in tax year 2017, Rs42 billion in tax year 2016, Rs46.44 billion in tax year 2015 and Rs 37.39 billion in tax year 2014 from PMCL (Mobilink), Telenor Pakistan (PVT) Limited, CMPAK (Zong), Pak Telecom Mobile Limited (Ufone) and Warid Telecom.

The minister also informed the House that the negative trend in exports is bottoming out and the government initiatives have shown positive results as exports have increased by 11.8 percent and workers' remittances by 13.2 percent during July-August 2017.

Earlier, the government has to face embarrassment in the National Assembly due to lack of quorum and Deputy Speaker Murtaza Javed Abbasi was left with no option but to adjourn proceedings of the House till Tuesday (today) without taking up any agenda item.

Pakistan Peoples Party's MNA Ghulam Mustafa Shah pointed out the quorum shortly after the recitation of the Holy Quran. He said that there are important legislation items on the agenda but the House is almost empty.

The proceedings of the House remained suspended for 40 minutes, and later the deputy speaker adjourned the House due to lack of the quorum.

BUSINESS

RECORDER

Tuesday, 19th September, 2017

Surge in home remittances

It is indeed a welcome change that the level of home remittances, after showing a dip in the preceding year, has increased sharply during the first two months of FY18. According to the latest data released by the State Bank, inflows of remittances sent by overseas Pakistanis rose by 13 percent or dollar 407 million to dollar 3.496 billion during July-August, 2017 compared with dollar 3.089 billion received in the corresponding period of last year. A detailed analysis revealed that increase was recorded from all major corridors including Saudi Arabia, the UAE, the US and the UK. While workers' remittances from the US soared by 15.42 percent to dollar 1.929 billion, inflows from the UK shot up by 33 percent or dollar 112 million. With a 3.89 percent surge, inflows from Saudi Arabia stood at dollar 920.12 million in the first two months of this fiscal year compared to 885.95 million in the same period of last year. In addition, inflows from the UAE rose by 11 percent to dollar 775 million. During August 2017, workers' remittances amounted to dollar 1.954 billion – an amount which was 26.78 percent higher than a month earlier and 11 percent higher than August 2016. Again, the inflows of home remittances from almost all the countries during August 2017 were higher than those of the previous month.

The increase in inflows from all major sources is of course an indication that the trend of negative growth witnessed during 2016-17 has reversed. This is of course a very positive development for the country, especially at a time when exports are declining, imports are on the up, current account balance of the country is under a great deal of stress and foreign exchange reserves are on the decline. If the present trend continues, the country could receive foreign remittances between dollar 20-dollar 21 billion during FY18 which would be a substantial increase from last year and a big help to the balance of payments. Obviously, such a sharp increase in home remittances would be helpful in narrowing down the current account deficit, building foreign exchange reserves and imparting stability to the exchange rate of the rupee. It may be mentioned that home remittances are unrequited transfers and do not increase external indebtedness of the country.

The jump in home remittances could be attributed to a number of factors. The most important factor could be the celebration of Eid-ul-Azha during this period when most of the expatriates remit money back home for religious requirements and other purposes. However, such an assertion could only be partly true because Eid-ul-Azha also happened to be almost during the same period of last year. The government sometimes takes the credit for initiating "Pakistan Remittance Initiative (PRI)" to bolster the level of home remittances but this policy has also been in vogue for the past few years. The closure of gap between the official and unofficial rate of rupee and greater use of technology and publicity by banks may, however, have made a difference. Anyhow, while welcoming such a rise in home remittances, it needs to be ensured that such a healthy trend is maintained and other components of the balance of payments, especially exports, are also improved to reduce the C/A deficit and contain the external indebtedness of the country. The rise in home remittances, however, could act as stop-gap arrangement to narrow the balance of payments deficit but cannot be a substitute to earn foreign exchange on a sustainable basis.

BUSINESS RECORDER
Tuesday, 19th September, 2017

Provincial finances and spending

Dr Hafiz A Pasha

The role and importance of provincial governments has been enhanced by a larger vertical transfer of revenues from the federal government under the 7th NFC Award and by allocation of more functions with the abolition of the Concurrent List in the 18th Amendment to the Constitution. Now these governments have a share in total public expenditure of almost 38 percent. In the last year prior to the NFC Award, 2009-10, it was 29 percent. Excluding interest payment on public debt, the share of provinces in service-related expenditure has approached 46 percent.

A number of questions arise with regard to provincial finances and spending. Has the larger transfer, of almost 1.5 percent of the GDP, following the 7th NFC Award from the federal government led to a slackening of fiscal effort by provincial governments? What are the expenditure outlays, priorities and the resulting impact on development? What contribution is being made to the consolidated fiscal deficit?

Answers to these questions are derived from the information which has become available on fiscal operations of both the federal and provincial governments for 2016-17. In addition, data has been obtained from other sources like the PBS and the World Bank.

Regarding the level of fiscal effort, it may come perhaps as a surprise that the share of provincial governments in national revenues, has actually increased after the 7th NFC Award from 5 percent to 8 percent in 2016-17. The primary reason for this is that the sales tax on services was transferred to these governments in the NFC Award.

This opportunity has been exploited well by the provincial governments, especially of Sindh and Punjab. In 2016-17, the total collection from this tax is Rs 171 billion, equivalent to 53 percent of total provincial tax revenues. The overall provincial tax-to-GDP ratio has gone up from 0.4 percent in 2009-10 to 1 percent of the GDP in 2016-17. Of course, more could have been achieved. In particular, direct taxes like the agricultural income tax and the urban immoveable property tax remain very underdeveloped.

The extent of self-financing of provincial expenditure, current plus development, stands at 16 percent in 2016-17, as compared to 13 percent in 2009-10. In comparison with federal revenue growth of 12 percent annually over the last six years, provincial revenues have shown faster rate of increase of 17 percent.

Turning to the distribution of expenditure between the two levels of government, the shares have also altered significantly since the commencement of the 7th NFC Award. In the current expenditure, the share of the four provincial governments combined has gone up from 25 percent in 2009-10 to 33 percent in 2016-17. Similarly, the share in PSDP/ADP-related development expenditure is up from 49 percent to 54 percent in 2016-17. It is important to note that more development activity is undertaken now by the provincial governments than the federal government.

The mix of provincial expenditure has also tilted recently towards development spending. This is a major step in the right direction. The share of PSDP expenditure in the budgets of these governments was 29 percent in 2009-10. This has increased to 33 percent in 2016-17, due to growth of 44 percent in development spending. The provincial budgets for 2017-18 collectively target a growth rate in the size of the PSDP/ADPs of 29 percent.

A key issue is the share of expenditure which the provincial governments are allocating to the social sectors – education, health, water supply and sanitation. The latest year for which full information is available on the pattern of actual provincial expenditure is 2015-16. During this year, the four provincial governments combined together devoted Rs 839 billion on the social sectors, representing a share of 39 percent of their budgets. This level of spending is equivalent to 2.9 percent of the GDP. It was significantly less prior to the NFC Award at 2.3 percent of the GDP.

Given the higher level of social sector spending, what has been the impact on the level of human development in the country? The major contribution to human development is by provincial governments with a share in social sector expenditure of 84 percent, with the remainder by the federal government.

According to the UNDP Human Development Index, Pakistan was ranked at 147th out of 188 countries in 2015 and categorized as a country with medium level of human development. Unfortunately, the index has moved up very slowly for Pakistan since 2010, despite the higher volume of social sector spending. The HDI was 0.525 in 2010 and 0.550 in 2015, showing an annual rate of increase of only 0.9 percent. The annual growth rate of the index was significantly higher at 1.5 percent during the period, 2000 to 2010.

This raises the fundamental issue of lower efficiency of expenditure on social sectors by the provincial governments, after the 7th NFC Award that transferred substantially more resources to them. The outcomes in terms of the key social indicators confirm this finding.

