BUSINESS
RECORDER
Saturday, 20th May, 2017

Branchless banking agents
FBR to allow WHT adjustment on cash withdrawals

SOHAIL SARFRAZ

ISLAMABAD: The Federal Board of Revenue (FBR) has agreed to allow adjustment of withholding tax on cash withdrawals by branchless banking (BB) agents in budget (2017-18).

Sources told Business Recorder here on Friday that the issue of adjustment of withholding tax on cash withdrawals by branchless banking agents was discussed during the 5th meeting of National Financial Inclusion Strategy (NFIS) Steering Committee.

The chairman NFIS has also advised State Bank of Pakistan (SBP) and the FBR to ensure that the tax proposal on cash withdrawals by BB Agents is included in Finance Bill 2017-18.

According to details, BB agents conduct banking transactions on behalf of their customers and such transactions are being settled on a daily basis, which attract withholding tax when withdrawals exceed Rs 50,000 limit. It was, therefore, recommended to the NFIS Council that Federal Board of Revenue (FBR) may consider adjustment of withholding tax on cash withdrawals by BB agents to the extent of disbursements made to the clients.

During the last meeting, an official from SBP shared that NFIS Steering Committee had reviewed the proposals on insurance (including legal amendments for enhancing the scope of insurance and introduction of compulsory occupational health insurance scheme) and pension (including creation of regulatory authority, strengthening of pension framework & digitisation of pension systems, etc). These proposals would help promoting financial inclusion, financial depth and financial sector development. It was apprised that Steering Committee decided that the proposals directly related to financial inclusion will be implemented under NFIS and the rest of the proposals will be taken up by Securities and Exchange Commission of Pakistan (SECP) with concerned government departments and other stakeholders.

The chairman, after deliberating on the insurance and pension proposals, asserted that these proposals need to be firmed up in next 6 to 8 weeks, and thereafter these should be presented to the NFIS Council.

The fifth meeting of the National Financial Inclusion Strategy (NFIS) Council was held in the Committee Room, Finance Division, Islamabad, under the chairmanship of Finance Minister Ishaq Dar. The meeting was attended by UN Secretary General's Special Advocate (UNSGSA) on Inclusive Finance for Development, Queen Maxima of Netherlands (through video link), NFIS Council members including governor SBP, finance secretary, secretary EAD, chairman FBR, chairman SECP, chairman PTA, chairman/representatives from finance departments of all provinces, AJK & Gilgit-Baltistan, and also special invitees from Finance Division and SBP.

In the opening remarks, Finance Minister Ishaq Dar said that government has considered Financial Inclusion as a key policy agenda for inclusive economic development. He reaffirmed the commitment under NFIS to enhance formal financial access to 50% of the adult population by 2020. The finance minister further highlighted the improvement in key macroeconomic indicators including lowest level of inflation, lowest policy rate of 5.75 per cent in last few decades and significant growth in private sector credit, etc.

Update on NFIS implementation: Noor Ahmed from NFIS Secretariat SBP briefly shared the progress with respect to NFIS

BUSINESS
RECORDER
Saturday, 20th May, 2017

implementation. NF1S Governance Structure has been fully operationalised and NFIS Council and Steering Committee held 4 meetings each.

Public-private partnership platforms have been developed through 7 technical committees (TCs) with lead from private sector. Secondly, 160 plus members have been taken on-board from ministries, the government departments, regulators, industry associations & networks etc. Thirdly, 18 working groups were formed under the TCs to develop and prioritise key actions/activities under NFIS along with timelines and responsibilities. Fourthly, 100 actions have been prioritised by TCs for implementation in a phased manner.

The NFIS has enhanced coordination among the regulators (SBP, SECP & PTA) and developed high level coordination with all key federal departments such as NADRA, FBR, BISP, Pakistan Post, etc, to achieve NFIS outcomes.

The NADRA verification cost has been brought down to Rs 10 for opening of new branchless banking accounts.

Update on Asaan Mobile Account (AMA) Scheme/Digital Transaction Accounts:

It was apprised that in order to achieve the headline NFIS Target, ie, 50 percent adult population to have a bank account by 2020, the SBP developed the Asaan Mobile Account (AMA) Scheme which will facilitate swift opening of a digital transaction account and help users shift financial behavior from cash to digital financial services (DFS).

While briefing on the progress of the AMA Scheme, the following developments were shared: The proposal for adjustment of withholding (WH) tax on cash withdrawals by BB agents will be incorporated in Finance Bill 2017-18 as approved by NFIS Council in its last meeting.

The BB Regulations have been revised to facilitate string based account opening. Consent of BB players and telecommunication companies has been obtained and PTA has assigned a unified code “2262” which will be used to access the integrated platform.

The Third Party Service Provider (TPSP) licensing process is in progress and the licences are expected to be issued by May 2017.

Strategy to launch cohesive mass media campaign has been developed in consultation with the industry to promote and educate general public about the scheme.

Promoting Women’s Financial Inclusion: The Council was informed that after completing a stock taking exercise and workshop on the existing women centric financial services with banks, some recommendations have been put forward by the banking industry to promote women financial inclusion such as:

Need for senior management buy-in for creating specialised women banking department/ division and products; increase gender diversity at work places; soften KYC requirements for remote account opening for women; dedicated financial literacy programmes for women and gender disaggregated data

Update on actions related to priority sectors: The Council was also updated on the priority sectors actions such as revision of legal framework to promote more secured lending, Financial Institutions (Secured Transactions) Bill and Financial Institutions (Recovery of Finance) Amendment Bill (FIRO) 2016, promotion of alternative delivery channels for financial service by creation of the Pakistan Microfinance Investment Company (PMIC) to provide liquidity to microfinance providers and establishment of EXIM bank for financing of export-oriented activities, Setting up of Pakistan Mortgage Refinance Company (PMRC) to promote the housing finance market, implementation of SBP’s financial literacy initiatives V’ Nation Wide Financial Literacy Programme: Pilot Child and Youth Financial Literacy Programme, overview of trends in key financial inclusion Indicators.

The NFIS Secretariat

briefed the council about the progress of financial inclusion indicators during June 2015 to December 2016: The banking sector experienced growth in the overall account numbers and with value of deposits by 12 percent and 18 percent, respectively, the BB has continued its positive momentum. The BB accounts have reached 19.9 million from 10.8 million, showing a phenomenal growth of 84 percent. The BB accounts per 1,000 adults exhibited a growth of 79 percent. The BB deposits have increased to Rs 11.717 billion from Rs 8.856 billion, showing a growth of 32 percent. The number of BB agents have significantly increased to 351,912, which are providing financial services in largely under-banked and un-banked communities and improvement in lending to priority sectors including agricultural, microfinance, housing.

The SBP official commented that women financial inclusion is a key priority. There continues to be promising developments in increasing female workforce participation at banks and the third largest bank in Pakistan is now appointing female CEO. The governor further highlighted that the adjustment of the withholding tax on agents' cash withdrawal will support greater expansion of the agent network, and the digitisation of pensions and insurance payments will significantly help building the digital finance eco-system of the country.

The finance minister mentioned that all social safety net programmes disburse payments to only women. The digitisation of these can work to reduce the financial inclusion gender gap.

Syed Samar Hasnain of SBP commented that a number of accounts have been opened but the usage in these accounts is still a challenge which can be overcome through implementation of AMA scheme.

The secretary finance also stressed the need for enhancing usage of the accounts. He inquired how usage can be improved and whether there is a need for donor support to help NFIS council in reaching their goals. He also emphasised on the need for developing partnerships with private sector to understand the financial needs of the financially excluded and under-banked communities.

Governor SBP Ashraf Mahmood Wathra responded that usage is being tackled through the growth of access points (agents, AIMs, POS, etc) and financial education of the customers, apart from pushing retailers to accept digital payments. With regard to developing partnerships with private sector, Syed Samar Hasnain of SBP commented that under NFIS governance structure, seven technical committees (TCs) and 18 working groups have been formed which are mostly chaired/co-chaired by representatives from private sector. With respect to donors support, the chairman highlighted that since 2013, all donors have returned to Pakistan and "we have developed a good working relationship with the donors."

The finance minister while emphasising Pakistan's commitment to create macroeconomic stability and growth, shared that Pakistan Poverty Alleviation Fund (PPAF) has been transformed into the PMIC with support from KFW and DFID. Also, the government is now planning to create a Pakistan Infrastructure Bank to support inclusive growth.

The finance minister appreciated the efforts of NFIS Secretariat and stakeholders on working together and preparing landmark initiatives and proposals, including Asaan Mobile Account (AMA) Scheme.

BUSINESS
RECORDER
Saturday, 20th May, 2017

TY15 audit

FBR not to disclose risk parameters

RECORDER REPORT

ISLAMABAD: The Federal Board of Revenue (FBR) has categorically said that it would not disclose risk parameters used for selection of income tax cases for audit for the Tax Year 2015.

In a clarification, the FBR has also stated that the cases selected for audit for the Tax Year 2014 can again be selected for Tax Year 2015 as there is no bar in Audit Policy, 2016.

According to a clarification issued by the FBR on Audit Policy 2016 Friday, Taxpayers' Audit Wing, FBR, has received numerous representations regarding Audit Policy 2016. Most of the representations involve similar issues.

It is clarified that as per subsection (IA) of the section 214C of the Income Tax Ordinance, 2001, the FBR will keep parameters confidential. Therefore, risk parameters used for selection of Income Tax Cases for audit for Tax Year 2015 cannot be disclosed.

