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February textile exports down 2.53 percent YoY

ZAHEER ABBASI

Textile exports decreased by 2.53 percent in February 2017 over the same month a year ago and 6.48 percent as compared with previous month, according to Pakistan Bureau of Statistics (PBS). The provisional trade data of select commodities released by the PBS Tuesday showed that exports of textile group have decreased to $ 995.337 million in February 2017 from $ 1.021 billion for the same month of previous year.

Export of towels decreased to $64.190 million during the period under review from $66.770 million, exports of other textile materials decreased to $ 41.998 million from $ 42.350 million and art, silk & synthetic to $ 20.550 million from $ 25.124 million.

Export of cotton yarn decreased to $ 94.079 million in February 2017 from $ 106.271 million in February 2016, export of cotton cloth decreased to $ 156.359 million from $ 183.431 million for the period and export of cotton cloth decreased to $ 156.359 million from $ 183.431 million.

However, export of raw cotton increased to $ 812 during the period from $ 718, export of knitwear increased to $ 177.243 million from $ 173.683 million, bed wear increased to $ 175.381 million from $ 170.827 million with 2.67 per cent change while exports of tents, canvas & tarpaulin increased to $ 13.608 million in February 2017 from $ 10.575 million in February 2016, readymade garments increased to $ 197.526 million from $ 187.627 million and export of made-up articles (excl. towels) increased to $ 52.015 million in February 2017 from $ 50.883 million in February 2016.

Exports of textile group during the first eight months (July-February 2016-17) decreased to $ 8.214 billion from $ 8.359 billion for the same period a year ago, reflecting a decline of 1.74 per cent. Exports of raw cotton during the July-February 2016-17 decreased to $ 37.762 million from $ 74.430 million for the same period a year before with 49.27 percent decline, cotton yarn decreased to $841.221 million from $ 896.287 million with -6.14 per cent decrease, cotton cloth decreased to $ 1.392 billion from $ 1.485 billion noting a 6.26 per cent contraction.

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Disputed hydro project:

India agrees to review design

MUSHTAQ GHUMMAN

The Indian delegation led by Indus Water Commissioner PK Saxena has agreed to halt progress on 120 MW Miyar hydroelectric project's design. According to an official statement issued after a two-day parley between the Permanent Indus Water Commissioners in Islamabad, India has also expressed willingness to consider Pakistan's observation on 1,000MW Pakul Dal and 48MW Lower Kalnai hydroelectric projects.

According to the official statement of the Ministry for Water and Power, the 113th meeting of Permanent Indus Water Commission was held on March 20-21 in Islamabad in which discussions were held on India's proposed Miyar, Lower Kalnai and Pakal Dul hydropower projects as well as matters pertaining to exchange of data and conducting tours and meetings of Indus Commission.

It further said that on Miyar Hydropower Project, India has withdrawn its design after Pakistan raised objections on it in the previous meetings of the Commission. On the other two projects, discussions were held on Pakistan's prior objections relating to pondage and freeboard of Lower Kalnai and freeboard and spillway of Pakal Dul hydropower projects. The Indian side agreed to reconsider Pakistan's observations on these projects and will respond in the next meeting of the Commission.

The Indian side also agreed to tour of inspection for Pakistan's Indus Commission which is expected to be arranged before August 2017. Pakistan's side demanded from India to provide the outflows from Baghlihar and Salal dams (Chenab River) during flood season to issue flood early warning.

"The Indian side has agreed to consider Pakistan's request and it is expected that India would start providing the required data starting from the coming flood season," the ministry claims. Earlier talking to media, Pakistan Indus Water Commissioner Mirza Asif Baig said, "India will prepare and share a new design of the project." He further stated that India has agreed to review the design for the disputed Lower Kalnai hydroelectric project.

On Monday, addressing a press conference Minister for Water and Power Khawaja Asif welcomed the Indian delegation. He said he would not make any speculations on the resolution of disputes. He claimed that India has not shared the designs of three proposed projects which will be discussed in the meeting of Permanent Water Commissioners. No official version was released by the Indian delegation till filing of this report.

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Irsa rejects accusations of Sindh CM

MUSHTAQ GHUMMAN

The Indus River System Authority (Irsa) has rejected the accusations of Sindh Chief Minister Syed Murad Ali Shah regarding creation of water problems for the province and filling of Tarbela Dam at an inappropriate time. According to Irsa spokesperson, touching the deal level in Tarbela and Mangla reservoirs is a normal phenomenon. The spokesperson further explained that during 2000, 2001, 2002, 2003, 2004, 2006, 2008, 2009, 2010, 2011, 2012 and 2013 both reservoirs touched the dead level.

"Irsa at the start of the Rabi season in its meeting held on September 30, 2016 had informed provinces that dams would touch dead level in March 2017," the spokesperson added. Irsa had projected 15-20 percent shortage of water in Rabi 2016 commenced from October 1, 2016 which was to be shared by Punjab and Sindh.

On Tuesday, Tarbela reservoir was at 1380.56 cusecs. Inflow was recorded at 16.4 cusecs against the outflow of 15.6 cusecs. The level of Mangla dam was 1,047 cusecs, with inflow of 17.4 cusecs and outflow 18 cusecs. According to media reports, the government has convened a meeting of Irsa on Wednesday (today) to discuss the concerns of Sindh.

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THE RUPEE: Minor changes

RECORDER REPORT

A slight fall was witnessed on the money market on Tuesday as the rupee fell modestly against the dollar in the process of trading, dealers said. The rupee was unmoved in relation to the dollar for buying and selling at Rs 104.85 and Rs 104.86 respectively, they said.

INTER-BANK MARKET RATES: OPEN MARKET RATES: The rupee dropped by 10 paisas versus the dollar for buying and selling at Rs 106.40 and Rs 106.60 respectively; however it lost 50 paisas in terms of the euro for buying and selling at Rs 114.50 and Rs 116.00 respectively, they said.

In the second Asian trade, the dollar was on the defensive in Asian trading, after Chicago Federal Reserve President Charles Evans reinforced the perception that the US central bank won't accelerate the pace of its interest rate hikes.

The dollar index, which tracks the greenback against a basket of six major rivals, edged down 0.1 percent to 100.30 after falling as low as 100.02 overnight, its lowest since Feb. 7.