According to the World Bank, the adult (aged 15 years and above) literacy rate was 43 percent in 1998 which rose by 12 percentage points by 2009 to 55 percent, representing an annual rate of increase of over one percentage point. In 2015, it stood at 56 percent, implying that the increase annually from 2009 to 2015 was less than even 0.2 percentage points. Similarly, the primary enrolment and infant mortality rates have shown much smaller changes since 2009.

There is a dire need to investigate the reasons for the substantially lower impact of larger social sector expenditures on the key indicators. A number of explanations can be offered ranging from wrong expenditure priorities within each social sector, termination of effective district local governments with wide-ranging functions, rising poverty leading to less enrolment, larger dropout of children from the school system and to more under-nutrition. Ultimately, the answer has to be found in a poorer quality of governance by provincial governments. This has probably led to more corruption and wastage in the line departments responsible for delivery of services.

The final question on provincial finances relates to their contribution to the consolidated fiscal deficit. This is also important because sub-national governments in other federations like India and Brazil have been responsible for a larger share of the deficit due to profligate spending and borrowing. For example, in India, the share of state governments in public expenditure is 55 percent and more than half the national fiscal deficit is incurred by them.

The situation is fundamentally different in Pakistan. Historically, the provincial governments have faced a hard budget constraint, with very little resort to borrowing. In fact, during the tenure of the IMF programme, from 2013-14 to 2015-16, they were forced to generate larger cash surpluses by slashing the size of their development programmes to help in achieving the target agreed with the IMF on the size of the consolidated fiscal deficit. Cumulatively, during these three years, the four provinces combined produced a cash surplus of Rs 492 billion.

The Federal Ministry of Finance and some writers have tried to create the perception that a large part of the increase in the fiscal deficit in 2016-17 to 5.8 percent of the GDP versus the target of 3.8 percent of the GDP is due to the cash deficit of Rs 163 billion shown by the provincial governments.

First, this is the wrong figure. Inclusive of the public account of the provincial governments, the overall deficit of these governments is Rs 16 billion in 2016-17. Second, it has not been possible to generate a big surplus due to a big shortfall in federal transfers of Rs 170 billion. Third, the provinces are under no obligation, as per the NFC Award, to generate large cash surpluses. As such, they have opted to increase their development spending substantially in 2016-17.

Overall, an assessment of provincial finances and spending during the tenure of the 7th NFC Award leads to mixed conclusions. The provinces have mobilized more resources, raised the component of self-financing of their expenditure, devoted larger share of their budgets to development spending and significantly raised the level of expenditure on the social sectors. The big disappointment is that there has been very little corresponding improvement in social indicators despite the larger spending. Reasons for this big failure need to be investigated.

(The writer is Professor Emeritus and former Federal Minister)

BUSINESS

RECORDER

Tuesday, 19th September, 2017

Faisalabad yarn and fibre prices

RECORDER REPORT

FAISALABAD: Cotton yarn rates in rupees per 10 Lbs on Monday (September 18, 2017).

6-8/S Cone (Cotton)

ARY 520.00

Sher 410.00

Nelibar 600.00

Al-Falah 520.00

Chagi 410.00

Shaheen 410.00

Nelum 410.00

10/S Cone (Cotton)

Sufi 500.00

Model Soft 660.00

Adil 530.00

Neilum 530.00

Nelibar 660.00

Owais Karni 520.00

Gold Star 580.00

Qadri 620.00

Shaheen 480.00

Al-Falah 520.00

Zam Zam 480.00

A.T.M 520.00

Sun flower 510.00

Apple Soft 660.00

Apple Hard 650.00

Ton-Ton 640.00

10/S Cone (Soft)

Es Guard 990.00

S.B. 960.00

Kinoo 960.00

Malta 1030.00

Ayesha 960.00

12-14/S Cone (Cotton)

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Super Motia 780.00

Model 760.00

Qadri 640.00

Adil 650.00

16-18/S Cone (Cotton)

Nova 710.00

Chagi 700.00

Adil 710.00

Model 820.00

Neeli Bar 1160.00

Super Motia 810.00

Prince 750.00

Prince W 1110.00

Acro 990.00

Apple 850.00

20/S Cone (Cotton)

Zahidjee 1240.00

Anmool 1230.00

J.K. 1230.00

Pamra 1220.00

Bajwah 1190.00

Darulsalam 1200.00

Hadabia 1220.00

Rashim 1220.00

Tayyab 1200.00

Ejaz 1200.00

Khokar 1230.00

22/S Cone (Cotton Warp)

Crescent 1270.00

Yahya 1260.00

HAR 1270.00

Tayyab 1270.00

Polo 1260.00

Ulfat 1260.00

24/S Cone (Cotton Warp)

BUSINESS RECORDER

Tuesday, 19th September, 2017

Crescent 1310.00

Prince 1310.00

Concord 1290.00

H.A.R. 1290.00

Silver Lines 1300.00

ATM 1290.00

Anmool 1300.00

Glamour 1320.00

30/S Cone (Cotton Warp)

Al Noor 1430.00

Crescent 1420.00

Acro 1410.00

Glamour 1410.00

Pamera 1420.00

J.K. 1380.00

Gulistan 1525.00

Ujalla 1420.00

Khalid Shafique 1450.00

Shafi 1340.00

Chakwal 1525.00

Anmool 1440.00

Ittehad 1430.00

Hadabiya 1440.00

32/S Cone (Cotton)

Ahmad 1400.00

Malikwal 1420.00

Chand 1380.00

J.K. 1475.00

Target 1430.00

Hadabiya 1410.00

A Three 1410.00

Araian 1410.00

Al-Qadir 1390.00

Tophy 1500.00

BUSINESS

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H.H. 1410.00

40/S Cone (Combed Cotton)

JK 1775.00

JK Carded 1550.00

Acro 1800.00

Nishat 1800.00

Betray 1675.00

Ittihad 1650.00

Al-Nasar 1800.00

Ejaz 1775.00

Superior 1750.00

Nisar 1800.00

Three-G 1525.00

Suraj 1850.00

Alcott 1825.00

Ahmad 1520.00

Super Shaheen 1520.00

Darul Islam 1520.00

Four-G 1560.00

A. Three 1530.00

Azam 1520.00

Wasal Kamal 1525.00

Super Gold 1540.00

Jubilee 1500.00

Babri 1550.00

Sally 1530.00

52/S Cone (Combed Cotton)

Crescent 2050.00

Alcott 2075.00

Ittihad 2075.00

Suraj 2225.00

Al-Nasar 2025.00

Tanveer 2150.00

Sultan 1850.00

Diamond 1875.00

Koiyal 2150.00

Malikwal 1750.00

BUSINESS RECORDER

Tuesday, 19th September, 2017

Parado 1750.00

Four Star 2050.00

Nisar 2150.00

Prime Plus 1775.00

Saif 1800.00

Super Shaheen 1825.00

Ejaz 2025.00

Habib 2050.00

Colony 1850.00

Umer auto 1800.00

Two-G 1775.00

60/S Cone (Combed Cotton)

Nishat 2325.00

J.K. 2275.00

Mapal Leaf 2300.00

Koiyal 2450.00

Gujjar Khan 2350.00

Pagri 2300.00

Deen 2300.00

Alam 2275.00

Saphair 2300.00

72-74/S Cone (Cotton)

Prime 2450.00

Commander 2375.00

N.P. 2375.00

Tower 2475.00

80/S Cone (Cotton)

Gold King 2750.00

Super King 2725.00

Mapel Leef 2925.00

Amjad 2900.00

Khan Buhadur 2675.00

Admiral 2900.00

Commander 2825.00

BUSINESS

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Four Star 2950.00

Rolex 2900.00

Diamond Gate 3025.00

Al Falah 2900.00

Chairman 2950.00

Battery 2975.00

Shanshah 2850.00

30-31/S Cone (Polyester Cotton)