Cases selected for audit for Tax Year 2014 can also be selected for Tax Year 2015 as there is no bar in Audit Policy, 2016.

In case of any clarification on the Audit Policy 2016, it is requested to contact the FBR, the letter added.

An expert told Business Recorder that the audit policy for the Tax Year 2015 was challenged in Lahore High Court (LHC). When challenged, the court directed the tax department to tell taxpayers basis/parameters for selection of their cases for audit. To clarify its position, the Board issued a letter that subsection (IA) of the section 214C of the Income Tax Ordinance, 2001 allows the FBR to keep parameters confidential.

BUSINESS
RECORDER
Saturday, 20th May, 2017

TY15 audit

FBR not to disclose risk parameters

RECORDER REPORT

ISLAMABAD: The Federal Board of Revenue (FBR) has categorically said that it would not disclose risk parameters used for selection of income tax cases for audit for the Tax Year 2015.

In a clarification, the FBR has also stated that the cases selected for audit for the Tax Year 2014 can again be selected for Tax Year 2015 as there is no bar in Audit Policy, 2016.

According to a clarification issued by the FBR on Audit Policy 2016 Friday, Taxpayers' Audit Wing, FBR, has received numerous representations regarding Audit Policy 2016. Most of the representations involve similar issues.

It is clarified that as per subsection (IA) of the section 214C of the Income Tax Ordinance, 2001, the FBR will keep parameters confidential. Therefore, risk parameters used for selection of Income Tax Cases for audit for Tax Year 2015 cannot be disclosed.

Cases selected for audit for Tax Year 2014 can also be selected for Tax Year 2015 as there is no bar in Audit Policy, 2016.

In case of any clarification on the Audit Policy 2016, it is requested to contact the FBR, the letter added.

An expert told Business Recorder that the audit policy for the Tax Year 2015 was challenged in Lahore High Court (LHC). When challenged, the court directed the tax department to tell taxpayers basis/parameters for selection of their cases for audit. To clarify its position, the Board issued a letter that subsection (IA) of the section 214C of the Income Tax Ordinance, 2001 allows the FBR to keep parameters confidential.

Open Bid	Rs. 105.85
Open Offer	Rs. 106.86

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

Bid Rate	Rs. 104.80
Offer Rate	Rs. 104.00

RUPEE IN LAHORE: The Pak rupee depreciated on buying side while it stayed unchanged on selling side against the major currencies including the US dollar and the British pound in the local currency market on Friday.

The dollar commenced trading on its overnight closing trend of Rs 105.90 and Rs 106.20 as its buying and selling rates, respectively. At the close, it appreciated by 10-paisa on buying counter and ended at Rs 106.00. However, no change in its value took place on selling counter as it sustained its opening rate of Rs 106.20, said local currency dealers.

Likewise, the local currency also followed the same suit versus the pound sterling. The British currency was bought and sold at Rs 137.10 and Rs 138.00 against Rs 136.75 and Rs 138.00 of Thursday, they added.

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

The dollar opened at Rs 106.05 (buying) and Rs 106.15 (selling) against last rate of Rs 105.95 (buying) and Rs 106.05 (selling). It closed at Rs 106.05 (buying) and Rs 106.15 (selling).

Pound Sterling opened at Rs 135 (buying) and Rs 135.50 (selling). It closed at the same rate.

BUSINESS
RECORDER
Saturday, 20th May, 2017

Rs2.133trn PSDP approved by NEC: Ahsan

ZAHEER ABBASI

ISLAMABAD: The National Economic Council (NEC) has approved Rs 2.133 trillion Public Sector Development Programme (PSDP) and growth target of 6 per cent for the next fiscal year, said Minister for Planning, Development and Reform Ahsan Iqbal.

Addressing a news conference after the meeting, Ahsan Iqbal dismissed the impression that smaller provinces have reservations over non-accommodation of their projects in the federal PSDP. The Planning Commission said the projection of current account deficit has not been under-stated; however, it may be slightly adjusted once the full data is received.

The minister said that economic indicators of the country are moving in positive direction and a positive performance of agriculture sector has led to a 5.28 per cent growth in the current fiscal year with agriculture sector growth was recorded at 3.5 per cent. He was optimistic that growth would be even better in the next fiscal year.

Iqbal said that better performance of agriculture sector was due to incentives provided to it in the form of credit facilities and subsidies on fertilizers and electricity bills under the Prime Minister's Package.

He said that manufacturing sector also contributed satisfactorily and provision of uninterrupted gas and electricity has triggered growth of industrial sector.

The minister said that development budget has been enhanced three times as over two trillion rupees are being allocated for the next year.

He said that Rs 404 billion have been allocated for infrastructure projects and Rs 135 billion for social sector in the PSDP for the next fiscal year. The development budget for Federally Administered Tribal Areas (FATA) has been enhanced to Rs 24.5 billion from Rs 21 billion, AJK to Rs 22 billion from Rs 12 billion and Gilgit-Baltistan to Rs 15 billion from Rs 9 billion.

The government has increased HEC budget to Rs 35 billion and projects envisaging special steps have also been included for the growth of IT sector. He added centres of excellence would be set up and over 0.1 million youth would be provided with digital technology.

The minister added that Rs 180 billion have been allocated in the PSDP for China-Pakistan Economic Corridor (CPEC) projects, Rs 17 billion for completion of projects in Gwadar, Rs 17 billion for Balochistan and Rs 12 billion for clean drinking water project. The minister said that Rs 45 billion have been allocated for up-gradation of Pakistan Railways.

BUSINESS
RECORDER
Saturday, 20th May, 2017

SBP unveils updated version of forex manual

RECORDER REPORT

KARACHI: In order to facilitate the stakeholders including Authorized Dealers (banks), exporters, importers, travel agents, carriers, etc, the State Bank of Pakistan keeps on issuing updated Foreign Exchange Manual from time to time. Last such version of the manual was issued in May 2016.

Since the issuance of the updated Foreign Exchange Manual in 2016, several changes/amendments in the foreign exchange regulations have been made. Although the FE Circulars, Circular Letters, Notifications, etc, through which these changes/amendments were made have been posted at the State Bank's website, the same have been incorporated in the Foreign Exchange Manual so that the stakeholders can find the regulations/instructions in consolidated form in a single document.

Accordingly, the Foreign Exchange Manual-2017 stands updated up to April 30, 2017 and has been placed at the State Bank's website for reference of the stakeholders.

The State Bank expects that the use of updated manual by the stakeholders would enable them to comply with the existing rules and regulations governing foreign exchange business.

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 18.05.2017	Difference Ex-Karachi in Rupees
37.324 Kgs Equivalent	6,800	135	**6,935**	**6,985**	-50
40 Kgs	7,288	145	**7,433**	**7,486**	-53

BUSINESS
RECORDER
Saturday, 20th May, 2017

Cotton up slightly on weaker dollar

NEW YORK: ICE cotton futures rose slightly on Friday, snapping a three session losing streak on a weaker dollar, offsetting losses from recent export sales cancellations, increasing acreage and favourable weather for the natural fibre.

Favourable weather in top growing regions and export cancellations from India and China along with optimistic acreage expectations by the US Department of Agriculture put pressure on prices.

“Fundamentally nothing has necessarily changed,” said Jim Lambert, director of sales at FCStone Merchant Services, noting that the market is seeing a bit of consolidation after extreme price swings earlier this week.

The July cotton contract on ICE futures US fell about 3.3 percent this week after prices touched near three-year highs earlier in the week.

The July cotton contract on ICE Futures US settled up 0.21 cent, or 0.27 percent, at 79.45 cents per lb. It traded within a range of 78.42 and 79.5 cents a lb.

The dollar index was down 0.75 percent. The Thomson Reuters CoreCommodity CRB Index, which tracks 19 commodities, was up 1.41 percent.

Certificated cotton stocks deliverable as of 18MAY17 totalled 402,998 480-lb bales, up from 387,267 in the previous session.

Total futures market volume rose by 1,120 to 28,463 lots. Data showed total open interest fell 4,565 to 258,288 contracts in the previous session.

Speculators raised their net long position in cotton in the week to May 16 by 9,464 contracts, to 105,674, US Commodity Futures Trading Commission data showed on Friday.—Reuters

New York cotton

RECORDER REPORT
The fluctuations observed during the day:

	Current Session						Prior Day		
	Open	High	Low	Last	Time	Set	Chg	Vol	Set
May’17	79.40	79.50	78.42	79.45	14:20 MAY 19	80.17	0.21	17604	79.24
Jul’17	74.98	75.81	74.98	75.81	14:20 MAY 19	76.56	0.13	5	75.68
Oct’17	73.99	74.05	73.15	73.45	14:20 MAY 19	74.46	-0.19	8495	73.64

BUSINESS
RECORDER
Saturday, 20th May, 2017

Investor concerns

Overseas Investors Chamber of Commerce and Industry (OICCI), representing approximately 200 multinationals from 35 countries, in an informal meeting with the media stated that foreign investors continue to have doubts about the sustainability of energy and security in Pakistan. And they prefer India to Pakistan as their destination.

The recent spike in load shedding to levels that are somehow comparable to the tenure of the PPP-led coalition government have raised serious concerns in the general public about the efficacy and efficiency of the Sharif administration's handling of the energy sector. This spike belied repeated and sustained government claims that improvements in generation and the associated transmission network would massively reduce the hours if not entirely end load shedding in the country by the 2018 elections. It is quite disturbing that claims that untenable levels of load shedding in April would end by the first week of May (attributed to unseasonably warm April and the snow melt not expected till end April by the Minister of Water and Power on the floor of House echoed by the Secretary in a parliamentary standing committee) have yet to be realized.