The euro gained 0.1 percent on the day to $1.0754, though it remained shy of last week's high of $1.0782. France's coming two-round election on April 23 and May 7 remained in focus, with nearly 40 percent of voters saying they are undecided about which of five main contenders to back. The leading candidates clashed in a televised debate on Monday, with centrist Emmanuel Macron accusing far-right leader Marine Le Pen of lying and seeking to divide the French. Macron apparently solidified his status as frontrunner.

The dollar was trading against the Indian rupee at Rs 65.280, the greenback was at 4.427 in terms of the Malaysian ringgit and the US currency was at 6.899 in terms of the Chinese yuan. Inter bank buy/sell rates for the taka against the dollar on Tuesday: 79.59-79.60 (previous 79.58-79.60).

Open Bid	Rs. 106.40
Open Offer	Rs. 106.60

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

Bid Rate	Rs. 104.85
Offer Rate	Rs. 104.86

RUPEE IN LAHORE: The Pak rupee stayed unchanged on buying side while it recovered marginally on selling side against the US dollar in the local currency market on Tuesday.

According to currency dealers, the US dollar commenced trading on its overnight closing of Rs 106.40 and Rs 106.75 as its buying and selling rates, respectively.

At the close, no change in its value took place as it sustained its last trading trend of Rs 106.40 on buying counter.

However, in the absence of selling spree, it slid to Rs 106.70 on selling counter respectively, they added.

Furthermore, the local currency failed to hold its strength as it registered reduction versus the pound sterling.

The pound's buying and selling rates rose from Monday's closing rates of Rs 130.80 and Rs 131.60 to Rs 131.20 and Rs 132.10 respectively, they said.

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

The dollar opened at Rs 106 (buying) and Rs 106.50 (selling). It closed at the same rates.

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

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China asks WTO to weigh in on EU anti-dumping measures

RECORDER REPORT

China on Tuesday asked the World Trade Organisation to create an expert panel to examine the so-called "surrogate country" approach used by the European Union to calculate anti-dumping measures applied to Chinese exports. When China joined the WTO in 2001, it was written into the terms of the deal that member states could treat it as a non-market economy for 15 years. The deadline passed late last year, but the EU has nevertheless opted to preserve tough rules that protect it from cheap Chinese products flooding its markets.

China on Tuesday asked the WTO to establish a panel to rule on its demand that the EU stop using a "surrogate country" system - judging the price of Chinese goods against a third country''s - to determine whether China is selling its products below market prices.

Beijing has said previously that the refusal to grant China market economy status is an example of "covert protectionism" and "double standard" by the West. The request to the WTO came after China last December filed initial disputes against the EU and the United States over the issue, which are being handled separately in the WTO system.

After the parties failed to reach an agreement during WTO-led consultations, the door was left open for China to ask the WTO to create a panel of experts to review the case. Not surprisingly, the EU opposed the request, according to a source close to the WTO.

The EU''s opposition blocks the panel creation for now, but under WTO rules, if China makes a second request, it will automatically go through. WTO''s panels of independent trade and legal experts usually take several months to render their decisions.

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CPEC projects of immense benefit for country, region: Prime Minister

ZAHEER ABABSI

Prime Minister Nawaz Sharif Tuesday said various projects being implemented under the China-Pakistan Economic Corridor (CPEC) would immensely benefit Pakistan in particular and the region in general after their completion. Addressing the parliamentary party meeting of Pakistan Muslim League-Nawaz (PML-N) here Tuesday, the Prime Minister also asked the Cabinet ministers to brief the participants of the meeting about the performance of their ministries as well as the government's achievements during the last three-and-a-half years.

Nawaz Sharif stated that former president Pervez Musharraf tried to make an underhand deal in 2007 but he turned down the proposal. Sharif added that Musharraf sent an indirect message to him that he is interested in resolving the issues. The Prime Minister further said that he does not believe in secret deals. The Prime Minister stated that Pakistan's economy witnessed a positive turnaround and is fast growing despite numerous challenges inherited by his government in 2013.

He said the government initiated mega energy and infrastructure projects to address the issue of power shortages and increase connectivity in Pakistan. "Our government has overcome the issue of power shortages to a great extent and load shedding will be part of history by the year 2018. We are massively investing in motorways, highways and other infrastructure projects as well," he added.

The overall law and order of the country, especially the situation in Karachi and Balochistan, has greatly improved during the tenure of the incumbent government. Pakistan of 2017 is very different from that of 2013, Nawaz maintained. The Prime Minister said the government has paid special attention to the development of Balochistan. He said the independent and credible financial institutions of the world have recognised that Pakistan's economy is stabilising and is on the right path of growth. "We have ensured complete transparency in the execution of the projects and have never compromised on principles," he said.

The dividends and benefits of these projects will reach all parts and people of Pakistan, he emphasised. He asked his party members to work hard for alleviating the problems of the people of their respective constituencies. While briefing the meeting, Finance Minister Ishaq Dar stated that financial stability and economic growth are achieved by the government during the last four years.

Railways Minister Khawaja Saad Rafiq briefed the meeting on projects and performance of Pakistan Railways while citing data which demonstrated manifold increase in resources, profits, freight and passengers business since 2013. Minister for Petroleum & Natural Resources, Shahid Khaqan Abbasi gave a briefing on energy projects.

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Forensic audit of banks, telecom companies to be carried out

SOHAIL SARFRAZ

The Federal Board of Revenue (FBR) and consultant firms would jointly conduct forensic audit of eight banks and six telecom companies, including five cellular operators in Pakistan. Sources told *Business Recorder* here on Tuesday that the decision was taken in the last meeting of the Tax Reform Commission Implementation Committee (TRIC) held at the Federal Board of Revenue (FBR). In this regard, eight banks and six telecom companies have been selected for forensic audit.

According to details, in the last meeting of the TRIC a sub-committee headed by FBR Member Taxpayer Audit (TPA) was tasked with identifying two sectors for purpose of forensic audit and determining the requirements in this respect. The Member (TPA) apprised the committee that 5 taxpayers from the telecom companies and 34 taxpayers from the banking sector are available for purpose of conducting forensic audit with special emphasis on withholding.