Gold Star 141.40

Sun 131.30

JK 111.00

Bilal 110.00

Tahir Rafique 114.00

Zahidjee 109.00

Bashir 117.00

Shadman 109.00

Sarfraz 108.00

Cherry 109.00

Khalid Nazir 109.00

Wasal Kamal 106.00

North Star 107.00

Super Khuwaja 112.00

Anaar 113.00

Action 103.00

Marjan 112.00

Pak Panther-ll 109.00

Nayab 114.00

Kiran 113.00

NP 113.00

Mehtabi 112.00

H.T.M 109.00

K.K. 112.00

Ruby 116.00

Metro 104.00

38/S Cone (Polyester Cotton)

Gold Star 152.51

BUSINESS RECORDER

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A.D. 114.00

Multan 114.00

Golden 115.00

Kirshma 113.00

Al-Azhar 116.00

Sarhad 114.00

Aslam 110.00

Corolla 117.00

Royal 100.00

Chairman (N) 116.00

40/S Cone (Polyester Cotton)

A.A. 162.61

Mehtabi 123.00

Shadab 131.00

Mazan 124.00

40/S Cone (AV)

Koiyal 173.00

Super LG 168.00

A.J. 174.00

Ahmad Fine 174.00

Asheana 203.00

40/2 Cone (AV)

Koiyal 188.00

Super LG 183.00

A.J. 189.00

Ahmad Fine 189.00

30/S Cone (CVC)

Ayesha 126.00

SUN 135.65

Mazan 132.00

26/S Cone (PV)

AA 122.21

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Ashiana 121.20

MM 99.00

Blue Star 102.00

Super Jett 103.00

Shuttle 98.00

M-4 104.00

Bemisal 97.00

Ghouri 99.00

U-2 101.00

Cheeta 93.00

U-7 93.00

Triple two 96.00

AJ Gold 99.00

Candle 98.00

Jaguar 100.00

34-36/S Cone (PV)

A.A. 144.43

Ashiana 143.42

Sapna 136.00

Blue Star 106.00

Super Jett 107.00

Shahzad-H 107.00

Shuttle 104.00

Bemisal 103.00

Shuttle less 105.00

Cheeta 101.00

Candle 104.00

Target 103.00

U-7 101.00

Royal 95.00

Spin Cott 104.00

H.R. 103.00

S.S. 113.00

Tanveer 115.00

44-46/S Cone (PV)

A.A. 172.71

Ashiana 171.70

Sapna 155.00

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Dollar 116.00

Super Jet 121.00

Bemisal 120.00

Marghala 116.00

U-2 121.00

Cheeta 120.00

Target 121.00

S.S. 135.00

65/S Cone (PV)

Ashiana 225.24

U-2 157.00

Bemisal 161.00

Ghori 158.00

Cheeta 159.00

A.J Gold 160.00

Tanveer 161.00

Maqbool 160.00

L.G. 160.00

34/S Cone PP

Zamin 109.00

Shadman 125.00

Ellahi 130.00

Dewan 110.00

U-2 113.00

60/S Cone PP

Zamin 133.00

Anwar 125.00

Taj Mahal 125.00

36-38/S Cone (Staple)

Diamond Gate 1550.00

Marghala 1510.00

Saif 1500.00

Four Star 1540.00

A.J. 1540.00

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Fazal Cloth
1530.00

L.G. 1510.00

Super Gold
1500.00

Azam
1500.00

Best 1520.00

K.P.K. 1500.00

Colony
1500.00

Martial 1490.00

30/S Cone (Ecrylic)

Koial 175.00

Saif 183.00

40/S Cone (Ecrylic)

Koial 192.00

Saif 198.00

BUSINESS
RECORDER
Tuesday, 19th September, 2017

Karachi Yarn Market Rate

RECORDER REPORT

KARACHI: Karachi Yarn Market Rates on Monday (September 18, 2017).

CONES CARDED

10/1.

Popular Fibre 920.00

Diwan 950.00

Tritex 930.00

12/1

Nadeem Textile 1130.00

Indus 1170.00

Popular Fibre 1080.00

Bajwa 1150.00

16/1.

Nadeem Textile 1185.00

United 1170.00

Popular Fibre 1120.00

Abdullah Textile 1150.00

Indus 1190.00

A. A. Cotton 1200.00

Tritex 1170.00

Bajwa 1210.00

21/1.

Al-Karam (A.K) 1250.00

Suriya Tex 1230.00

United 1210.00

GulAhmed (G.Lite) 1250.00

Popular Fibre 1220.00

Shadman 1240.00

Indus Dyeing 1250.00

Abdullah Textile 1220.00

Lucky Cotton 1230.00

A. A. Cotton 1300.00

Diwan 1240.00

22/1.

Bajwa 1270.00

United 1260.00

24/1.

A. A. Cotton 1370.00

Tritex 1320.00

BUSINESS

RECORDER

Tuesday, 19th September, 2017

26/1.

AL-Karam 1370.00

Dewan 1320.00

Amin Text 1350.00

Shadman Cotton 1350.00

Diamond Int'l 1320.00

Popular Spinning 1300.00

Ishtiaq Textile 1320.00

Lucky Cotton 1320.00

A. A. Cotton Hosiery 1450.00

28/1

Abdullah Textile 1350.00

30/1.

Amin Tex. 1450.00

Al-Karam 1430.00

Jubilee Spinning 1350.00

GulAhmed (G.Lite) 1430.00

Lucky Cotton 1350.00

Diamond Intl 1400.00

A. A. Cotton Hosiery 1480.00

32/1

Abdullah Textile 1380.00

40/1

Lucky Cotton 1650.00

52/1

Lucky Cotton 1700.00

COMBED CONE

40/1

Indus CF 1740.00

20/2.

GulAhmed 1340.00

Amin 1350.00

Indus Dyeing 1320.00

Bajwa 1350.00

Nadeem Textile 1320.00

42/1

Abdullah Textile 1650.00

52/1

BUSINESS

RECORDER

Tuesday, 19th September, 2017

Abdullah Textile 1750.00

20/1. SLUB

Abdullah Textile 1300.00

30/1 SLUB

Abdullah Textile 1520.00

60/1.

Abdullah Textile 1750.00

70/1

Abdullah Textile 1850.00

CHEES CONES

10/1.

Kasim Tex 700.00

Latif Tex. (Latif) 700.00

Super 690.00

Abdullah Textile (OE) 690.00

16/1. (O.E.)

Kasim Textile 880.00

Masal 870.00

RATES OF PAKISTANI/IMPORTED

POLYESTER YARN (PER LBS) + GST

Imported 50/36 FDY 90.00

Local Mill 130.00

Rupali 75/78 FDY NA

Import 75/72 FDY 72.00

Local Mill 82.00

Rupali 75/36/0 & 75/24 90.00

Imported 75/36/0 DTY 84.00

Local Mill 83.00

Rupali 75/128 INT DTY 100.00

Local Mill 115.00

Imported 75/72 INT DTY 83.00

Local Mill 105.00

Imported 75/144 INT DTY 83.00

Local Mill 110.00

Rupali 300/96/INT DTY 80.00

Imported 300/96/INT DTY 70.00

Local Mill 66.00

BUSINESS

RECORDER

Tuesday, 19th September, 2017

Rupali 300/96/0 DTY 74.00

Imported 300/96 DTY 69.00

Local Mill 63.00

Rupali 75/24 INT DTY 100.00

Imported75/36 INT DTY 96.00

Local Mill 85.00

Rupali 150/48/0 DTY 76.00

Imported 150/48/0 DTY 71.00

Local Mill 70.00

Rupali 150/48 INT DTY 81.00

Imported 150/48 INT DTY 74.00

Local Mill 73.00

Imported 150/144 SIM 76.00

Local Mill NIL

RATE OF BLANDED YARN IN RUPEES

(PER LBS)

P.V. CONES

18/1 PV

A.A. Textiles 109.00

20/1 PVB

A.A. Textile 112.00

A. A. Cotton 111.00

24/1 P.V. BRIGHT

A.A. Tex. 117.00

Sana 109.00

A. A. Cotton (80:20) 116.00

26/1.PV Bright

A.A. Tex. 122.00

Sana 111.00

30/1 PV

A.A. Tex."Z" Twist 128.00

Sana 120.00

A. A. Cotton 127.00

26/1 P.V. (S.D.)