The Water and Power Ministry's claim that there has been a marked improvement in the performance of the energy sector in terms of improved generation and reduced line losses is undermined by international donor agencies analysis of the sector, including International Monetary Fund's (IMF) assessment subsequent to the Article IV Consultations uploaded on 5th April 2017 where it stated that "bringing the power distribution sector to full cost recovery will be critical to ensure long-term success of new energy initiatives and minimize fiscal costs". The World Bank's assessment is more damning: "Circular debt cleared earlier has piled up again nearly to its 2013 levels. There have been efforts to reduce the electricity regulator's independence."

But what was not highlighted by the OICCI representatives, and which must be a source of serious concern for the Dar-led Finance Ministry, was the observation made in an IMF report dated 2nd May 2017 in which the Fund observed that "debt servicing costs (which are particularly high in Egypt, Lebanon, and Pakistan) are likely to increase in line with anticipated higher global interest rates. High debt levels also deter investors and add to financial stability risks… Higher debt servicing costs will put further pressure on fiscal positions, reducing the scope for public spending—like on infrastructure and education—to support growth".

There is no doubt that the two military operations – Zarb-e-Azb and Raddul Fasaad have considerably improved the security situation in the country – both in tribal areas as well as the settled areas including Karachi; yet the fact remains that the country continues to be subjected to periodic horrendous terror attacks, many planned in foreign countries and launched in Pakistan, and our 'do more' mantra to our neighbours continue to fall on deaf ears while their accusations against our alleged support for terrorists that launch attacks on their soil continue unabated.

Finally, it is relevant to note that comparisons between India and Pakistan in the economic arena have by now become irrelevant as India has overtaken Pakistan in almost all economic indicators. It has enviable foreign exchange reserves that, unlike in Pakistan, are not premised on debt and at the same time has a growth rate that rivals China's. Its tax structure focuses not on generating ever-larger amount of revenue to meet its rising current expenditure, as in our case, but on incentivizing their productive sectors, which explains why the Indian yield per hectare is higher than ours and why Indian exports continue to rise. Last but not least, the Indian rupee is more in tune with its market value while ours

BUSINESS
RECORDER
Saturday, 20th May, 2017

is overvalued by 15 to 20 percent as per the IMF which implies Indian exporters are not operating at a disadvantage in the global market.

Much needs to be done in the economic arena and one would hope that there is a major shift in policy from what the country has been subjected to during the past four years; however, this appears highly unlikely as our Finance Minister spends an inordinate amount of time, expressing confidence in his policies.

BUSINESS
RECORDER
Saturday, 20th May, 2017

China's new world order

Farhat Ali

the Belt and Road Forum at Beijing well projected China as the country leading the new world order with the emerging markets rallying behind it and Russia deciding to throw its weight in favour of the new order. The US and the G20 are observing the development with caution and India is opting to stay out of it. The good news is that all of them opted to give China's vision of globalization a chance to deliver.

China's leaders pitched it as a new world order at a majestic international conference held in Beijing last Sunday, joined in by Russia at the same pitch. Significant was the closeness between Xi and Putin sending signals to the world that the seat of power is now balanced between Atlantic and Pacific if not moved to Pacific

The Belt and Road Forum is China's answer to Davos or the G20, centred around One Belt One Road (OBOR) trade initiative, which takes its inspiration from the ancient Silk Road trading route when goods and technology moved from east to west. History has taken a full round.

Speaking at the opening ceremony, Chinese president Xi Jinping emphasized OBOR's international credentials in the face of criticism that the project will be dominated by Beijing.

"What we hope to create is a big family of harmonious co-existence," Xi said, adding that all countries were welcome to take part in the project.

China announced an additional $124 billion in funding for the OBOR initiative, including loans, grants, and $8.7 billion in assistance to developing countries. According to Chinese state media, around $1 trillion has already been invested in OBOR, with another several trillion due to be invested over the next decade.

Addressing the forum after Xi, Russian president Vladimir Putin appeared to take aim at the US, which is not involved in the OBOR initiative.

"Protectionism is becoming the new normal," Putin warned, adding that "the ideas of openness and free trade are increasingly often being rejected by those who until very recently expounded them."

Spanning more than 68 countries and encompassing 4.4 billion people and up to 40 percent of the global GDP, China's One Belt, One Road project is not short on ambition.

Its boosters tout its massive economic promise and claim it could benefit the entire world and lift millions out of poverty.

But no one can say for sure what exactly the plan encompasses, and detractors warn it could be an expensive boondoggle at best or a massive expansion of Chinese imperial power at worst.

The intellectuals argue: "So what is One Belt, One Road?" No one is totally sure. At the most basic level, One Belt, One Road is a collection of interlinking trade deals and infrastructure projects throughout Eurasia and the Pacific, but the definition of what exactly qualifies as an OBOR project, or which countries are even involved in the initiative, is incredibly fuzzy. "It means everything and it means nothing at the same time," said Christopher Balding, a professor of economics at Beijing University.

China at this stage is concentrating on building up a global network of infrastructure which facilitates "Ease and Cost of Doing Business," tempting all nations to derive benefits out of it. In these times of competition and compulsions of cost rationalization and ease of accessibility, OBOR will be irresistible for many countries.

It also aims to develop the infrastructure and economies of nations which falls along OBOR.

The major deliverables achieved under OBOR at the forum are:

BUSINESS
RECORDER
Saturday, 20th May, 2017

1. China signed MoUs with 11 countries and cooperation documents with nine international organizations.

2. China signed economic and trade cooperation agreements with 30 countries

3. China will scale up financing support for OBOR by contributing an additional $14.5 billion to the Silk Road fund

4. The China Development Bank and the Export-Import Bank of China (Eximp Bank of China) will set up special lending schemes worth $36.3 billion and around $18.8 billion for the development of infrastructure projects.

5. The National Development and Reform Commission of China will set up a China-Russia regional cooperation development investment fund with a total scale of $14.5 billion and an initial scale of $1.45 billion to promote cooperation between China's north-east and Russia's Far East.

6. In the coming five years, China will offer 2,500 short-term research visits to the country for young foreign scientists, train 5000 foreign scientists, engineers and managers and set up 50 joint laboratories.

7. In the coming three years, China will provide assistance worth $8.7 billion to developing countries and international organizations participating in OBOR.

8. In the coming three years China will provide emergency food aid worth $290 million.

9. In the coming three years China will make an additional contribution of $1 billion in assistance for the South-South Cooperation.

10. In the coming three years China will launch 100 "Happy Home" projects, 100 poverty alleviation projects and 100 health care and rehabilitation projects along OBOR.

The China Pakistan Economic Corridor (CPEC) is one important link in OBOR.

Having achieved growth in central China, the vision is now to extend it to the outskirt provinces of China. OBOR is one initiative which will make it happen.

The next five years of the roll out of OBOR are crucial in steering it against many challenges and odds. (The writer is former President, Oversees Investors Chamber of Commerce and Industry)

BUSINESS
RECORDER
Saturday, 20th May, 2017

EPB to TDAP: Mission export

Nusrat Iqbal Jamshed

No power can compensate or equal economic strength. Whether it is an individual, society or a country, economic strength is a power tool for getting things done quickly. Well, most of the time. at least.

Historically in Pakistan, whenever trade commerce or export, being the science of all economics, were mentioned the only name that cropped up defining the tenor was Export Promotion Bureau commonly known as EPB. For people working in there, the EPB was used as a term of endearment. Exports from Pakistan were almost synonymous with Export Promotion Bureau.

The Export Promotion Bureau was established on September 4, 1963 in a cabinet meeting presided over by President, Ayub Khan. The EBP's establishment was announced by his Finance Minister, Mohammad Shoaib.

The standard operating procedure adopted by the Export Promotion Bureau was aimed at gaining market access in selected foreign markets, invest in resources of other organizations, encouraging export activities and covering a new field of activities to assist private enterprises. The Bureau combined trade promotion, tourism, commercial intelligence and exhibitions.

The Bureau was to be organized on the same principles as that of the Jute Board. It was never declared an autonomous body but was to function as an attached department under Ministry of Commerce.

The formation of the Export Promotion Bureau was intended to enhance the role of exports as Pakistan's trade promotion organization. Pakistan's movers and shakers at the time correctly gauged the dynamics of the world economy. They realised the need for the future boost needed for industrial development and vital export investments. They envisioned the EPB as a service-oriented export promotion department.

The adopted philosophy of the EPB can be summed up in the following three precepts which hold true even today:

1) Commerce and trade, especially exports, cannot be treated in seclusion and gauged in isolation.

2) Enhancing and promoting exports is a collective function through shared wisdom.

3) A TPO in essence must not indulge in trade itself, but facilitate all those who do.

Many times, EPB went beyond its mandate and integrated many facets of the economic currents of the time. The EPB aimed to focus on trade and matters relating to commerce within and outside Pakistan, specifically utilizing some of the marketing tools for achieving possible targets and goals.

Of course, being one of the major export promotion organizations in Pakistan, many connecting assignments were combined with the EPB, directly or indirectly, including: study of different countries' import regimes, developing domestic commerce; encouraging the setting up of export-based industries, wherever possible, aligning to meet with export-oriented investment criteria; providing research-based analysis on products/markets; catering to and for dissemination of up-to-date information and requirements within and outside Pakistan and, finally, developing and promoting the services sector in Pakistan.