Chairman Tax Reform Commission (TRC) Masoud Naqvi suggested that FBR officials should be closely associated with the forensic auditors. He also offered that KPMG could conduct forensic audit training for select FBR officers pro bono. The offer was greatly appreciated and accepted.

Later, the TRIC decided that the forensic audit of six taxpayers from the telecom sector be undertaken. In addition, forensic audit of eight taxpayers from the banking sector to be conducted by teams each comprising two forensic audit consultant firms and two or more officers of Inland Revenue. The TORs for conducting forensic audit of banks would be developed by the TRIC members and would be shared with the FBR Member (TPA). The TORs for conducting forensic audit of telecom companies to be provided by the Member (TPA) after consultation with provincial authorities, sources said. Sector specific advertisements for the telecom and banking sector requisitioning the services of forensic audit consultants and delineating the respective TORs would also be issued for the telecom and banking sectors, sources added.

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System will be able to transport 30000 megawatts power by end-2018: NTDC

ABDUL RASHEED AZAD

The country's power transmission system will be able to transport 30,000 Megawatts (MW) of electricity by the end of the 2018. This was stated by the top officials of National Transmission and Dispatch Company (NTDC) while briefing the participants of the 22nd meeting of China Pakistan Economic Corridor (CPEC). The officials told that the company is upgrading countrywide transmission lines keeping in view demand/supply situation in different parts of the country and by the end of 2018, the NTDC would achieve the targets of transmitting 30,000 MW electricity.

The meeting of the Parliamentary Committee on CPEC, which was held under the chair of Senator Mushahid Hussain Sayed, assessed the overall progress of relevant ministries and departments on the CPEC projects. Additional secretary water and power and MD NTDC gave a comprehensive briefing about the future projects regarding transmission of power to different parts of the country in accordance with the needs and load of the consumers. According to the set targets, they would be able to transmit 30000 MW Electricity by the end of 2018 which will help the country to end the power crisis and lessen the sufferings of the common man.

The chairman appreciated the senior officers of the different ministries for a comprehensive briefing and answers as well as the spirit of the people involved in construction of these projects within their timelines. He further said that the CPEC project is transformational initiative that will change the destiny of the people of Pakistan and unite the Federation through progress, prosperity and connectivity. Moreover, he said that due to CPEC, Pakistan's image has improved as an investor friendly destination.

The meeting was attended by MNAs Abdul Qadir Baloch, Rana Muhammad Afzal Khan, Aijaz Hussain Jakhrani, Khalid Maqbool Siddiqui and Ghous Bux Khan Mahar, and Senators Mir Hasil Khan Bizenjo, Sardar Fateh Muhammad Hassani, Salahuddin Tirmizi, Talha Mehmood and Shibli Faraz, senior officers of the Ministry of Planning, Ministry of Water & Power and NTDC, and Secretary of the Parliamentary Committee on CPEC Nasim Khalid.

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Avoidance of double taxation:

Pakistan and Switzerland sign agreement

RECORDER REPORT

Pakistan and Switzerland signed the revised Agreement on Avoidance of Double Taxation with respect to taxes on income. The Agreement was signed by the Ambassador of Switzerland, Marc George and Chairman, Federal Board of advanceRevenue, Dr Muhammad Irshad.

The signing ceremony was witnessed by Senator Mohammad Ishaq Dar, Federal Minister for Finance, Haroon Akhtar Khan, Special Assistant to the Prime Minister on Revenue and other officials from the Embassy of Switzerland, Ministry of Finance and Federal Board of Revenue were also present on the occasion.

The revised Avoidance of Double Taxation Agreement between Pakistan and Switzerland will open new vistas for co-operation, especially in the areas of exchange of information for tax purposes. The agreement contains improvements with regard to the taxation of service fees and capital gains resulting from the sale of qualifying participants.

These rules promote economic exchange in bilateral relations. The agreement also contains an arbitration clause, which should guarantee the avoidance of double taxation.

One of the highlights of the re-negotiated treaty is the replacement of the Article on "Exchange of Information" with the new one reflecting the internationally accepted standard which is based on the OECD Model. The new Article on Exchange of Information will considerably expand the existing scope of information to be obtained on request basis for the enforcement of domestic tax laws.

It will also provide access to bank information for tax purposes and such information shall not be refused solely because the information is held by a bank or other financial institution. For this purpose, the Requesting State will be providing information to the Requested State such as the identity of the person under investigation and period of time for which the information is requested. The existing Avoidance of Double Taxation Agreement between Pakistan and Switzerland was signed in 2005, and enforced in 2008.

However, subsequent to the Federal Cabinet approval in August 2013, Pakistan had approached Switzerland for incorporating the updated version of the Article on Exchange of Information based on the OECD Model.

In August, 2014, Pakistan delegation visited Switzerland for re-negotiation of Pak-Swiss Treaty and initialled the draft agreement between the two countries. However, in order to safeguard national interests and to bring certain provisions of the initialed agreement in line with Pakistan's tax policy, Switzerland was requested for a second round of negotiations which was finally agreed in May, 2016 and held in Berne, Switzerland in June, 2016. The negotiations were held in a very cordial and friendly atmosphere and all the issues were amicably resolved. It may be recalled that the Swiss government had invited the Finance Minister to sign the agreement with the Head of the Federal Department of Finance (FDF) of Switzerland, and had proposed the signing to be held on 21stMarch 2017 in Berne. However, owing to unforeseen commitments of the Head of FDF, the Swiss government informed the Government of Pakistan that it can no longer proceed with the signing in Berne on 21stMarch 2017. In the interest of avoiding any delay in the signing of the agreement, the Government of Pakistan proposed that the signing may be held in Islamabad on 21stMarch 2017 -PR

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PBC suggests reforms for promoting capital, investment

RECORDER REPORT

CEO of Pakistan Business Council (PBC), Ehsan A Malik said that the government should revisit the changes made in past few years which have effectively dismantled the policy framework for capital formation. In a letter to Prime Minister Nawaz Sharif, he advocated a "Pakistan First" approach and suggested various steps and reforms required to promote capital formation and investment.

Few of reforms he advised to government are: Restore group tax relief provisions of the Finance Act 2007 and Exempt inter-corporate dividends from cascading tax. Create long-term tax advantage for listing on the stock exchanges. Encourage incorporation and governance by equalizing the rate of tax on SMEs earning up to Rs 20 millions of profit with that applicable to individuals and AOPs.