A.A. Textile 122.00

A. A. COTTON 128.00

36/1 PV (SD)

BUSINESS
RECORDER
Tuesday, 19th September, 2017

A.A. Textile 144.00

40/1. (PVB)

Sana 138.00

A. A. Cotton 140.00

A. A. Textile 148.00

46/1 PVSD

Ibrahim Fibre 171.00

28/1 PV SLUB

A.A. Clock Tower 151.00

30/1 PV SLUB

A. A. Cotton (PVB) 151.00

A. A. Cotton (PC) 155.00

A. A. Cotton SLUB (PP) 151.00

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 96.00

12/1 PP

A. A. Cotton 101.00

16/1 PP

A. A. Cotton 106.00

20/1 PP

Sana 110.00

Diwan 98.00

A. A. Cotton 113.00

Agar 96.00

BUSINESS
RECORDER
Tuesday, 19th September, 2017

26/1 PP

A. A. Cotton 118.00

30/1 PP

Agar 101.00

Anwar 109.00

Sana 120.00

Diwan 103.00

A. A. Cotton 123.00

34/1. (PP)

A. A. Cotton 99.00

40/1 PP

A. A. Cotton 135.00

60/1. (P.P)

Agar 124.00

Diwan 125.00

Anwar 130.00

A. A. Cotton 148.00

8/.1.

A. A. Cotton (52 48) 95.00

10/.1.

Zainab 118.00

A. A. Cotton 95.00

Lucky Cotton 135.00

12/1

A. A. Cotton 100.00

14/1

Zainab Tex 121.00

A. A. Cotton 105.00

16/1

AA SML Carded (52 48) 117.00

IFL (52 48) 123.00

A. A. Cotton 105.00

P.C. COMBED

20/1. PC

A.A.SMLCARDED 126.00

Zainab (Combed) 126.00

A. A. Cotton (Carded) 112.00

A. A. Cotton CVC (65 : 110.00

24/1. PC

BUSINESS
RECORDER
Tuesday, 19th September, 2017

A. A. SML Carded 126.00

Zainab (Combed) 131.00

A. A. Cotton 109.00

25/1

A.A. Cotton 117.00

30/1. PC (52 : 48)

Zainab Textile (combed) 141.00

Stallion 100.00

K. Nazir 112.00

Al-Karam 112.00

AA SML (Carded) 134.00

A. A. Cotton (Carded) 123.00

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

36/1. PC

IFL Tex (Combed) 152.00

A. A. Cotton 140.00

40/1 PC

A.A. Textile (Combed) 162.00

45/1 PC

Zainab 175.00

10/1 CVC

A. A. Cotton (60:40) 100.00

12/1 CVC

A. A. Cotton (60:40) 105.00

16/1 CVC

A. A. Cotton (60:40) 100.00

20/1 CVC

A. A. Cotton (60:40) 117.00

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 127.00

AASML 122.00

40/1 CVC

A. A. Cotton 140.00

40/.1. VISCOSE

Sana 160.00

BUSINESS
RECORDER
Tuesday, 19th September, 2017

Sana Acrylic 160.00

READY RATES OF STAPLE

FIBER IN RUPEES

POLYESTER K.G.

I.C.I. 1.D 131.00

I.C.I. 1.2 (SD) 131.00

I.C.I. Bright 133.00

Rupali 1.D 131.00

Rupali 1.2 (SD) 131.00

Ibrahim Fiber (SD) 131.00

Ibrahim 1.D 131.00

Ibrahim Fiber Bright 133.00

Ibrahim Trilobal Bright 133.00

VISCOSE K.G.

FCFC 44 MM Taiwan 240.00

FCFC 51 MM Taiwan 240.00

Grysum India 235.00

Thai Reyon 51 MM 235.00

S.P.V. Ind. 51 MM Indonsia 235.00

ACRYLIC FIBER K.G.

Monty 1.2x51 Italy 215.00

Acelon Korea 1.2x51 215.00

DAWN
Tuesday, 19th September, 2017

High court stays APTMA annual elections

Bureau Report

PESHAWAR: A Peshawar High Court bench on Monday stayed the annual elections of all Pakistan Textile Mills Association (APTMA) over a petition challenging the acceptance of nomination papers of a candidate for a reserved seat for Khyber Pakhtunkhwa of the association's central executive committee.

Justice Ikramullah Khan and Justice Ijaz Anwar issued the order during the hearing into the petition filed by a candidate, Ahmad Qulli Khan Khattak, chief executive of the Rahman Cotton Mills, who claimed that he was the only one candidate from the region of KP but a strong lobby in the association illegally introduced its own candidate, who was not even part of the provisional voter list.

The petitioner claimed that the said lobby had in illegal manner included the name of the candidate, Shahzad Ayub, in the final list with the sole aim to oppose the petitioner and not let the region of KP hold true representation as the central chairmanship of the APTMA for the year 2017-18.

Barrister Mudasser Ameer appeared for the petitioner, whereas advocate Jehanzeb Mehsud represented Shahzad Ayub.

The latter requested the bench to allow him sometime for arguing the case following which the hearing was adjourned to Sept 22.

Polling for the disputable seat was also due on Monday, whereas candidates on other seats have already been elected unopposed.

Barrister Mudasser Ameer argued that the candidate, Shahzad Ayub, who was a defaulter of the annual subscription fee, had submitted his nomination forms at Punjab office in violation of the Memorandum and Articles of Association of the APTMA.

He said the textile mills of the said candidate was closed three years ago and the machineries installed in his mills had already been sold and shifted from the premises. He added that the Sui Northern Gas Pipelines Limited (SNGPL) had already disconnected the gas supply to the concerned Zainab Textile Mills Limited.

The lawyer said Punjab Zone of APTMA had also violated the memorandum and articles of association as well as Trade Organisations Rules 2013 by creating two additional polling stations at Multan and Faisalabad wherein the number of registered voters were less than the mandatory 50 members just one day before the election.

He said the central chairman of APTMA is elected on rotation basis of 3:2:1 formula (three terms for Punjab, two for Sindh Balochistan and one for KP) and this year the term is of KP region.

The lawyer said in order to be eligible to vote and contest the elections of the executive committee and the election of the office bearers, a candidate had to be a member of the APTMA and for that it was pertinent that membership should be renewed and all dues be cleared before Mar 31 of the respective year.

He added that it was also necessary that the candidate and member was a director or the chief executive of a running textile industry.

The lawyer said the petitioner had challenged the acceptance of nomination papers of Mr Shahzad Ayub, but through the impugned order issued on Aug 31 the chief election commissioner and members of the election commission had dismissed his objection.

He requested the court to declare the impugned order of the APTMA's election commission illegal.

DAWN
Tuesday, 19th September, 2017

2.36m cotton bales produced

Parvaiz Ishfaq Rana

KARACHI: The country produced 2.36 million bales of cotton up to Sept 15, the Pakistan Cotton Ginners Association (PCGA) said on Monday.

Ginners are currently holding around 445,000 bales from the new crop. Textile mills purchased about 1.82m bales and private exporters lifted over 95,000 bales. Out of the 1,000 ginning units in Sindh and Punjab, only 574 are functioning, the association added.

Phutti arrivals in Punjab were recorded at 846,238 bales while 1,519,317 bales reached ginneries of Sindh.