As can be witnessed achieving the above task was not easy. Much exertion must have been put in to collect a lot of data, background, historical evidence, adapting and adopting reasons for policy formulation, implementing an unchartered course while keeping an account of successes and failures, and, above all, putting all this in a descriptive order to understand international markets. Efforts had to be

BUSINESS
RECORDER
Saturday, 20th May, 2017

focused, interpreted while gaining the confidence of all stakeholders being the real value in increasing exports from Pakistan.

To provide real time service, an organization connected with this task must give and, in order to give, it must know. Awareness, therefore, is an important tool in the right direction for any service oriented promotional organization.

The EPB was truly a service-based progressive body, dependent solely on knowledge-based dependency either in assimilation or dissemination. The only organization in the public sector with no such powers like the Customs, Income Tax and other departments, such as labour. The EPB was mandated to promote exports from Pakistan and possibly all other related requirements, tasks and disciplines.

Policymakers were forced to depend on according priority to some of the tools used in marketing techniques. So, through allocation provided by the Export Marketing Developing Fund (EMDF), the EPB undertook to participate in many international exhibitions, delegations and commodity based market development exercises and pretty much pampered in research and development of both markets and products. As a result, the EPB developed considerable expertise on the subject.

The EPB slowly and gradually began to tackle supply chain issues providing a desired edge to marketing, never failing to give importance to Pakistan's exportable commodities. The EPB provided complete product-based backup to marketing after research. The EPB came up with concepts based on traditional and non-traditional items, which helped in prioritizing value for meeting export promotion objectives. Pakistani exports made some inroads, achieving success to certain extend due to a strong database of buyers, sellers, markets and products.

Those who mattered kept assigning the EPB with numerous different progressions which was helping Pakistan in the international markets. The EPB also became famous for maintaining the textile quota. The subject was technical and carried with it severe legal implications and repercussions. Effective working entailed total indulgence in details of each case. It needed practical knowledge on all commercial and legal procedures. Due to prior knowledge on international marketing, officers and staff in the EPB monitored the quota system and handled it effectively.

In the 1980s and the 1990s, the EPB became synonymous with international trade, exports and commerce. The EPB in a given year, it sometimes participated in more than 150 international exhibitions. As a matter of prestige, the EPB was also handling all trade delegations from and to nearly all over the world, which definitely played its part in increasing exports from Pakistan. The organization also ventured out in many relevant commercial fields such as supply-chain management, and indulged in the technical aspects of trade formation regarding the WTO and acquired legal acumen after being assigned responsibilities of providing services to commercial courts in the country.

Similarly, the SMEs and women entrepreneurs were acknowledged and given their due. The EPB brand became known worldwide especially in the commercial international exhibition circles. The EPB truly became famous for applying conclusively its marketing tools to support marketing efforts from Pakistan. Many organizers of reputable exhibitions placed their agents in Pakistan, depending solely on the EPB as their client. Yet, the fast-changing business prospects were not accorded due consideration or merit by the EPB. The main issue here was that those who headed the EPB then had their own agendas to pursue. The majority of bureaucrats heading the EPB did so because it provided them opportunities to travel abroad.

From its inception in 1963, the world around the EPB underwent a change. New systems were effectually designed and implemented to speed up all business activities. This can well harness the change that occurred in IT alone. IT today does not only mean "Information Technology"; it now stands for "intellectual transfer of knowledge".

In spite of the mileage worked for and covered through marketing tools like exhibitions and delegations, Pakistan could not achieve the required success rate in increasing exports like other countries of similar importance in the world. There have been coherent political, international and domestic issues hindering in overall pace of export development in Pakistan.

First, EPB was an organization dealing directly in international trade. Over a period of time international trade became very complex. Those who mattered should have made it obligatory that EPB must be headed by people who were knowledgeable in commerce and trade so that they could tackle all such activities comprehensively even rigorously. It did not happen so. In bureaucracy, one major group, mainly generalist in nature were made to head all major government-controlled organizations. EPB was no exception.

Secondly, in 1994 with the advent of the WTO as a forerunner of General Agreement on Tariffs and Trade (GATT) was overseeing the multilateral trading system as many complex/technical situations had developed. Adherence to the new world trade order paved way for success and profits linking with the United Nations and its subsidiaries including the WTO. Pakistan like any other developing country needed the right expertise to deal with changing international scenario. Trade in goods, Trade in services Intellectual property rights with other more heavier complexities became business success symbols and paved way for future business development. Even today, Pakistan needs to develop a suitable, successful way forward in this context.

Thirdly, no business could progress without assurance, security and credibility. New world order, pertaining to better business concepts is entwined in a complex legal/technical trade based system putting developing or lesser developed nations at a disadvantage. This meant survival was dependent on strong networking with a few developed countries. The new system meant fighting for rights under the rules of new world trade order – an only norm for survival.

What is now needed is a joint action plan to achieve the following results:

1. Through thorough R&D and out-of-the-box thinking, identify the number of projects which can help to increase exports from Pakistan.

2. Built upon that a strong, pragmatic and viable export strategy for implementation.

3. Put forth and implement a viable restructuring plan for the present TDAP in order to achieve above aims and objectives.

DAWN
Saturday, 20th May, 2017

Rs2.1tr development spending approved for next year to boost growth rate

KHALEEQ KIANI

ISLAMABAD: With substantially higher allocations for special regions – AJK, Fata, Gilgit-Baltistan and Balochistan – the National Economic Council on Friday set country's total development budget for next year at Rs2.140 trillion with focus of investments on roads and energy to boost economic growth rate to six per cent.

Shown signs of popular moves, the prime minister's two new initiatives worth Rs25 billion were made part of the development plan including Rs12.5bn each for 'Electricity to All' and 'Clean Drinking Water for All'. This was in addition to major focus on non-core PSDP that included Rs30bn for PM's Global Sustainable Development Goals to be spent through political leaders, Rs40bn Special Federal Development Programme, Rs45bn each for security enhancement and relief and rehabilitation of internally displaced persons.

Presided over by Prime Minister Nawaz Sharif and attended by all the four chief ministers, the prime minister of Azad Kashmir, Chief Executive of GB and Governor of KP representing tribal region, the meeting also approved macroeconomic framework for next year envisaging increase in inflation to 6pc from 4.1pc of this year and total investments to 17.2pc of GDP from current 15.8pc.

Rs25bn water and electricity for all programmes also part of the PSDP

Speaking to journalists after presiding over the meeting, Minister for Planning and Development Ahsan Iqbal said the federal Public Sector Development Programme (PSDP) was approved by the NEC at Rs1.001tr for next year, up 25pc from Rs800bn of the outgoing fiscal year. This would include a foreign financing of Rs166bn.

He said the prime minister pleaded a special case for AJK, Fata and GB and directed that a special formula be designed in the National Finance Corporation (NFC) for allocation of funds for these areas that could not be given the provincial status due to legal complications but were part of Pakistan and their people required to be treated like the people of four provinces.

He then directed the increase in block allocations for AJK to Rs22bn from current year's allocation of Rs12bn and this was the largest increase in history to speed up the pace of development. Likewise, the block allocation for GB was jacked up from Rs9bn to Rs15bn while Fata's share was increased to Rs24.5bn from Rs21bn this year.

Likewise, a special amount of Rs17bn was also allocated for Balochistan, Mr Ahsan said, adding that this was on top of federal programmes and was aimed at improving water resources and invest in areas of provincial domain.

The cumulative provincial annual development plans (ADPs) were estimated at Rs1.140tr against Rs875bn of this year, about 27pc higher. This included Punjab's Rs600bn followed by Sindh at Rs263bn, Khyber Pakhtunkhwa at Rs202bn and Balochistan at Rs75bn.

The minister said another Rs400bn would be spent by corporations like Wapda and NTDC from their own resources that would put the country's total development outlay well above Rs2.5tr.

Explaining priorities of the development plan, he said infrastructure would be given Rs414bn, including Rs320bn to National Highway Authority, Rs43bn to Railways and Rs44bn for other transportation modes like aviation etc.

A total of Rs404bn would be spent on energy sector including Rs87bn from PSDP and Rs317bn to be raised by Wapda/NTDC. About Rs180bn have been earmarked for other China-Pakistan Economic Corridor (CPEC) projects. Social sector allocation, have also been increased to Rs153bn from Rs90bn.

As such, the core PSDP would be put at Rs866bn next year against Rs655bn of current year while non-core development spending would amount to Rs135bn. A special allocation of Rs27bn has been made for completion of CPEC projects.

DAWN
Saturday, 20th May, 2017

Mr Ahsan Iabal said the initiatives taken by the PML-N government had delivered 5.3pc GDP (gross domestic product) growth rate after a gap of a decade – a great achievement for the entire nation that was trapped in 3pc to 3.5pc growth rate four years ago. The increase in growth rate, he claimed, was because of steps taken towards macroeconomic stability, infrastructure development, energy supply and human resource development.

For achieving the 6pc GDP growth rate, the agriculture sector is targeted to maintain its current year growth rate of 3.5pc while important crops would grow by 2pc instead of 4.1pc this year. Manufacturing sector is projected to grow by 6.4pc next year instead of 5pc this year contributed by 6.3pc increase next year compared to 4.9pc this year.

The services sector was also expected to grow by 6.4pc instead of 6pc this year while livestock would slow down to 2pc growth instead of 3.4pc increase this year.

Mr Iqbal said the completion of China-Pakistan Economic Corridor (CPEC) was one of the top objective of the government and hence Rs324bn would be given to the National Highway Authority (NHA).