Withdraw Super Tax and discontinue tax on bonus shares and retained reserves. Restore ability to avail initial allowance on investment in plant and buildings. The ACT tax regime works counter-purpose to this in start-up years when it is most required.

Encourage the ICT sector to create jobs and exports. Adapt incentives presently configured for manufacturing. Set the target growth in broadband penetration from 20 percent to 80 percent in 3 years by reducing taxes.

Domestic industry needs to be nurtured. In a country with a 200 million population, industry has been unable to develop scale. Some of the policy measures required. Encourage declaration, return to investment in Pakistan of assets held abroad by Pakistanis, other than public servants.

Options to regularize wealth abroad for tax and foreign exchange regulation purposes, while concurrently addressing the anomalies in these regulations to remove ambiguity.	One-time Penalty	
	3 months from enactment	Following 3 months
1. Repatriate via banking channels into Pakistan Rupees	2%	3%
2. Invest in US$ denominated Pakistan Development Bonds	3%	4%
3. Retain abroad, subject to tax on income arising henceforth	4%	5%

Make job creation a specific target of CPEC.

Ensure that concessions to CPEC SEZs do not undermine existing industry.

One percent lower tax rate for companies creating 50 or more new jobs on their own payroll.

25 percent rebate in effective tax rate for full time working women with children.

Finished goods should not enjoy lower tariffs than raw materials.

Regulate Afghan Transit Trade to prevent rampant abuse.

Under invoicing and dumping of imported products needs to be stopped.

Sale and transportation of smuggled goods needs to be clamped down upon o Units closed down due to energy shortfall need to be revived.

Accelerate alignment of tax rates with those offered by progressive Asian countries:

	Corporate Tax Rate	Sales/VAT Rate
Pakistan	32% (Excl WPPF&WWF)	17%
Singapore	17%	***7%***
Sri Lanka	15%	***12%***
Bangladesh	25%	***15%***
Vietnam	22%	***10%***

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Robust industry driven technical and vocational training and welfare programmes.

Industries should be allowed to spend a portion of their WWF and undistributed WPPF contributions for setting up and running technical and vocational training institutes.

Firms hiring freshly trained manpower from these institutes should be given a tax rebate for the first year to encourage the hiring of trained manpower.

Industries should be encouraged to help Pakistan meet the UN SDGs through initiatives promoting health, hygiene, gender balance and employment of the handicapped.

Value added exports: Pakistan's exports are not only slipping but they still primarily comprise of commodities which are more vulnerable to recession in export markets as opposed to value added exports, which also generate jobs and earn higher foreign exchange. The specific policy measures required are:

Integrate the Industrial, Trade, Agriculture, Labour and Fiscal policies, for too long the fragmented, unaligned approach of ministries has led to sub-optimal results. A high level body answerable to the PM should target Pakistan to achieve parity with export focused countries like Vietnam and Bangladesh.

Create level playing field for value-added exports, labour and energy costs in Pakistan are more than double those of Bangladesh, India, Sri Lanka and Vietnam. Export incentives should be skewed heavily to value-added exports to make them more competitive.

Export of primary commodities need to be discouraged.

Rebates and refunds need to be automated. The export sector has become a major avenue for the FBR for "window dressing" its inability to collect revenues. Refunds and rebates of the export sector should be linked to export receipts and handled by the banks.

Brand Pakistan should be a private sector led initiative. Private sector should be allowed to lead this initiative with measurable targets and funding from the Export Development Fund.

Broadening of the tax base. In addition to equip the FBR .with technology and trained manpower, some of the specific issues which need attention are:

Transaction tax on non-filers should be revised upwards and used as a means for increasing the tax base, not as another means for the FBR to collect revenue through a withholding agent.

Abolish the "full and final" tax regime, the Presumptive Tax Regime was introduced as a short term measure to document the economy, this should now be withdrawn and all taxpayers be obliged to file returns.

KPIs for FBR need to be changed. FBR's role should be to collect taxes, its involvement in tax policy leads to short term revenue oriented measures at the cost of long term health of the economy. An independent body with representatives from business should recommend tax policies.

Unify taxes, simplify returns and collection systems. With complexity of multiple taxes and agencies, Pakistan stands at 155 of 190 countries in the World Bank/PwC Paying Taxes Ranking.

Perpetual tax amnesty schemes should stop. Foreign remittances under Section 111 (4) should be taxed beyond a certain annual limit.

Encourage formalisation of real estate by reforming the taxes on property transfer to and on distribution of profit by REITs. Additionally, tax policy should differentiate between speculation in plots and development of housing.

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Weak prep work for regional integration

In yesterday's op-ed section of this newspaper, Dr Shamshad Akhtar, the former SBP governor and current executive secretary of UNESCAP, flagged an important issue of getting the infrastructure right for the one belt one road initiative.

She wrote that OBOR corridors "will entail higher benefits if partner countries lower cross border transaction costs and import tariffs, for instance a 30 percent decline in both of these would generate economic gains of 1.8 percent growth in GDP for China and anywhere from 5.3 to 16.9 percent GDP for other participating member countries. Our analysis suggests that a 1.0 percent improvement in trade facilitation procedures, quality of transport infrastructure and ICT will deliver 1.5, 0.7 and 1.4 percent increases in exports, respectively."

Data from the World Bank's Logistics Performance Index (LPI) shows that Pakistan has fared better (with 2016 LPI score of 2.92) than the average South Asian score (2.62) and the average of lower middle income group of 2.40.

However, when compared to key players in the regional OBOR countries – the players with whom Pakistan will hopefully interact in the context of north-south and east-west corridor – Pakistan's standing in logistics infrastructure is rather poor, with little improvement visible in the last nine years.

In fact, compared to its neighbours (sans Afghanistan, which is too poor), improvements in Pakistan's LPI scores have been far less across most of the six key dimensions, which are namely: (a) efficiency of the clearance process (i.e., speed, simplicity and predictability of formalities) by border control agencies, including customs; (b) quality of trade and transport related infrastructure (e.g., ports, railroads, roads, information technology); (c) ease of arranging competitively priced shipments; (d) competence and quality of logistics services (e.g., transport operators, customs brokers); (e) ability to track and trace consignments; and (f) timeliness of shipments in reaching destination within the scheduled or expected delivery time.