The country is expected to produce around 13m bales this season and the figure could be much higher if the current month passes by without any pest attacks in Punjab, PCGA Chairman Dr Jassumal Leemani said.

Talking to Dawn, the PCGA chairman urged the government to immediately call a meeting of cotton crop stakeholders – growers, ginners and textile mills – to frame a sustainable cotton policy.

The country is losing billions of rupees due to low yield of cotton crop as no certified seed is being selected or recommended by the government, he claimed.

The PCGA chairman urged ginners to improve crop quality so that cotton could get better price in domestic and world markets.

Dr Leemani said that in a meeting held on Monday, ginners expressed serious concern over the lack of interest being shown by the government in cotton crop.

He said around 50 per cent of cotton crop in lower Sindh has been damaged by severe pink bollworm attack, causing huge losses to farmers in Mirpurkhas, Tharparkar, Badin, Hyderabad and Sanghar.

Talking to Dawn, Karachi Cotton Brokers Forum Chairman Naseem Usman estimated that the ongoing season's cotton production (up to Sept 30) could be around 3.2m bales – an increase of some 0.6m bales over last year.

DAWN
Tuesday, 19th September, 2017

UK reiterates duty-free access for Pakistan after Brexit

The Newspaper's Staff Reporter

ISLAMABAD: The United Kingdom reiterated its commitment on Monday to retain duty-free access for Pakistan on the pattern of European Generalised System of Preferences Plus (GSP+) scheme after Brexit early next year.

The repeat assurance, first given in July, came from United Kingdom Minister of State for Trade Policy Greg Hands in a meeting with Pakistan's Commerce Minister Pervaiz Malik, the UK High Commission said in a press release.

The UK will leave the European Union in March 2019. On the issue of implementation of the UN conventions, Pakistan has assured the visiting UK minister of state that Pakistan is serious in implementing its obligations, which are in consonance with the Constitution of Pakistan 1973.

Pakistan and UK signed enhanced strategic dialogue in 2011. In April 2016, both sides agreed to enhance the annual bilateral trade to £3 billion. Currently, the bilateral trade is £1.8bn.

"Pakistan and the UK enjoy a shared history and a shared future. At this pivotal moment, marking 70 years of diplomatic relations, we reconfirm our ambition to build shared prosperity between our two countries," said a joint statement issued after the meeting.

"We will do this through our trade policies, and through links between businesses in both countries. Currently, the UK supports Pakistan through the EU's trade preference scheme GSP+", the statement said.

"As the UK leaves the EU, we recognise the need to ensure a smooth transition in our trading arrangements. The UK's firm intention is to maintain these preferences on a bilateral basis, with the generous access to UK markets that it brings" the statement added.

"Alongside that, whilst the UK is still a member of the EU, the UK will continue to support Pakistan to benefit from the EU's GSP+ scheme, whilst in return Pakistan pledges to continue to make progress to improve human rights, labour rights, environment and good governance in line with its line with the commitments made as part of the GSP+ scheme."

"With more than 200 million consumers, Pakistan is an exciting market for British business. To support UK companies exporting to Pakistan and for Pakistani buyers of UK goods and services, the UK export credit agency, UK Export Finance (UKEF), support is to more than double to up to £400 million, meaning an additional £200 million to help UK exporters win, fulfil and get paid for export contracts, and Pakistan's buyers access finance to source high-quality UK goods and services."

"From textiles to pharmaceuticals, engineering and sporting goods, to finance, legal or business services, Pakistan has huge potential in the global economy. We are committed to work with businesses in both countries to strengthen these ties into the future".

DAWN
Tuesday, 19th September, 2017

Foreign direct investment surges 155pc

The Newspaper's Staff Reporter

KARACHI: The Foreign Direct Investment (FDI) inflows jumped by 155 per cent to $457.2 million during the first two months of this fiscal year against $179.4m in the corresponding period of last year.

The State Bank of Pakistan (SBP) on Monday reported that the investment from China grew rapidly to $259.4m during July-August period against $48.4m in the corresponding period last year, which is 56 per cent of the total FDI received during the period.

The data showed that Chinese invested $210m in the power sector during the period mainly in coal-based electricity projects, which attracted $171m. In the same period of previous fiscal the coal projects attracted $82.6m.

The coal power projects are under severe criticism from the environmental agencies since coal-based electricity generation is being abandoned the world over due to its health and environment hazards.

The second highest inflow of FDI was from Malaysia with $110.8m during the July-August period. The Malaysian interest was new because the previous year investment was just $1.3m.

Telecommunications attracted $92.5m during the first two months of this fiscal year a significant increase from $23.6m in the corresponding period of last year.

The construction sector attracted $55.7m foreign investment during the July-August period against a meagre $1.6m in the same period last year. The sector started receiving FDI from the second half of last fiscal year.

Oil and gas exploration attracted $30.6m FDI in the period under review against $14.2m in the same period last. The details showed that almost all important sectors received higher foreign investment inflows during the period.

Against an inflow of $41m as foreign portfolio investment (FPI) during July-August period of 2016-17, the country witnessed a net outflow $105.7m in the first two months of 2017-18.

The United States appeared as the biggest investor as its' portfolio investment rose to $189m in July-August while its FDI was just $13m.

Luxemburg withdrew $76m as FPI, Hong Kong $70.3m, Egypt $70.6m and UK $53.5m during the period.

DAWN
Tuesday, 19th September, 2017

Bank of China allowed to begin operations in Pakistan

Shahid Iqbal

BEIJING: In this file photo, pedestrians walk past a Bank of China sign at its branch.—Reuters

KARACHI: The Bank of China (BoC) has been allowed to commence banking business in the country, said the State Bank on Monday.

This is the second Chinese bank which has been allowed to operate in Pakistan.

Earlier, the Industrial and Commercial Bank of China (ICBC) opened two branches in Karachi and Islamabad on May 20, 2011. The ICBC provides various services including corporate finance, investment banking, foreign deposits, project loans, and working capital loans.

"In Pakistan, the BoC aims to provide specialised banking services to serve the financing needs of China-Pakistan Economic Corridor (CPEC) related projects by leveraging on its experience and global technology platform," said the SBP.

The focus will be on providing financial services for CPEC-related projects

Earlier in May, the State Bank had issued a licence to BoC.

The BoC has complied with the important regulatory and operational requirements necessary to commence banking business in Pakistan.

The BoC is a subsidiary of China Central Huijin, the investment arm of the Government of China.

The BoC is the 4th and 5th largest global bank in terms of tier-1 capital and total assets, respectively. It is listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

Globally, the footprint of BoC is spread across 50 countries out of which 19 are located across China's One Belt One Road initiative.

"The BoC's entry into Pakistan will not only further strengthen the bilateral relationship of Pakistan and China but will also represent growing confidence of international investors on the country's banking sector and the stable economic outlook," said the SBP.

Habib Bank Limited is the first Pakistani bank which has recently opened a branch in the industrial city of Urumqi, China.

Increasing bilateral trade requires banking services between the two countries. China is now the biggest trade partner of Pakistan while the trade volume has been increasing rapidly each year.

DAWN
Tuesday, 19th September, 2017

MoUs signed for $315m investment in Pakistan at textile expo

The Newspaper's Staff Reporter

LAHORE: The three-day 18th International Textile Asia Exhibition concluded with $375 million worth of Chinese investment in Pakistan, pledged through several memorandum of understanding's (MoUs) signed between Chinese and local firms.

The event was jointly organised by the E-commerce Gateway Pakistan and Pakistan Readymade Garments Manufacturers and Exporters Association (Prgmea) and brought as many as 500 foreign delegates from various countries—mainly China—to showcase their textile related products, machinery, equipments to join hands with local entrepreneurs, working together in view of the China-Pakistan Economic Corridor (CPEC).