The minister said export decline was a major challenge for Pakistan because of contraction in leading world markets.

Therefore, allocations had been made for cluster development in agriculture, mining and industry to secure growth in entire supply chain of value addition. Based on this, exports are projected to grow by 6.4pc next year to $23.1bn against decline this year at $21.7bn. At the same time, import growth target has been set at 9.6pc to $50bn instead of $45.7bn this year.

As a result, the next year trade deficit has been estimated at $26.9bn against $24bn this year while current account deficit would increase to $10.4bn compared to $8.3bn this year. As such, current account deficit would amount to 3.1pc of GDP against 2.7pc this year.

He said to promote modern education Rs35bn had been allocated for Higher Education Commission.

He said initiatives like start-up and innovation packages would be launched so that youth could start businesses, while steps like big data cloud computing, cyber security and automation and robotics were being introduced.

DAWN
Saturday, 20th May, 2017

Weekly inflation goes up

THE NEWSPAPER'S STAFF REPORTER

ISLAMABAD: Weekly inflation for the combined income group was 0.06 per cent for the seven-day period that ended on May 18 mainly due to an increase in the prices of essential food commodities.

Weekly inflation, measured through the sensitive price index (SPI), increased for the second consecutive week, according to data issued by the Pakistan Bureau of Statistics (PBS) on Friday.

SPI monitors prices of 53 items in 17 cities and 53 markets.

Prices of 15 items increased and those of 11 items decreased during the period under review. Prices of 27 items remained unchanged.

The impact of prices on various income groups also witnessed variations during the week under review.

For the lowest income group (earning up to Rs8,000 a month), SPI declined 0.02pc over the preceding week. Inflation for the top income group (earning Rs35,000 and above) was up 0.10pc.

On a year-on-year basis, SPI for the combined group in the week under review witnessed an increase of 2.77pc.

The price of potatoes rose 5.91pc, bananas 3.21pc, eggs 3.13pc, chicken 2.42pc, gur 1.02pc, rice basmati broken 0.90pc, curd 0.61pc, pulse mash 0.19pc, pulse gram 0.11pc, vegetable ghee tin 0.07pc, vegetable ghee loose 0.06pc and cooking oil tin 0.06pc.

The price of tomatoes fell 7.32pc, onion 5.92pc, sugar 1.66pc, LPG cylinder 3.31pc, powdered milk 0.98pc, wheat 0.90pc, garlic 0.86pc, pulse moong 0.51pc, pulse masoor 0.46pc, wheat flour 0.37pc and red chili powder 0.17pc.

DAWN
Saturday, 20th May, 2017

LCCI demands tax-free budget

THE NEWSPAPER'S STAFF REPORTER

LAHORE: The federal budget for 2017-18 should be free of new taxes, allocate maximum funds for the construction of dams and set aside more money for health and education sectors, experts said at a pre-budget seminar at the Lahore Chamber of Commerce and Industry (LCCI) on Friday.

Double taxation and high import duties should be done away with in the next budget, they said.

Adviser to the Punjab Chief Minister Muhammad Arshad said the country's poor perception is hurting foreign direct investment and economic growth.

LCCI's former vice-president Aftab Ahmad Vohra said a tax-free budget will help expand the tax net. He said a number of sectors, including infrastructure development, coal, energy, agriculture, livestock, textile and pharmaceutical, offer lucrative investment opportunities to foreign investors. But these opportunities are not availed due to the absence of a well-tailored national marketing strategy, he added.

Columnist Mujib-ur-Rehman Shami stressed upon the need for an increased interaction between the government and the private sector to expedite economic growth. He said the business community should lead the efforts to tackle economic challenges.

Input from the trade sector should be given due consideration during the budget-making process, he said.

LCCI acting president Amjad Ali Jawa said policymakers must listen to the concerns of the business community, which is a main stakeholder in the economy.

"The provision of energy to trade and industry is a top priority in Bangladesh. That's why its exports are higher than many regional countries," he said, urging the government to reset its priorities. In order to tackle the energy shortage, the government must allocate maximum funds for the construction of dams, he added.

The LCCI office-bearer said the country's reliance on costly thermal power is jacking up the cost of production as well as the import bill. The country needs an urgent shift in its energy mix in favour of hydel power and alternative energy resources.

He said increasing tax revenues and a decreasing number of tax filers show the Federal Board of Revenue (FBR) is getting more money from existing taxpayers. He said the share of industry in the tax collection has been around 76 per cent, which is affecting its competitive edge and hurting exports.

Other participants urged the FBR to cut duty rates on smuggling-prone items in order to check the illegal flow of goods, which is destroying the local industry. They also stressed upon the need for bringing the untaxed sectors into the tax net. They said new taxes and duties will only hit the existing taxpayers and discourage those who want to come into the tax net.

DAWN
Saturday, 20th May, 2017

Insipid trading on cotton market

THE NEWSPAPER'S STAFF REPORTER

KARACHI: Listless conditions prevailed on the cotton market on Friday. The declining textile exports and energy crisis are keeping buyers away from the trading ring.

The textile sector is also facing liquidity crunch. The 10-day strike by goods carriers also had its toll with many exporters reported to have lost orders.

Cotton analyst Naseem Usman said that the government was not serious to resolve the issues faced by the trade and industry and resultantly the trade deficit has soared to an all-time high level.

Consequently, the trading activity remained slow as leading buyers were conspicuous by their absence. Though there is an increase in cotton sowing acreage the government has yet to announce any incentives for growers who have been demanding minimum price of Rs3,000 per 40 kg for phutti."Against this the Indian government has already announced incentives for cotton growers by increasing support price for phutti (seed-cotton)," brokers said.

The world leading cotton markets for second consecutive session closed easy under the lead of New York Cotton Exchange.

The Karachi Cotton Association (KCA) readjusted its spot rates downwards by Rs50 to Rs6,800 per maund.

On the ready counter only one deal of 803 bales from Khanewal was finalised at Rs7,000.

THE FOLLOWING ARE THE KCA OFFICIAL SPOT RATES FOR 2015-16 FOR LOCAL DEALINGS IN PAK RUPEES FOR BASE GRADE 3 STAPLE LENGTH 1-1/32" MICRONAIRE VALUE BETWEEN 3.8 TO 4.9 NCL			
Rate For	Ex-Gin Price	Upcountry Expenses	Spot Rate Ex-Karachi
37.324 Kgs Equivalent	6,800	135	6,935
40 Kgs	7,288	145	7,433

DAWN
Saturday, 20th May, 2017

MARKETS

FOREX

Exchange Rates for Currency Notes (Rs)

	Interbank market*		Open market**	
	Buying	Selling	Buying	Selling
USA	104.70	104.90	105.80	106.00
UK	135.63	135.89	137.25	138.75
Euro	116.30	116.52	117.75	119.25
S.Arabia	27.92	27.97	28.20	28.40
UAE	28.42	28.48	28.85	29.05
Japan	0.9416	0.9434	0.9424	0.9624

*forex.com.pk **ECAP

KIBOR

Karachi Interbank offered rates

	Bid	Offer
Three months	5.87	6.12
Six months	5.89	6.14
One year	5.94	6.44

LIBOR

Special US dollar bonds for May 18

Three months	1.17172 %
Six months	1.39906 %

THE NEWS
Saturday, 20th May, 2017

Government trims current account deficit target for FY18 to 2.7pc

Ministry of planning's proposed 3.1 percent CAD rejected

ISLAMABAD: Finance ministry has termed current account deficit (CAD) projection of 3.1 percent, set by the planning ministry for the next fiscal year, as 'too high', saying such a forecast might affect the country's foreign ratings, sources said on Friday.

The ministry of planning, in a summary forwarded to the National Economic Council (NEC), revised down current account deficit to 2.7 percent of GDP, or $9.1 billion, for 2017/18, from an earlier 3.1 percent or $10.4 billion.

Prime Minister Nawaz Sharif chaired the NEC's meeting on Friday. The finance ministry argued that such high current account deficit projection would give wrong signal that might impact the country's rating.

Sources said the Planning Commission was forced to revise downward the CAD with an assumption that exports would be increased by 6 to 7 percent, while imports would be discouraged through policy measures in the coming budget by increasing duty and taxes on non-essential items.

CAD widened more than two times to $7.247 billion in July-April 2016/17 mainly due to subdued exports and growing imports. The current account gap reached equivalent to 2.7 percent of GDP in the period under review as compared to one percent in the same period last year.

The summary of annual plan on macroeconomic framework for 2017/18 said economic growth prospects are positive for the next fiscal year with strong performance of industrial sector, rebound in agriculture, pickup in private sector credit along with improved security situation.

The growth of GDP for 2017/18 is targeted at 6 percent with contributions from agriculture (3.5 percent), industry (7.3 percent) and services (6.4 percent).

The envisaged targets are subject to risk such as extreme weather fluctuation, interruption in envisaged reforms and nonalignment of monetary and fiscal policies. Inflation for 2017-18 is targeted at 6 percent on the basis of rising commodity prices in the international market.

Agriculture sector is targeted to grow 3.5 percent on the basis of expected contribution from important crops (2 percent), other crops (3.2 percent), cotton ginned (6.5), livestock (3.8 percent), fishing (1.7 percent) and forestry (10 percent).

Adequate of cotton crops is expected for 2017/18 given better performance of cotton crops in 2016/17 and increasing trend in cotton prices. The growth prospects for livestock, fishery and minor crops are bright. Therefore, agriculture sector is expected to achieve the envisaged growth of 3.5 percent in 2017-18.