With plans of CPEC, CASA, and TAPI, the country is moving in the direction of regional integration. In order to reap the full potential of this integration, Pakistan does not only need to boost its hard integration-related infrastructure but also the soft ones, such as state capacity.

Does the state have the capacity to negotiate or deal in matters related to energy diplomacy or regional integration? Does Pakistan have adequate representation in the offices of emerging financial forces such as the Asian Infrastructure Investment Bank or the BRICS's New Development Bank? The answer is a resounding 'no.'

While her neighbours are busy training their government employees in these fields or hiring technocrats for the same, the situation in Pakistan can be gauged by the fact that even the Planning Commission's CPEC Centre of Excellence is yet to take off despite having been established for more than a year. In fact, its founding executive director Dr. Safdar Sohail has now been replaced quietly and to date there is little that we know about the Centre's plans and capacity to deliver on those plans. Need one say more!

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Dar accused of focusing on 'irrelevant' affairs

ISLAMABAD: The Senate Standing Committee on Commerce Tuesday accused Finance Minister Senator Ishaq Dar of focusing on those affairs which are irrelevant to the Finance Ministry and due to this things are not going in right direction.

While Senator Syed Shibli Faraz presiding over the meeting of the committee, gave these observations during discussion on Exim Bank which has not been made functional even after years of its establishment.

Senator Ilyas Bilour, Senator Karim Ahmad Khawaja and Senator Naseema Ehsan attended the meeting. Commerce Minister Engineer Khurram Dastgir did not attend the meeting.

Secretary Commerce Azmat Ali Ranjha said, "According to his understanding the Finance Ministry has been unable to make the Exim Bank operational at the moment. However, Rs 7 billion have been placed at the disposal of the bank". The fundamental thing which was holding it back was professional management. The finance ministry is dealing with the hiring process of head of the Exim Bank.

He said the Commerce Ministry has one member (additional secretary) out of three-member board which implies that the ministry has effective voice in the board.

The chairman committee was of the view when the board is in papers then two or three members are enough to run its affairs.

"Our concern is that first time Exim Bank was mentioned in STPF 2012-15 and a number of years have passed since the bank's inception. Policies are there as their good implementation is there. We don't say that with the establishment of Exim Bank, exports will be doubled but at least it will be one of the steps which are required to be taken in this direction. If the bank becomes fully operational today, its effectiveness would start in three or four years but nothing was done in seven years," he added.

He said the Commerce Ministry was not responsible for delay in operationalization of the bank, but the credit and discredit of increase or decrease in exports would also go to the Commerce Ministry.

"There should be a framework of the Exim Bank's operationalization; otherwise the committee will take up this issue in the Senate, with the observation that this is not being done and the finance minister would be asked to explain the reasons," he said.

When this is not on the priority of the finance minister, then the situation will be like the current situation. When the finance minister will keep himself involved in issues such as military courts, the current mess will continue.

Senator Ilyas Bilour said that military courts issue is not the job of the finance minister. Agreeing to the viewpoint of Bilour, Chairman Standing Committee Shibli Faraz said that each and everything is being done by the finance minister as he enjoys all the decision-making powers, and due to which there would be delay in resolution of other important issues of the country.

The finance minister is busy in day-to-day 'firefighting and political issues' which is massively hurting the country, he said adding when one person does twenty things at a time, this implies nothing will be materialised.

Shibli Faraz further stated that the GDP figures can't be trusted when current account deficit and fiscal deficit are on the rise.

Talking about forthcoming free trade agreements (FTAs), the chairman standing committee was of the view that the pacts should also be shared with the Parliament and standing committees, saying the Parliament should also have a role in monitoring of pacts being signed with other countries. He was also of the view that trade officers should also have familiarity with the languages of those countries where they are being posted.

The secretary commerce said that 11 trade officers have been selected who will be posted by June this year.

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During discussion on performance of exports, Director General (Trade Policy) Commerce Ministry, Dr Safdar Sohail hinted that Pakistan's trade deficit would touch historical level due to import of power plants machinery under the CPEC. He said the Commerce Ministry is also going for mid-term review of STPF 2015-18 and in this regard recommendations from all the stakeholders are being sought. He said the Commerce Ministry would announce another incentives package for the exporters as till that time Rs 6 billion will also be available to Commerce Ministry.

Commerce Secretary Azmat Ali Ranjha said that Commerce Ministry is also investigating under invoicing in exports which, as this, was detected in a study conducted by Dr Safdar Sohail. The commerce secretary claimed that under invoicing of $ 2 billion in exports has been detected due to which the issue of current account has worsened.

Senator Ilyas Bilour was surprised to hear about under invoicing in exports. "We were used to hear about under invoicing in imports. Under invoicing in exports is a new phenomenon for me," he said.

Senator Shibli Faraz said that in the past the successive governments focused on textile sector and ignored other sectors. He proposed a think tank or task force should be constituted to prepare implementable policy for economic development, so that focus should be given on all sectors instead of only textile.

The secretary Trade Development Authority of Pakistan (TDAP) informed the committee that exporters from Karachi are now investing in Pakistan Stock Exchange and real estate business instead of expanding their export base.

The chairman committee expressed his concern over establishment of new colonies on agriculture land across Pakistan.

The committee directed Board of Investment (BoI) to organise a conference to attract those Pakistanis who left the country at the time of partition and established businesses in other countries. —MUSHTAQ GHUMMAN

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Modest trade activity on cotton market

RECORDER REPORT

Modest trade activity was witnessed on the cotton market on Tuesday as buyers and sellers both remained on the sidelines owing to short supply of quality lint, dealers said. The official spot rate was unchanged at Rs 6800, they said. In Punjab, prices of phutti were at Rs 3700-3800, as per 40 kg, they said.

In ready session 2000 bales of cotton changed hands between Rs 6800 and Rs 7000, they said. According to the market sources, both buyers and sellers refrained from new deals due to short supply. Cotton analyst, Naseem Usman sharing the same view said that spinners were keen to buy quality lint but were not interested in paying above their psychological levels.