"Chinese companies from different cities and provinces like Shanghai, Guangzhou, Jiangsu, Sujian and Shandong have shown their interest to relocate their textile, garment and accessories production units to Punjab, having investment of at least $25m for each unit," said Prgmea Central Chairman Ijaz Khokhar.

Mr Khokhar said foreign companies also committed to transfer their technologies, besides buying back Pakistani products after value-addition here, leading to enhance local export and lowering Pakistan trade deficit with China.

"We will enter in joint ventures with local companies from Gujranwala, Lahore, Sialkot and Faisalabad, providing training to engineers from these cities that manufacture spare parts for sewing and textile machineries and buyback them to export to China," said Prgmea chairman, quoting Chinese companies.

Speaking on the occasion, E-commerce Gateway's Chief, Dr Khurshid Nizam, said the event would increase productivity, resulting into better competitiveness.

DAWN
Tuesday, 19th September, 2017

Buying interest resumes on cotton market

The Newspaper's Staff Reporter

KARACHI: The week opened with renewed buying interest at the cotton market on Monday as buyers rushed back to replenish stocks at the current price levels.

Meanwhile, a report by the Pakistan Central Cotton Committee (PCCC) suggests that in 17 districts of Punjab province, cotton plants could not mature properly which resulted in lesser fruiting.

The PCCC’s survey further disclosed that since crop growth remained poor, the required fruiting and growth of cotton balls remained less than average and may result in lesser cotton production.

The news induced buying and as a result, prices slightly moved up on the ready counter, forcing the Karachi Cotton Association (KCA) to revised spot rates upward by Rs50 to Rs6,000 per maund.

The revival of buying interest also helped in boosting phutti (seed cotton) prices, with the Sindh variety being quoted between Rs2,750 to Rs2,850 per 40kg and Punjab quality firming up by Rs2,750 to Rs3,000 per 40kg.

Binola (cotton seed) and oil cake prices also rose between Rs100 to Rs200 per 40 kg on higher demand from oil expellers and whole sellers of grains markets.

The following major deals were reported to have transpired on Monday: 1,200 bales, Sanghar, at Rs5,900 to Rs5,950; 1,400 bales, Mirpurkhas, at Rs5,900 to Rs6,000; 2,000 bales, Tando Adam, at Rs5,900 to Rs5,950; 2,000 bales, Shahdadpur, at Rs5,900 to Rs6,000; 1,400 bales, Nawabshah, at Rs6,100 to Rs6,125; 1,000 bales, Saleh Pat, at Rs6,100; 3,000 bales, Khairpur, at Rs6,100 to Rs6,125; 1,000 bales, Haroonabad, at Rs6,150 to 6,200; 1,200 bales, Burewala, at Rs6,150 to Rs6,200; 1,000 bales, Haroonabad, at Rs6,150 to Rs6,200; 600 bales, Alipur, at Rs6,175; 600 bales, Bakhar, at Rs6,150 to Rs6,200; and 600 bales, Hasilpur, at Rs6,150 to Rs6,200.

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	6,000	135	6,145
40 Kgs	6,430	145	6,585

DAWN

Tuesday, 19th September, 2017

MARKETS

FOREX

Exchange Rates for Currency Notes (Rs)

	Interbank market*		Open market**	
	Buying	Selling	Buying	Selling
USA	105.40	105.60	105.70	105.90
UK	141.03	141.30	142.00	143.50
Euro	125.38	125.61	125.40	126.70
S.Arabia	28.08	28.13	27.95	28.20
UAE	28.68	28.74	28.65	28.90
Japan	0.9540	0.9558	0.9378	0.9578

*forex.com.pk **ECAP

KIBOR

Karachi Interbank offered rates

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

LIBOR

Special US dollar bonds for Sep 15

Three months	1.32389 %
Six months	1.47111 %

THE NEWS
Tuesday, 19th September, 2017

Peshawar High Court stays APTMA election 2017-18

PESHAWAR: The Peshawar High Court on Monday stayed the election process of All Pakistan Textile Mills Association (APTMA) for the year 2017-18.

A two-member bench comprising Justice Ikramullah Khan and Justice Ijaz Anwar issued the stay order in a writ petition filed by Ahmad Kuli Khan Khattak of Rehman Cotton Mills Limited, a candidate from APTMA Khyber Pakhtunkhwa Zone on the reserve seat for Khyber Pakhtunkhwa on the Central Executive Committee of APTMA.

The petitioner has made the Director General Trade Organizations (DGTO), Secretary General , APTMA, Election Commission of APTMA, APTMA KP Zone and Shehzad Ayub, a candidate for the top slot of APTMA, as respondents.

During hearing, Barrister Syed Mudassir Ameer, counsel for the petitioner, submitted before the bench that a candidate Shahzad Ayub, a defaulter of the annual subscription fee, submitted his nomination forms at Punjab office in violation of the Memorandum and Articles of Association of the APTMA.

He informed the court that the closure of his mills Zainab Textile Mills Limited for the last three years and the machineries installed in his mills had already been sold and shifted from the premises. He said the SNGPL had already disconnected the gas supply to the Zainab Textile Mills Limited.

The counsel for the petitioner also argued that Punjab Zone of APTMA had also violated the Memorandum and Articles of Association and as well as Trade Organizations Rules 2013 by creating two additional polling stations at Multan and Faisalabad, wherein the number of registered voters is less than the mandatory 50 members just one day before the election.

He argued that the central chairman of APTMA was elected on rotation basis of 3:2:1 formula (three terms for Punjab, two for Sindh Balochistan and one for KP) and this year the term is of KP region.

THE NEWS
Tuesday, 19th September, 2017

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The Newspaper's Staff Reporter

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Meanwhile, a report by the Pakistan Central Cotton Committee (PCCC) suggests that in 17 districts of Punjab province, cotton plants could not mature properly which resulted in lesser fruiting.

The PCCC's survey further disclosed that since crop growth remained poor, the required fruiting and growth of cotton balls remained less than average and may result in lesser cotton production.

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Binola (cotton seed) and oil cake prices also rose between Rs100 to Rs200 per 40 kg on higher demand from oil expellers and whole sellers of grains markets.

The following major deals were reported to have transpired on Monday: 1,200 bales, Sanghar, at Rs5,900 to Rs5,950; 1,400 bales, Mirpurkhas, at Rs5,900 to Rs6,000; 2,000 bales, Tando Adam, at Rs5,900 to Rs5,950; 2,000 bales, Shahdadpur, at Rs5,900 to Rs6,000; 1,400 bales, Nawabshah, at Rs6,100 to Rs6,125; 1,000 bales, Saleh Pat, at Rs6,100; 3,000 bales, Khairpur, at Rs6,100 to Rs6,125; 1,000 bales, Haroonabad, at Rs6,150 to 6,200; 1,200 bales, Burewala, at Rs6,150 to Rs6,200; 1,000 bales, Haroonabad, at Rs6,150 to Rs6,200; 600 bales, Alipur, at Rs6,175; 600 bales, Bakhar, at Rs6,150 to Rs6,200; and 600 bales, Hasilpur, at Rs6,150 to Rs6,200.

THE NEWS
Tuesday, 19th September, 2017

Rabi crops to face 7.2MAF water shortage

LAHORE: Rabi (winter) crops, starting next month, are likely to face a shortfall of at least 7.2 million acre feet (MAF) of irrigation water on precarious supplies as exiting storage capacity in the country fell short to hold excessive inflows, officials said on Monday.

The officials told The News that maximum water availability is estimated at around 28.8MAF for rabi season (Oct 1 to March 31) against the country's irrigation requirement of 36MAF.They attributed the shortfall to limited storage capacity that led to wastage in surplus water produced by the excessive inflows in outgoing summer.

Officials said there was a surplus water of more than nine million acre feet during the kharif (summer crops) season. The officials said cultivation of strategic wheat crop, which is a staple food, is feared to be adversely affected due to imminent water shortage.