Industrial sector is expected to grow 7.3 percent during 2017/18 on the back of better energy supply and planned investment under China-Pakistan Economic Corridor (CPEC). The mining and quarrying sector is projected to grow by 3.5 percent. Beside, the manufacturing sector is expected to grow 6.4 percent for 2017/18 with growth rate of large scale manufacturing (LSM) 6.3 percent, small and household manufacturing 8.2 percent, construction 12.1 percent and electricity, generation and gas distribution 12.5 percent.

Several energy-related fast-track projects under CPEC are expected to be completed in the next fiscal year. LSM growth will also go up with the ongoing construction activities and infrastructure projects.

Services sector is targeted to grow 6.4 percent in 2017/18, supported by growth of 5.1 percent in transportation, communication and storage, 7.2 percent in wholesale and retail trade, 9.5 percent in finance institution, 4 percent in housing, 7 percent in general government services and 6.7 percent in other private services sector. The expected higher growth in commodity producing sector (based on availability of affordable energy sources and finances) will support the targeted growth in services sector.

Investment is targeted at 17.2 percent of GDP in order to realise sustained and inclusive growth. National saving as a percent of GDP is targeted at 14.1 percent. The investment under CPEC is expected to support the overall investment climate. Further, the improvement in investment-friendly environment as a result of availability of energy, cheap finance, beside improved law and order and political stability will help attain this investment target.Fixed investment is expected to grow to 15.6 percent of GDP in 2017/18.

THE NEWS
Saturday, 20th May, 2017

Lack of planning, water shortage hit cotton sowing

Munawar Hasan

LAHORE: Lack of planning and coordination among government departments, and severe water shortage have hit cotton sowing in the country, sparking fear of low production due to lower acreage, official sources said on Friday.

As of May 12, 2017, cotton sowing could be completed only on 1.42 million hectares in the country out of the targeted 3.11 million hectares, showing only 45 per cent of sowing if compared with the target.

Despite aggressive campaign run by the Punjab Agriculture Department for encouraging farmers to sow cotton in the province, less than fifty per cent of the targeted area could be brought under cultivation as optimum time of plantation is about to end.

As many as 1.18 million hectares could be sown with cotton seeds in Punjab province till May 12 out of the target of 2.42 million hectares, only 48 per cent of the target.

More worryingly, Sindh's cotton was hit hardest due to acute shortage of water, as farmers sowed only 36 percent of the targeted area. Cotton could be cultivated only on 0.237 million hectares of land out of the total target area of 0.65 million hectares.

In Mirpurkhas division, only 40 per cent of cotton crop has been sown up to May 5, as compared to 75 per cent last year. In Hyderabad Division, 35 per cent of the target has been sown as compared to 60 per cent last year. Cotton sowing did not start in Sukkur division until May 5, 2017.

Water availability during crucial months of April and May has been very low in Sindh due to abysmally low flows of River Indus and bad coordination among provincial departments, Ministry of Textile and Indus River System Authority (IRSA) about efficiently managing available water, sources claimed.

During kharif, Sindh requires water earlier when compared with the northern areas of the country, as cotton sowing starts in April. However, this year, water availability did not pick as per requirement. Areas fed from Sukkur Barrage faced major brunt of the lingering water shortage, hitting farmers hard.

In yet another upsetting development, sources said, Punjab Irrigation Department has plainly refused to ensure provision of water for cotton sowing in the province, saying they were not consulted by Punjab Agriculture Department before imposing ban on early sowing of cotton.

“It is not possible to provide water for irrigating such a huge area in a short span of time,” a senior official said, blaming officials of the agriculture department for not coordinating with them in a timely manner.

There is a deafening silence as far as the Cotton Division of the Ministry of Textiles is concerned. Dr Khalid Abdullah, cotton commissioner of textile ministry, was tight lipped over the state of cotton sowing in the country.

Sources claimed that his division could not take up proper measures for coordinating between the departments concerned. Cotton commissioner, who is responsible for all matters pertaining to cotton in the country, failed to coordinate among various cotton related wings of different ministries/divisions, provinces, and stakeholders associations, it was alleged.

When contacted, he did not respond to queries about cotton outlook 2017. Despite repeated contacts, spokesman of Punjab Agriculture Department was not available for comment.

Farooq Bajwa of Farmers Associates Pakistan (FAP) expressed serious reservations about the role of government departments in facilitating farmers in cotton sowing. He lamented that due to wrong policies of government, cotton was fast losing its status of preferred choice for farmers during kharif in southern Punjab. He also castigated officials concerned for not ensuring water supply for cotton sowing.

THE NEWS
Saturday, 20th May, 2017

Alternate energy sector attracts $368 million

Javed Mirza

KARACHI: Pakistan's renewable energy sector attracted another potential investment of $368 million as five intending power producers have approached National Electric Power Regulatory Authority (Nepra) seeking generation licenses for a cumulative generation of 266.5 megawatts.

Pakistan is a developing economy having a constant growth in industrialisation, coupled with a constantly rising demand for electricity. The non-availability of natural resources for expansion of the power sector has widened the gap between demand and supply.

The government of Pakistan has clearly articulated its support for the development of renewable energies.

Gul Ahmed Electric Limited and Metro Wind Power Limited have proposed to setup wind farms in Sindh of 50MW and 60MW, respectively with an estimated investment of $90 million and $110 million.

The wind power programme in Pakistan was initiated around ten years ago by installation of wind measuring stations in the coastal areas of Sindh. The energy potential of 346,000MW in the country is estimated by National Renewable Energy Laboratory, US.

The government is currently looking to build wind farms in the wind corridor, some of which are regions where electricity supply through the national grid has been a challenge. At present, a total of 309MW of wind power projects are in their operations phase.

Hamza Sugar Mills and Mehran Energy Limited plan to install co-generation/bagasse power plants of 30MW and 26.5MW, respectively with an estimated investment of $30 million and $35 million.

There are already many co-generation plants operating in Pakistan and India and the operating experience of those plants, in synchronisation with the sugar mill operation, has been smooth and without any hitch.

It is estimated that approximately 3,000MW can be generated by sugar mills located in various parts of the country.

Since Bagasse based generation offers direct replacement for furnace oil/diesel-based generation, it offers a clear price advantage.

Zorlu Solar Pvt Ltd has sought license for a 100MW solar generation facility with an estimated cost of $103 million.

The demand for electricity has continued to increase by outpacing the growth rate of the economy. The shortfall at times crosses 6,000MW and this is the time when urban areas have 8-12 hours of load shedding and small cities/rural areas have 18 hours of load shedding.

The industry, has does not receive gas for 2-3 days a week during winters. Pakistan's major electricity sources at present are thermal and hydro generation, meeting approximately 96 percent of the country's annual electricity demand.

The primary thermal generation fuels employed are furnace oil, high speed diesel and gas. While the fuels are produced domestically, demand for them already outstrips supply by a considerable amount.

Oil imports are already a significant burden on the national exchequer and the increasing import bill continues to exert further pressure on the foreign exchange reserves.

Therefore, systems for alternative fuels and technical management should be strengthened to solve these problems.

THE NEWS
Saturday, 20th May, 2017

SBP may leave policy rate unchanged

Erum Zaidi

KARACHI: The State Bank of Pakistan (SBP) may leave the benchmark interest rate unchanged during its bi-monthly monetary policy meeting scheduled for Saturday (today) as weak current account position needs a buttress to keep growth stable, analysts said on Friday.

“With rising debt servicing cost and slow growth in external inflows in prospect, we think interest rates to stay on hold,” said Hafiz Pasha, an ex-minister for finance. “I would be surprised if the MPC (monetary policy committee) hike the rates due to political pressures being faced by the government,” Pasha added.

Current account deficit sharply swelled over 200 percent to $7.2 billion for the 10-month period of 2016/17. The SBP kept the policy rate on hold at 5.75 percent in the last monetary policy announcement in March. The previous rate cut was in May last year.

“We expect the State Bank of Pakistan to hold its policy rate at 5.75 percent on May 20, but to flag external account concerns in its policy statement, highlighting the need for greater financial flows,” said Bilal Khan, an economist at Standard Chartered Bank in a report. Analysts said bright official growth figures are in contrast to more alarming data of balance of payments.

Internally, the economy is performing better with much impetus coming from industrial and services sectors. Large scale manufacturing sector grew 10.46 percent year-on-year in March – the highest growth recorded in the past few years. However, the country is expected to miss the growth target of 5.7 percent set by the government for the current fiscal year. The growth is expected at 5.2 percent.

Analysts said the monetary policy committee would be united in keeping the policy rate flat at 5.75 percent for the next two months due to some bad signals with regard to balance of payments and inflation.

Consumer price index inflation rose to 4.8 percent in April from 4.2 percent in the same month a year earlier. The SBP’s consumer confidence survey for March showed that while overall expectations remain anchored, more households expected higher food and energy prices over the next six months than in the previous survey in January.

Khan said the monetary policy committee turned more cautious during the last meeting where its members voted to maintain the status quo as well as for 25 basis points cut. “We maintain our call that SBP will gradually shift to a tightening stance by September 2017 particularly as the real policy rate – adjusted for core (non-food, non-energy) inflation – approaches zero,” he added.

“We have long argued that domestic demand is strong,” he said. “GDP is estimated to grow at 5.28 percent in FY17, according to preliminary data, up from 4.5 percent in FY16.” Khan said higher growth caused the current account deficit to register an unprecedented growth in July-April FY 17.