Besides, spinners were facing difficulties in exporting of cotton yarn in the international market owing to uncompetitive prices, he added. In the meantime, there was fairly good demand was seen for yarn on the local market, other experts said. On the other hand, the ginners have around 500,000 bales of cotton and they are also careful in disposing of these stocks in anticipation of getting best price in the near future, they said.

Additionally, prices of polyester yarn influenced by declining trend in the global market, slid to Rs 127 from Rs 129, they added. In China and New York, prices were soft, indicating rates may come down in the coming days, other brokers said. The following deals reported: 1000 bales of cotton from Rahim Yar Khan sold at Rs 6800 and same figure from same station done at Rs 7000, they said.

THE FOLLOWING ARE THE KCA OFFICIAL SPOT RATES FOR 2016-17 FOR LOCAL DEALINGS IN PAK RUPEES FOR BASE GRADE 3 STAPLE LENGTH 1-1/16" MICRONAIRE VALUE BETWEEN 3.8 TO 4.9 NCL					
Rate For	**Ex-Gin Price**	**Upcountry Expenses**	**Spot Rate Ex-Karachi**	**Spot Rate Ex-Karachi As on 20.03.2017**	**Difference Ex-Karachi in Rupees**
37.324 Kgs Equivalent	6,800	135	**6,935**	**6,935**	NIL
40 Kgs	7,288	145	**7,433**	**7,433**	NIL

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	77.33	77.48	76.68	76.84	14:20 MAR 20	76.84	-0.49	12981	77.33
Jul'17	78.62	78.70	77.99	78.09	14:20 MAR 20	78.09	-0.45	5498	78.54
Oct'17	75.80	75.82	75.80	75.48	14:20 MAR 20	75.48	-0.70	12	76.18

DAWN
Wednesday, 22nd March, 2017

Pact with Switzerland on double taxation

THE NEWSPAPER'S STAFF REPORTER

ISLAMABAD: Pakistan and Switzerland on Tuesday signed the much-awaited revised agreement on avoidance of double taxation with respect to income. The agreement will allow both countries to shore up a mechanism for information sharing to detect tax evaders.

Federal Board of Revenue Chairman Dr Muhammad Irshad and Ambassador of Switzerland to Pakistan Marc George signed the agreement on behalf of their respective governments.

Minister for Finance Ishaq Dar, Special Assistant to the Prime Minister on Revenue Haroon Akhtar Khan and officials of the Swiss Embassy were present at the ceremony.

After signing, the two countries will undertake internal procedures for ratification of the agreement. After exchange of instruments of ratifications, the agreement will come into force in Pakistan on July 1 of the next calendar year following that of the entry into force.

Both sides have already initialled the revised draft of the agreement. The two countries initiated talks on the revised agreement in 2014, following unconfirmed reports that Pakistani nationals had over $200 billion stashed in Swiss banks.

The revised agreement contains improvements with regard to the taxation of service fees and capital gains resulting from the sale of qualifying participants.

As per the agreement, these rules promote economic exchange in bilateral relations. The agreement also contains an arbitration clause, which should guarantee the avoidance of double taxation.

One of the important aspects of the treaty is the replacement of the Article on “Exchange of Information” with the new one reflecting the internationally accepted standard which is based on the OECD Model.

The new Article on Exchange of Information will considerably expand the existing scope of information to be obtained on request basis for the enforcement of domestic tax laws. It will also provide access to bank information for tax purposes and such information shall not be refused solely because the information is held by a bank or other financial institution.

According to an official announcement, on the approval of the federal cabinet in August 2013, Pakistan had approached Switzerland for incorporating the updated version of the Article on Exchange of Information based on the OECD Model.

In August 2014, Pakistan delegation visited Switzerland for re-negotiation of Pak-Swiss Treaty and initialled the draft agreement. However, in order to safeguard national interests and to bring certain provisions of the initialled agreement in line with Pakistan’s tax policy, Switzerland was requested for a second round of negotiations which was finally agreed in May, 2016 and held in Berne, Switzerland in June, 2016.

The proposed signing was to be held on March 21, 2017 in Berne but could not materialise.

In the interest of avoiding any delay in the signing of the agreement, Pakistan proposed that the signing may be held in Islamabad. The Swiss government acceded to this proposal and authorised the Ambassador in Islamabad to sign the agreement, while Prime Minister Nawaz Sharif issued the instrument of full powers for the Chairman FBR to sign the agreement.

DAWN
Wednesday, 22nd March, 2017

South Korean bank agrees to give $76m for IT Park

THE NEWSPAPER'S STAFF REPORTER

ISLAMABAD: Secretary Economic Affairs Division Tariq Mahmood Pasha and Executive Director of KEXIM Younghoon Chang ink a loan agreement for setting up an information technology part on Tuesday.

ISLAMABAD: A loan agreement to build Pakistan's first state-of-the-art multipurpose Information Technology Park worth Rs9.2 billion was signed between the government and South Korea Eximbank (KEXIM) here on Tuesday.

Secretary Economic Affairs Division (EAD) Tariq Mahmood Pasha and Executive Director of KEXIM Younghoon Chang signed the document.

The ceremony was witnessed by Minister for Finance Ishaq Dar, Minister for IT Anusha Rehman, and South Korean Ambassador to Pakistan Dr Dong-gu Suh.

The information technology park would be constructed in Chak Shahzad area of Islamabad at a cost of $88.48 million (Rs9.2bn), including loan of $76.3m from KEXIM under the Economic Development Cooperation Framework (EDCF) arrangement. The EDCF arrangement worth $500m was signed with Korea in Oct 2015.

The IT park would be spread over an area of 45 acres, and provide half a million square feet of office space for 5,000 IT workers. It would house an incubation center for start ups, a data center, and allied facilities in day care centres, gyms, and sports facilities.

Mr Dar welcomed signing of the agreement and said IT Park would provide a suitable environment where companies would be able to work together and leverage each other's expertise.

The park, he said, would not only attract investment but also help generate IT exports. He appreciated the Korean government for its continued support. He invited KEXIM to have representative office in Pakistan which he said would facilitate better coordination between the Bank, EAD and other executing agencies.

Speaking on the occasion, Ms Rehman said, "The IT Park is a major step towards realising the goal of digital Pakistan. It would provide a complete ecosystem for promotion of information technology in the country in combination with other telecom initiatives being carried on by the ministry."