Main reason of water scarcity has been lack of storage capacity in the main rivers that lets about 9.30MAF surplus water to escape below Kotri Barrage into the sea without meeting irrigation and drinking needs upstream. Officials said around 70 percent of additional river supplies of kharif season could be used for supplementing shortage during the lean period of rabi.

And, remaining water could be allowed to flow into the sea to partially meet environmental flow needs of delta, they added. "There should be equilibrium in fulfilling irrigation needs and environmental flows to Indus delta," an official said. "Preference can only be given to irrigation and drinking requirements over environmental flows."

An irrigation expert said water scarcity could have further been aggravated had Tarbela dam not been filled to its maximum storage level of 1,550-foot level during the kharif seaon.

The expert said water establishment of the country took decision in mid-summer about abrupt slowing down of water conservation in Tarbela dam, sparking fear of low water storage in the dam on the pretext of safety precautions.

The expert, however, said some sanity prevailed later and the same water establishment had to take decision of speeding water impounding in the Tarbela dam just before dwindling Indus flows, forgetting all the safety concerns.

"That helped in attaining the maximum conservation level of Tarbela dam and subsequently increasing water availability of the lean period." The irrigation expert further said Mangla dam could not be filled to maximum storage level this year, "mainly due to low flows in the late kharif season."

"Imagine if we end up with water of below storage capacity in both the dam this year, which is a very much possibility due to varied reason, there would be extreme shortage of water in rabi and early kharif 2018," the expert added. "It could be catastrophic for crops and could unleash a serious conflict among provinces, espcially Punjab and Sindh."

THE NEWS
Tuesday, 19th September, 2017

NADRA data fails to support broadening of tax base: FBR

ISLAMABAD: Tax Reform Implementation Commission (TRIC), after discussions last week, concluded that NADRA's data was not useful for broadening the tax base, officials said on Monday.

The government had constituted a Tax Reform Commission (TRC) but its recommendations were not implemented. Later, the government constituted Tax Reform Implementation Commission (TRIC) comprising both private members and the Federal Board of Revenue (FBR) team to evolve consensus on points that could be implemented to reform the taxation system of the country.

"The TRIC held its meeting last week, which came to the conclusion that broadening the tax base was the dire need of the hour, but NADRA's data could not help the FBR for achieving the desired objectives," official sources confirmed to The News. The officials said that NADRA and the FBR had struck a deal for sharing data, but NADRA could only provide the CNIC confirmation.

They said if NADRA data showed that around 1,500 people lived in the most expensive area of Islamabad, that data could not verify the economic status of each individual. The TIRC dwelt upon some of the short-term measures for broadening the tax base, such as proper valuation of immovable properties, simplification of laws, structural ethics and Grievance Redressal System both at chief commissioner/collector level and FBR (HQs), as well as use of mufassil units.

Other short-term recommendations of the Tax Reform Implementation Commission were improvement in IT system/automation to reduce the cost of compliance and emphasis on liaison with NAB to implement recommendations against corruption.

Regarding placing track and trace system for checking cigarettes manufacturers', a private member of TIRC expressed concern over the slow pace of implementation. It was decided that now the Tax Reform Implementation Commission would be given monthly progress on this project.

At present the pace of the implementation of reforms is very slow and it should be expedited. The FBR's failure to expedite the implementation of the commission's suggestions could have problems in the reforms process.

It was decided to convene TRIC meeting on monthly basis to ensure speedy implementation. The government had implemented some short recommendations of the TRC in Finance Bill 2016.

Meanwhile, a UK delegation led by minister of state for trade and investment Rt Hon Greg Hands visited FBR House on Monday and met with special assistant to Prime Minister on Revenue Senator Haroon Akhtar Khan.

FBR chairman Tariq Mahmood Pasha and official spokesperson Dr Muhammad Iqbal were also present on the occasion. Tom Drew, British High Commissioner to Pakistan and Joanna Reid, Head of DFID Pakistan, were among other British officials who assisted the visiting UK minister in the talks which focused on a range of issues related to ongoing bilateral cooperation between the tax authorities of both countries. Both the sides agreed to work together and share information and experiences to boost tax reforms and economic development in Pakistan.

THE NEWS
Tuesday, 19th September, 2017

FDI jumps 154.9 percent in July-August FY18

KARACHI: Foreign direct investment (FDI) inflows to Pakistan more than doubled to $457.2 million in the first two months of the current fiscal year, the central bank's data showed on Monday. Most of the rise in FDI flows to the country was due to investments, particularly in the power and communications sectors.

The country attracted $179.4 million in FDI during the same period of the last fiscal year. FDI surged to $234.5 million in August from $94.6 million a year earlier. The State Bank of Pakistan's (SBP) figures revealed that the country received increased volumes of FDI from China and Malaysia. Net FDI inflows from China rose a whopping 435.9 percent to $259.4 million in two months of FY18.

Similarly, Malaysia helped drive inflows to a level of $110.8 million, compared with $1.3 million last year. The impact of China-Pakistan Economic Corridor (CPEC) activities were seen in the growing FDI mostly within the energy sector.

The power sector was a strong performer, attracting inflows of $210.8 million, up 155.2 percent from a year ago. The communications sector saw a significant 266.2 percent increase in direct investment during July-August FY18. It drew in $94.5 million in FDI.

According to the SBP's data, $30.6 million went to the oil and gas exploration companies against $14.2 million a year earlier. Analysts said the current government looks aggressive to increase the FDI flows further, but it needs political certainty and consistency in ongoing policies.

"The cross-border investments into the country are expected to go up with most [flows] going into power and telecommunications firms. The technology start-up companies can generate ample interest in times to come," said Khurram Schehzad, a chief commercial officer at JS Global Capital Limited.

It is important to mention here that a Malaysian telecommunication firm, Axiata Group's infrastructure unit is acquiring telecom towers in Pakistan for $940 million with a local partner.

Axiata subsidiary edotco Group Sdn Bhd and its Pakistani partner Dawood Hercules Corp will acquire Deodar, the tower unit of Pakistan Mobile Communications Ltd.

Schehzad said, "An increased FDI in the telecommunications sector is possibly reflective of an acquisition deal between Pakistan and Malaysian IT companies." Moreover, some Malaysian electricity utility companies have invested in gas-fired power plants in the country.

For now, the level of foreign investment indicates an underlying investor confidence in Pakistan's economy, aided by the improvement in the macroeconomic conditions and security situation.

The investment prospects are likely to remain bright, triggered by CPEC. Some of the long-term projects in electricity generation under CPEC are at advanced stages of development, with higher requirement for working capital.

Pakistan's economic growth, which the IMF expects to increase to five percent in 2017 and 5.2 percent in 2018, has made it an attractive destination for foreign investors.

Despite these comforts, the foreign portfolio investment experienced an outflow of $105.7 million from the local bourse during July-August FY18 against $40.9 million inflows in the corresponding period of last year. Total foreign investment increased 37.1 percent to $301.8 million.

THE NEWS
Tuesday, 19th September, 2017

MoU inked to attract $375mln into textile sector

LAHORE: Pakistan Readymade Garments Manufacturers & Exporters Association (PRGMEA) on Monday signed memorandum of understanding (MoU) with Ecommerce Gateway Pakist5an, a leading trade fair organiser, to attract foreign investment worth $375 million into textile sector.

“A number of Chinese firms have shown interest in relocating their textile, garment and accessories production units to Punjab with an investment of at least $25 million per unit,” said Ijaz Khokhar, central chairman PRGMEA said addressing the concluding ceremony of Textile Asia Trade Exhibition.

Khokhar said the foreign companies were also committed to transfer their technologies, besides buying back Pakistani products after value-addition here (Pakistan), leading to enhanced local export and lowering Pakistan trade deficit with China.

“We will form joint ventures with local companies from Gujranwala, Lahore, Sialkot, and Faisalabad. We will also train the local engineers in manufacturing spare parts of sewing and textile machines and then buy them back them for export to China,” the PRGMEA chairman quote the Chinese companies as saying.