Though a wider current account deficit is to be expected with the China-Pakistan Economic Corridor being implemented, the accompanying decline in the SBP’s foreign exchange reserves is likely to a concern for the central bank.

THE NEWS
Saturday, 20th May, 2017

Weekly inflation posts nominal rise

KARACHI: Inflation for the week ended May 18 for the combined income groups witnessed nominal increase of 0.06 percent as compared to the previous week, according to the data released by the Pakistan Bureau of Statistics (PBS) on Friday.

The sensitive price indicator (SPI) in the abovementioned group was recorded at 220.61 points against 220.47 points last week. SPI for the combined group during the week under review witnessed an increase of 2.77 percent.

THE NEWS
Saturday, 20th May, 2017

Govt soon to supply RLNG to commercial consumers

LAHORE: Government will soon start offering re-gasified liquefied natural gas (RLNG) connections to commercial consumers for the first time as locally-produced gas is not available for them in the Punjab, officials said on Friday.

Minister for Petroleum and Natural Resources Shahid Khaqan Abbasi confirmed that the government planned to supply RLNG to commercial consumers. Ample RLNG supplies are available for domestic use and it would be a wise move to utilise the fuel wherever required, Abbasi said.

For the last five years, there had been a moratorium on issuance of new gas connections for commercial consumers. The present government, however, took an initiative and recently withdrew ban on new commercial connections.

Commercial consumers include cafes, bakeries, milk shops, tea stalls, canteens, barber shops, laundries, hotels, malls, cinemas, clubs, theatres, private offices and corporate firms.

Petroleum minister said the country would have 1.5 billion cubic feet per day (bcfd) of LNG in the system by this year-end. He, at an event this week, said the first LNG terminal is already handling 600 mmcfd (million cubic feet/day) of gas, while the second terminal would be operational within the next two months.

The country's domestic gas production has been stagnant at four bcfd for the last 15 years while the demand is around seven bcfd, indicating a demand and supply gap of three bcfd.

System gas is available to consumers in Sindh, Khyber Pakhtunkhwa and Balochistan, but there is a restriction on new gas consumers in the Punjab to benefit from cheap gas due to provisions in the constitution. Such consumers in the province currently have no option than to buy costly liquefied petroleum gas (LPG).

Even after the ban lift, commercial consumers in the the Punjab would get comparatively costly gas in the form of RLNG. Commercial consumers in the province, for instance, will pay 30 percent more for RLNG compared with the tariff of system gas, which is being offered to commercial consumers in other provinces.

Yet, the RLNG tariff will be 50 percent cheaper than LPG, which is available in cylinder. RLNG will be a preferred choice for commercial consumers in the Punjab as it will be available through gas network.

"The consumers have two choices: they stay like they are today without gas or go for a sustained supply of piped gas in the form of RLNG," said an official.

The RLNG tariff will not remain constant as it changes every month based on an average cargo price in a previous month.

The official said the present government has been able to reduce shortage of gas in the country while successfully opening window of imported or RLNG gas. RLNG would not go to domestic consumers, he added.

"We have already managed to give 1.5 million new connections to domestic consumers," said a senior official. But, he added, offering RLNG to all consumers should be considered a forward looking approach as it will help in further reducing gap in gas demand and supply in the country.

The official denied an impression that issuance of RLNG-based connections to commercial consumers would hurt LPG business. "Plenty of business is there for everybody working in energy sector," added the official.

A founding member of the All Pakistan LPG Distributors Association said the government's decision to provide RLNG to commercial consumers would definitely hurt business of LPG producers and marketing companies.

The association's member said LPG has successfully made inroads into the segment of commercial consumers in the past several years. Commercial entities in the province are regular buyers of LPG throughout a year. However, he feared that the proposed LNG supply would definitely dent LPG sector. — Munawar Hasan

THE NEWS
Saturday, 20th May, 2017

Experts call for revamping power distribution system

Increased reliance on renewable energy demanded

ISLAMABAD: With the country all set to generate surplus electricity in the next few years, the major challenge now is to revamp and upgrade overloaded distribution system so that domestic consumers could have access to reliable and efficient power supply.

This was of the crux of the views expressed by energy sector experts and officials who spoke at the 9th Annual Power Generation Conference, 2017, organised by the Energy Update on Friday.

The speakers at the annual power generation moot said in the mid-90s the country too had almost achieved the target of generating surplus electricity, as planners had been thinking to import power to India, but the opportunity was missed at that time due to poor planning. The country should increase its reliance on hydro, solar, wind, and indigenous coal resources for power generation so that energy production in the coming years could be done more on sustainable basis with much less generation cost, they added.

Establishment of Re-gasified Liquefied Natural Gas (RLNG)-based power plants is one such right move towards efficient electricity generation that would ultimately be helpful in lowering power tariff for the consumers.

Minister of State for Water and Power Abid Sher Ali, who was the chief guest on the occasion, said that the country has crossed the landmark of record 17,720MW generation on May 17, 2017. The power generation in the country would be increased to 20,000MW in the ongoing summer season with RLNG-based power plants coming online, he added. The minister said power outages were being observed only in such areas where payment of electricity has been unsatisfactory, while efforts would be made to spare citizens of power cuts during Sehri, Iftar, and Taraveeh timings during the holy month of Ramazan. The present government has been able to add 5,567MW to the national grid since 2013 under its drive to overcome power shortfall in the country, he said. Line losses related to electricity transmission and distribution systems in the country has decreased 1.8 percent, while recovery of electricity bills from the consumers has increased 2.8 percent.

The minister said best utilisation of hydro, thermal, wind, solar, and nuclear power resources are being ensured so that the electricity shortage could be plugged by the next year. The government is also upgrading the existing power transmission systems and also laying new lines for transmitting electricity for reliable power supply to the end-consumers, he added. Jean-François Cautain, Ambassador of the European Union to Pakistan, said that the EU has been keenly observing the policies being adopted by the Pakistani government for overcoming power shortfall in the short- and long-term, as once the European nation has to cope with the similar energy crisis that was overcome through innovative means.

The EU has been extending maximum support to Pakistan to generate electricity through most efficient, renewable, and inexpensive methods that would also be helpful in the upkeep of environment, he added.

For the same cause, the private companies among the EU countries would forge cooperation with the energy sector of Pakistan, the ambassador added.

Cautain said that the EU has extended support to establish Hydropower Training Institute at Mangla. Ole Thonke, the Danish ambassador in Pakistan, said that Denmark has developed an energy strategy to be 100 percent independent from fossil fuels by 2050, which had already yielded great results, as at present, more than 50 percent of energy in Denmark comes from renewable sources, of which over 40 percent is generated by wind power.

Thonke said that the Denmark's GDP has grown over 44 percent since 1990, whereas energy consumption has declined eight percent, resulting in 36 percent decline in carbon dioxide emissions

THE NEWS
Saturday, 20th May, 2017

Cotton declines

Karachi

Slow trading was recorded at the Karachi Cotton Exchange on Friday, while spot rates decreased Rs50/maund.

The spot rates reduced to Rs6,800/maund (37.324kg) and Rs7,288/40kg. Ex-Karachi rates also decreased to Rs6,935/maund and Rs7,433/40kg after an addition of Rs135 and Rs145 as upcountry expenses, respectively. An analyst said the spot rates reduced that increased Thursday on a deal of higher price.

"World prices are coming down with the US huge decline during the week, while China was also declining," he said. "Our local market would also reflect the international market."

"Pakistan is going to set support price of cottonseed at Rs3,000/maund to increase the production," he added. The cotton market recorded only one transaction of 803 bales from Khanewal, which exchanged hands at Rs7,000/maund.

The Nation on Web
The Nation
Saturday, 20th May, 2017

Record Rs2.11tr uplift budget gets NEC nod

Nawaz says govt pursuing people-centric approach to development

Fawad Yousafzai

ISLAMABAD - The National Economic Council (NEC) on Friday approved the country's total development budget for fiscal year 2017-2018 at Rs2.113 trillion, showing highest-ever increase in the overall national outlay, and set the economic growth target at six per cent.

Prime Minister Nawaz Sharif, while chairing the meeting, said that his government was pursuing a people-centric approach to development, and had increased provincial share in the Public Sector Development Programme 2017-2018, which was three times more compared to financial year 2012-2013.

The meeting was also attended by the prime minister of the AJK, governor KP, chief ministers of Punjab, Sindh, Khyber-Pakhtunkhwa, Balochistan and Gilgit-Baltistan, as well as federal and provincial ministers.

The prime minister said that Pakistan's economic indicators had significantly improved and were being acknowledged by international financial rating institutions.

He said that the growth rate of 5.28 per cent was commendable and Pakistan had now emerged as among the fastest growing economies.

Sharif said that the federal and provincial governments were working in harmony for the development of the country.

He said that work on projects under the China-Pakistan Economic Corridor (CPEC) project were also on the fast track.

Sharif said that during the Belt and Road Forum in China all the chief ministers accompanied him, and the world saw that Pakistan was united and unanimous for achieving development.

He termed it "a very positive message".

"We are focusing on energy projects. Not only power supply is our priority but we are providing affordable power supply for consumers," the prime minister said.

"We are focusing on a balanced mix of sources for energy including LNG, coal, hydel, solar and wind," he added.

Sharif said that infrastructure was the key to development and the government was focusing on roads and communication networks.

In a press briefing, after the NEC meeting, Minister for Planning and Development Ahsan Iqbal said the council had approved the economic and development framework for the next fiscal year.