She was optimistic that the provision of quality work space would encourage IT companies to shift to Pakistan and in the process strengthen exports as well as create jobs for the local youth.

Similar state-of-the-art IT Parks will be built in Karachi and Lahore, the minister added.

On the occasion, Mr Chang said Pakistan was making headway in the field of IT. "Pakistan's digital landscape would be further expanded through the new IT Park," he said.

Senior officials from KEXIM, ministries of finance and IT, Pakistan Software Export Board (PSEB), and EAD were also present at the ceremony.

DAWN
Wednesday, 22nd March, 2017

Banks closed on Thursday

THE NEWSPAPER'S STAFF REPORTER

KARACHI: The State Bank of Pakistan (SBP) will remain closed on March 23 on account of Pakistan Day, a press release said on Tuesday.

DAWN
Wednesday, 22nd March, 2017

Slow trading on cotton market

THE NEWSPAPER'S STAFF REPORTER

KARACHI: Trading was slow on the cotton market on Tuesday amid dwindling stocks and lower exports of cotton yarn.

In world markets, prices on the New York market fell by 1.5 US cents per lb and China also closing easy.

China continues to export cotton and may open the new season with zero holdings. Moreover, it was difficult for the analysts to comment on the Indian cotton situation as the country is importing cotton on the one hand and exporting it on the other.

Barring a few deals, the domestic market remained listless amid selective buying from some mills. However, prices generally remained firm due to short supply of quality cotton, brokers said.

The Karachi Cotton Association kept its spot rates unchanged.

Major deals on the ready counter were: 1,000 bales from Rahimyar Khan at Rs6,800 per maund (around 37 kilgrams) and 1,000 bales also from the same city 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
Wednesday, 22nd March, 2017

MARKETS

FOREX

Exchange Rates for Currency Notes (Rs)

	Interbank market*		Open market**	
	Buying	Selling	Buying	Selling
USA	104.50	104.70	106.40	106.60
UK	129.21	129.46	132.00	133.50
Euro	112.40	112.62	114.50	116.00
S.Arabia	27.87	27.92	28.25	28.45
UAE	28.45	28.51	29.00	29.20
Japan	0.9269	0.9287	0.9364	0.9564

*forex.com.pk **ECAP

KIBOR

Karachi Interbank offered rates

	Bid	Offer
Three months	5.83	6.08
Six months	5.88	6.13
One year	5.91	6.41

LIBOR

Special US dollar bonds for Mar 20

Three months	1.15622 %
Six months	1.43489 %

THE NEWS
Wednesday, 22nd March, 2017

Textile exports slightly fall to $8.214 billion in July-February

KARACHI: Textile exports fell 1.74 percent to $8.214 billion in the first eight months of the current fiscal year of 2016/17 as improvement in exports from value-added sector arrested a major revenue setback during this period, official data showed on Tuesday.

Textile exports fetched $8.359 billion for the country during the corresponding period of the past fiscal year, said the Pakistan Bureau of Statistics (PBS).

Knitwear exports remained almost flat at $1.561 billion in July-February 2016/17, while bedwear exports rose 5.07 percent to $1.405 billion. Exports of readymade garments increased 4.3 percent to $1.499 billion. Cotton cloth exports decreased 6.26 percent to $1.392 billion. Exports of raw cotton nearly halved in the period under review.

In February, textile exports slid 6.48 percent month-on-month and 2.53 percent year-on-year $995 million, the PBS data said.

In July-February FY17, food exports declined 11.79 percent to $2.339 billion. Sugar exports slumped 88.38 percent.

Total exports, during this period, amounted to $13.317 billion.

Machinery imports accounted for 20 percent of the total imports of $33.494 billion during the period under review, standing at $7.811 billion, up 42.36 percent over the previous fiscal year.

Import bills of power generation machinery stood at $2.181 billion in July-Feb 2016/17.

The second highest import bill was of petroleum products.

Oil import bill was recorded at $6.682 billion, up 20.97 percent. Food imports soared 13.47 percent to $3.970 billion in the first eight month of the current fiscal year.

In February, machinery imports increased 41.93 percent year-on-year to $962 million, but they decreased 18.47 percent month-on-month.

Import of petroleum products surged 67.02 percent year-on-year and rose 4.39 percent month-on-month to $858 million

THE NEWS
Wednesday, 22nd March, 2017

'Millions of dollars needed to tackle climate change impacts'

ISLAMABAD: Federal minister for climate change Zahid Hamid on Tuesday expressed the hope that the financial commitments to support climate action made in the Paris Agreement regarding the availability of at least $100 billion per year by 2020 would be realised, a statement said.

He said this while addressing the inaugural session of the national workshop on 'Climate Compatible Development', organised by Lead Pakistan in collaboration with the Climate and Development Knowledge Network.

The minister said Pakistan contributed only 0.8 percent to the total annual global greenhouse gas (GHG) emissions, ranking 135th in the world, for which the government had developed comprehensive policies and plans.

"According to the study commissioned by the government for preparing our Intended Nationally Determined Contributions, which was submitted to the UNFCCC Secretariat last year, Pakistan requires $40 billion by 2030 for mitigation measures to reduce our expected GHG emissions by 20 percent, and up to $14 billion annually to adapt to climate change impacts," the minister said.

In 2013, the government prepared a Framework for Implementation of the Climate Change Policy (2014-2030) which listed priority, short-term, medium-term and long-term adaptation and mitigation actions required to be taken in various sectors, the minister said.

Also, 'Vision 2025' was launched in 2014, reflecting the country's development needs and priorities, it provided a policy framework for the integration of the new goals in the country's national economic and development planning, Hamid said.

Speaking of the Pakistan Climate Change Bill passed on March 17, the minister said three new important institutions - Pakistan Climate Change Council, Pakistan Climate Change Authority, and Pakistan Climate Change Fund - would be established under the new law. The council would ensure that policies, plans, and projects met international conventions and obligations for the protection and conservation of renewable and non-renewable resources, species, habitats, and biodiversity in general, Hamid said.

"The council may also direct any government agency to prepare and implement projects for adaptation or mitigation of the adverse effects of climate change, to promote climate-compatible, climate-resilient and sustainable development or to undertake research in any aspect of climate change," the minister added.