He said the Pakistan Readymade Garments Manufacturers & Exporters Association and Ecommerce Gateway signed the agreement to continue to jointly conduct this mega textile event in future on annual basis. “Around 52,000 trade visitors registered their presence in the textile fair in three days,” Khokhar said.

Jawwad Chaudhry, vice chairman PRGMEA, said the machinery and equipment displayed at the exhibition were of immense utility to manufacturers producing value added products for increasing volume of exports. “I hope that local businessmen would benefit from this technology by adding value to their products,” Chaudhry said.

He observed the local textile sector's whole chain was also invited to attend this country's largest textile show. “The exhibiting countries included Austria, China, Czech Republic, France, Germany, India, Italy, Korea, Taiwan, Turkey, UK, USA etc,” he added. Dr Khurshid Nizam, the CEO of Ecommerce Gateway Pakistan, said that this textile machinery fair in Pakistan would increase productivity, resulting into better competitiveness.

“The exhibition is aimed at bringing Punjab’s potential of textile and garment machinery, accessories, raw material supplies, chemicals and allied services under one roof, as around 80 percent of textile industry is located in this province,” Nizam added.

THE NEWS
Tuesday, 19th September, 2017

Cotton improves

Karachi

Active trading was recorded at the Karachi Cotton Exchange on Monday, while spot rates increased Rs50/maund.

The spot rates rose to Rs6,000/maund (37.324kg) and Rs6,430/40kg.Ex-Karachi rates also increased to Rs6,145/maund and Rs6,585/40kg after an addition of Rs145 and Rs155 as upcountry expenses, respectively. An analyst said market prices are fluctuating looking at the demand and supply issues.

“Since, yarn sales are receiving good prices, there is an increase in the demand of lint that resulted in an increase in the spot rates,” he added.

A total of 24 transactions were recorded of around 22,000 bales at a price of Rs5,900 to Rs6,200/maund. Among them, notable deals were recorded from Mirpurkhas, Shahdadpur, Sanghar, Tando Adam, Saleh Pat, Khairpur and Nawabshah in Sindh and Haroonabad, Burewala, Mian Channu, Rajanpur, Hasilpur, Alipur and Bakhar in Punjab.

The Nation on Web
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Tuesday, 19th September, 2017

2.3m cotton bales reach ginneries

MULTAN:- Seed cotton (phutti) equivalent to 2.3 million bales has reached ginning factories across Pakistan till September 15, 2017. Pakistan Cotton Ginners Association (PCGA)

released its first fortnightly report of the cotton season 2016-17 on Monday, putting cotton arrivals at 2,365,555 bales and out of this stock, 2,013,162 bales have undergone the ginning process. Arrivals in Punjab were recorded at 846,238 bales while another 1.5 million or 1,519,317 bales reached ginneries of Sindh province.–APP

The report gives detailed district-wise statistics of cotton arrivals and district Sanghar was on top of the list as ginneries there received 920,000 bales. A total of 445,708 bales were lying with the ginning factories as unsold stock.

The Nation on Web
The Nation
Tuesday, 19th September, 2017

UK vows to continue support for benefitting from GSP+ scheme

Pledges to help Pakistan overcome trade barriers
Imran Ali Kundi

ISLAMABAD - United Kingdom on Monday pledged to continue to support Pakistan to benefit from the EU's GSP-plus scheme, as Pakistan assured UK to make progress in improving human rights, labour rights, environment and good governance.

The UK has confirmed the continuation of Generalised System of Preferences plus (GSP-plus) incentives for Pakistan after Brexit. "As the UK leaves the EU, we recognise the need to ensure a smooth transition in our trading arrangements. The UK's firm intention is to maintain these preferences on a bilateral basis, with the generous access to UK markets that it brings. Alongside that, whilst the UK is still a member of the EU, the UK will continue to support Pakistan to benefit from the EU's GSP-plus scheme, whilst in return Pakistan pledges to continue to make progress to improve human rights, labour rights, environment and good governance in line with the commitments made as part of the GSP-plus scheme," said a joint statement of UK Minister of State for Trade Policy Greg Hands and Minister for Commerce and Textile Pervaiz Malik.

The UK also pledged to help Pakistan to break down barriers to trade, and to use the opportunities this brings to create jobs and reduce poverty. Pakistan and the UK enjoy a shared history and a shared future. "At this pivotal moment, marking 70 years of diplomatic relations, we reconfirm our ambition to build shared prosperity between two countries. We will do this through our trade policies, and through links between businesses in both countries. Currently, the UK supports Pakistan through the EU's trade preference scheme GSP-plus. This arrangement encourages economic growth and sustainable development in Pakistan. It also helps business and consumers in Britain," the statement further stated.

With more than 200 million consumers, Pakistan is an exciting market for British business. Both the governments are ambitious, to see more British trade and investment in Pakistan. From textiles to pharmaceuticals, engineering and sporting goods, to finance, legal or business services, Pakistan has huge potential in the global economy. "We are committed to work with businesses in both countries to strengthen these ties into the future," the statement said.

Pakistan and UK have a bilateral trade of 2.08 billion Euros. Pakistan's exports to UK amounted to 1.33 billion Euros and imports amounted to 755 million Euros. As a result of GSP-plus, there has been a significant surge in bilateral trade. GSP-plus provided duty free access to Pakistani goods in all EU members states including UK.

The Nation on Web

The Nation

Tuesday, 19th September, 2017

Upcoming Rabi season

Provinces may face 20pc water shortage

Fawad Yousafzai

ISLAMABAD - The provinces are likely to face around 20 percent water shortage during the upcoming Rabi season, mainly due to reduction in rivers flows and early drawdown from the reservoirs, it is learnt.

“The water shortage is caused by less than anticipated flow in Jhelum and Kabul rivers and early drawdown from the reservoirs,” a source told The Nation on Monday. The water flows in Jhelum was 14 percent less from the anticipated flows, while the river flows in River Kabul were also considerably lower than the anticipated flows, the official said. Resultantly, to meet the provincial demand, water is being released from the reservoirs. The release from the reservoirs is considerably reducing the reservoirs level and Tarbela dam level is decreasing by around two feet per day. The level of Mangla is also going down due the water release.

In Rabi 2016-2017, Indus River System Authority (Irsa) had announced 17 percent water shortage for the provinces, which by the end of the season had reached 19 percent. A meeting of the Irsa’s technical committee and advisory committee will be held this week and next week respectively to finalise the Rabi 2017-2018 water distribution plan.

The Water Accord 1991 empowered the Irsa to determine water availability in the country and provincial share twice a year, once for Kharif season and the other for Rabi season. Rabi season starts from October 1, while Kharif starts from April 1. Since Balochistan and Khyber Pakhtunkhwa were exempted from cuts in the share, the shortage in water would be distributed between Sindh and the Punjab.

According to Irsa’s anticipation, for the upcoming season, it is likely that the provinces will face around 20 percent water shortage during the upcoming Rabi 2017-2018, the source said.

However, the official said that the final decision about the anticipated water shortage, for Rabi, and determination of provinces share would be made by the advisory committee meeting with the consensus of the stakeholders.

According to the daily water report issued by the Irsa, the water level in Tarbela reservoir, in the last 18 days, has come down to 1,519 feet from 1,542 feet on September 1. Similarly, water level in Mangla Dam has also decreased to 1,219 feet from 2,130 feet during the same period. On Monday, flow in Indus at Tarbela were 68,200 cusecs and outflow 135,000 cusecs, Kabul at Nowshera inflows 12,500 cusecs and outflows 12,500 cusecs, Jhelum at Mangla inflows 12,700 cusecs and outflows 50,000 cusecs, Chenab at Marala inflows 22,900 cusecs and outflows 8,000 cusecs.