He said that the federal Public Sector Development Programme (PSDP) approved by the NEC was of Rs1,001 billion for next year.

While cumulative Annual Development Plan (ADP) for the provinces of Rs1.112 trillion was approved by the NEC for the next year as against Rs875 billion of current year.

Beside the PSDP allocation of Rs1,001 billion, the minister said that the NTDC, the PEPCO and the WAPDA would be financing their own projects worth Rs400 billion.

He said that Rs411 billion were being allocated for the infrastructure projects, which included Rs320 billion for the NHA.

Out of total energy projects of Rs404 billion, Rs87 billion will be funded through the PSDP, while Rs317 billion will be funded by the NTDC, the WAPDA, and Gencos, he elaborated.

Similarly, the minister said that Rs180 billion would be allocated for the CPEC projects, while Rs43b would go to the Railways.

The budget for the social sector is being increased from Rs90 billion to Rs153 billion.

As such, the core PSDP would be put at Rs866 billion next year against Rs655 billion of current year, while non-core development spending would amount to Rs135 billion.

Ahsan Iqbal said that the initiatives taken by the PML-N government had delivered 5.3 per cent GDP growth rate after a gap of a decade – a great achievement for the entire nation that was trapped in three to 3.5pc growth rate four years ago.

The increase in growth rate, he claimed, was because of steps taken towards macroeconomic stability, infrastructure development, energy supply and human resource development.

The Nation on Web
The Nation
Saturday, 20th May, 2017

To achieve six per cent GDP growth rate, the agriculture sector is targeted to maintain its current year growth rate of 3.5 per cent, while important crops would grow by two per cent instead of 4.1 per cent this year.

Manufacturing sector is projected to grow by 6.4 per cent next year instead of five per cent this year contributed by 6.3pc increase next year compared to 4.9 per cent this year.

The services sector was also expected to grow by 6.4pc instead of six per cent this year, while livestock would slow down to two per cent growth instead of 3.4 per cent increase this year.

Iqbal said that the completion of the China-Pakistan Economic Corridor (CPEC) was one of the top objectives of the government and hence Rs324 billion would be given to the National Highways Authority (NHA) for infrastructure development.

The minister said that decline in exports was a major challenge for Pakistan because of contraction or slow growth in leading world markets such as the United States.

The exceptions were nations focusing on value addition, while Pakistan has been focused on commodity exports over the past 30 years.

Therefore, allocations had been made for cluster development in agriculture, mining and industry to secure cluster-based growth in the entire supply chain of value addition.

Based on this, exports are projected to grow by 6.4 per cent next year to $23.1 billion against decline this year to $21.7 billion.

At the same time, import growth target has been set at 9.6 per cent to $50 billion instead of $45.7 billion this year.

As a result, the next year trade deficit has been estimated at $26.9 billion against $24 billion this year, while the current account deficit would increase to $10.4 billion compared to $8.3 billion this year.

As such, current account deficit would amount to 3.1 per cent of the GDP next year against 2.7 per cent this year.

Official documents suggest that a total of Rs352.7 billion have been allocated to federal ministries for next year compared to Rs237 billion this year, an increase of 48 per cent or Rs115 billion.

Federal corporations working on the CPEC have been earmarked Rs384.3 billion including foreign funding of Rs145 billion.

Iqbal said that another hallmark of the PML-N had been investment in higher education to promote modern education among the youth, and hence Rs35.5 billion had been allocated for the Higher Education Commission.

He said that a number of initiatives such as start-up and innovation packages would be launched so that the youth could start businesses through information technology, while steps such as big data cloud computing, cyber security and automation and robotics were being introduced.

The minister said that during current fiscal year 31 projects would be completed in Gwadar, and Rs17 billion special allocation was made for the water supply and other problems of Balochistan.

Similarly, it has been decided to complete Kacchi canal during the current year.

In the NEC, the prime minister advocates the rights of Gilgit-Baltistan, the AJK, the FATA, and said that it was their right to have equal development just as other parts of the country, he said.

On special directives of the PM block allocations for Azad Kashmir was increased by Rs10 billion from Rs12 billion to Rs22 billion, and for Gilgit-Baltistan from Rs9 billion to Rs12 billion.

Similarly, the block allocation of the Federally-Administered Tribal Areas (FATA) was increased to Rs24.5 billion from Rs21 billion.

He claimed that all the four provinces and regional governments, Sindh, KP, Balochistan, Punjab , AJK and GB appreciated the economic performance and unanimously approved the PSDP.

The minister said that on the directives of the prime minister, special energy initiative for all is being launched.

He said that currently one-third of the country was deprived of electricity.

Ahsan Iqbal said that a National Centre for Cooperation of Civilisations was being established and the Academy of Letters was being extended to the whole country by setting up its offices in all the provincial capitals.

For these two projects Rs2 billion have been allocated, he added.

The Nation on Web
The Nation
Saturday, 20th May, 2017

Govt urged to provide relief to common man in budget

Our Staff Reporter

ISLAMABAD - The Islamabad Chamber of Commerce and Industry (ICCI) has called upon the government to provide hefty relief to the common man in the upcoming budget.

ICCI President Khalid Iqbal Malik said that high tax rates and large number of taxes in Pakistan were putting more burdens on the common man and reducing his purchasing power due to which business activities were also suffering. He stressed that the government should make significant cut in taxes in the forthcoming budget that would provide relief to the general public and facilitate better growth of trade and industrial activities.

He said that high rate of GST in Pakistan was major cause of inflation and high cost of doing business. He said that the government should bring down GST to single digit level and reduce number of withholding taxes in the new budget. He said the government's major reliance on indirect taxes was creating problems for the people and stressed that the government should focus on direct taxes in the forthcoming budget.

He said that complicated taxation system and high tax rates were promoting the culture of tax evasion while the genuine taxpayers were also facing problems. He emphasized that the FBR should focus on simplification of tax system that would help in promoting tax culture and improving tax revenue of the country.

He said Pakistan needed huge local and foreign investment to execute CPEC projects. He said an efficient, simple and transparent tax system was the need of the hour to attract more investment in the country. He said that ICCI was the premier representative body of the business community of this region and if the FBR has any complaint against any local taxpayer, it should take ICCI fully on board before taking any action so that tax issues could be resolved with joint efforts. He urged that new budget should focus on broadening the tax base instead of putting more burdens on the existing taxpayers.

The Nation on Web

The Nation

Saturday, 20th May, 2017

380MW 2nd gas plant at Haveli starts test run

Our Staff Reporter

LAHORE - The Second gas turbine at Haveli Bahadur Shah has started test operation to produce 380MW.

The 1st gas turbine has already begun supplying 380MW to the grid as per demand. After preliminary tests, the 2nd gas turbine will also start power generation commercially, adding another 380MW to the system. National Power Parks Management Company Private Limited (NPPMCL) has achieved the first fire of 2nd gas turbine. It took 73 days from gas turbine's arrival at the site to first fire, which is 21 days less than own record of fastest installation time ever achieved for a 9HA.01 (94 days first fire of 1st gas turbine at Haveli).

This new record is exactly half the time taken by GE itself (146 days) for this machine in co-development of EDF power plant in Bouchain, France. First fire of 2nd gas turbine comes only 21 days after the first fire of 1st gas turbine which was achieved on April 28, 2017. NPPMCL officials said that it is committed to the cause of adding reliable electricity into the national grid as early as possible. Multiple teams of experts are working simultaneously round the clock on both power plants (Haveli &Balloki).

The Nation on Web
The Nation
Saturday, 20th May, 2017

Weekly inflation witnesses nominal increase

APP

ISLAMABAD - The weekly inflation for the week ended on May 18 for the combined income groups witnessed nominal increase of 0.06 percent as compared to the previous week.

According to the data released by Pakistan Bureau of Statistics (PBS) on Friday, the Sensitive Price Indicator (SPI) for the week under review in the above mentioned group was recorded at 220.61 points against 220.47 points last week. As compared to the corresponding week of last year, the SPI for the combined group in the week under review witnessed an increase of 2.77 percent.

The weekly SPI has been computed with base 2007, 2008=100, covering 17 urban centers and 53 essential items for all income groups. However, the SPI for the lowest income group up to Rs8,000 decreased by 0.02 percent as it went down from 209.49 points in the previous week to 209.44 points in the week under review. As compared to the last week, the SPI for the income groups from Rs8001 to 12,000, Rs12,001 to 18,000, Rs18,001 to 35,000 and above Rs35,000, increased by 0.01 percent, 0.04 percent, 0.07 percent and 0.10 percent, respectively.

During the week under review, average prices of 11 items registered decrease, while 15 items increased with the remaining 27 items' prices unchanged. The items, which registered decrease in their prices during the week under review included tomatoes, onions, LPG cylinder, sugar, milk (powdered), wheat, garlic, moong pulse, masoor pulse, wheat and red chilly.

The items, which registered increase in their prices during the week under review included potatoes, bananas, eggs, chicken, bath soap, long cloth, gur, rice (basmati broken), curd, lawn, mash pulse, vegetable ghee (tin), vegetable ghee (loose) and cooking oil. The items with no change in their average prices during the week under review included rice (irri-6), bread, beef, mutton, milk (fresh), mustard oil, salt(powder), tea (packet), cooked beef, cooked daal, tea (prepared), cigarettes, gents sandal, gents chappal, ladies sandal, electricity charges, gas charges, kerosene oil, firewood, electric bulb, washing soap, match box, petrol, diesel telephone local call.