The climate change authority would include scientists, academics, serving or retired government servants, industrialists, agriculturists or other technocrats with at least fifteen years of experience in climate change and environment, as chairperson and members, the minister said.

The law also has enabled the government to establish the Pakistan Climate Change Fund, the minister said. "The fund will be managed by the authority, and shall be utilised inter-alia, for expenditure incurred by the authority in performance of its functions, for financial assistance to suitable adaptation and mitigation projects, for sustainable development of resources, and research."

The federal minister for climate change Zahid Hamid also told the participants that another important provision of the act was the power of the minister-in-charge to make rules for implementing the provisions of international agreements relating to climate change, including the UNFCCC, the Paris Agreement and any other agreement relating to climate change to which Pakistan is a signatory.

He concluded by informing that the Global Change Impact Studies Centre, the research arm of the Ministry of Climate Change was being strengthened and reoriented so that its research activities were greatly enhanced.

Lead Pakistan CEO Ali Tauqeer Sheikh briefed about the working and achievements of the institution. The workshop was attended by government officials, academia, non- governmental organisations, journalists, and other professions.

THE NEWS
Wednesday, 22nd March, 2017

Karachi among top 10 cheapest cities on weak prices

Tariq Ahmed Saeedi

KARACHI: Karachi is still the top ten cheapest locations in the world owing to weak currency and local prices, the Economist Intelligence Unit (EIU) said on Tuesday.

Karachi ranked 130 in the 'Worldwide Cost of Living 2017' survey result. Last year, Pakistan's biggest city ranked 127 out of 133 cities worldwide.

Other top ten cheapest locations included Almaty (133), Lagos (132), Bangalore (131), Algiers (127), Chennai (127), Mumbai (127), Kiev (124), Bucharest (124) and New Delhi (124).

"Last year deflation and devaluations were a prominent factor in determining the cost of living, with many cities falling down the ranking owing to currency weakness or falling local prices," EIU said in the survey report.

A bi-annual survey comparing more than 400 individual prices across 160 products and services, including food, drink, clothing, household supplies and personal care items, home rents, transport, utility bills, private schools, domestic help and recreational costs. New York is used as base city with an index set at 100. The survey has been carried out for more than 30 years.

The EIU said Karachi, Algiers, Kiev and Lagos have faced well-documented economic, political, security and infrastructural challenges, and there is some correlation between the EIU's cost of living ranking and its sister ranking the liveability survey. "Cheaper cities tend also to be less liveable."

Singapore was found as the most expensive city in the world, followed by Hong Kong, Zurich, Tokyo, Osaka, Seoul, Geneva, Paris, New York and Copenhagen.

The EIU said the global cost of living rose to 74 percent, up slightly from 73 percent last year. This remains significantly lower than five years ago when the average cost of living index across 132 cities was at an all-time high of 93.5 percent.

THE NEWS
Wednesday, 22nd March, 2017

Cotton firm

Karachi

Slow trading activity continued at the Karachi Cotton Exchange on Tuesday, while spot rates remained unchanged.

The spot rates remained unchanged at Rs6,800/maund (37.324kg) and Rs7,288/40kg. Ex-Karachi rates also stood firm at Rs6,935/maund and Rs7,433/40kg after an addition of Rs135 and Rs145 as upcountry expenses, respectively.

An analyst said cotton stocks were almost over in the country, while there were preparations of the new crop.

“Sowing has started in parts of lower Sindh in Badin and some areas of Thatta, while it will begin on April 15 in Punjab,” he said.

“Late sowing in Punjab is being started on the instructions of the government, as it will save the crop from pest attack.”

KCE recorded two transactions of 2,000 bales from Rahimyar Khan at the rate of Rs6,800 to Rs7,000/maund.

The Nation on Web
The Nation
Wednesday, 22nd March, 2017

Target of transmitting 30,000MW to be achieved in 2018: NTDC

Our Staff Reporter

ISLAMABAD - National Transmission and Dispatch Company (NTDC) is upgrading the transmission of power system throughout the different parts of the country as per the needs and load of the consumers and by the end of 2018 it would achieve the target of transmitting 30,000MW electricity.

These remaeks were expressed by the NTDC official while briefing the 22nd meeting of the Parliamentary Committee on China Pakistan Economic Corridor (CPEC) held here on Tuesday. The meeting was held under the chairmanship of Senator Mushahid Hussain Sayed, who assessed the overall progress of the CPEC projects.

The Water and Power additional secretary and the NTDC MD also give a comprehensive briefing about the future projects regarding transmission of power to the different parts of the country according to the needs and load of the consumers. According to the set targets, they would be able to transmit 30,000MW electricity by the end of 2018 which will help the country to reduce the power crises and lessen the suffering of the common man.

The chairman appreciated the senior officers of the different ministries for giving a comprehensive briefing and answers as well as the spirit of the people involved in construction of these projects within their time-lines. He further said that the CPEC project is transformational initiative which will change the destiny of the people of Pakistan and unite the Federation of Pakistan through progress, prosperity and connectivity. Moreover, he said that due to CPEC, Pakistan's image has improved as an investor-friendly destination and Pakistan today is a pivotal player in bringing about regional cooperation through corridors and connectivity.

The meeting was attended by Lt Gen (Retd) Abdul Qadir Baloch Rana, Muhammad Afzal Khan, Aijaz Hussain Jakhrani, Khalid Maqbool Siddiqui, Ghous Bux Khan Mahar, MNAs, Senator Mir Hasil Khan Bizenjo, Senator Sardar Fateh Muhammad Hassani, Senator Lt Gen (Retd) Salahuddin Tirmizi, Senator Talha Mehmood, Senator Shibli Faraz and senior officers of the Ministry of Planning, Ministry of Water & Power, NTDC and Nasim Khalid, Secretary of the Parliamentary Committee on CPEC.

The Nation on Web
The Nation
Wednesday, 22nd March, 2017

Senate body seeks details of int'l trade deals

Imran Ali Kundi

ISLAMABAD - A parliamentary committee on Tuesday directed the government to provide details of the trade agreements signed with the other countries to the parliament.

The Senate Standing Committee on Commerce under the chair of Senator Shibli Faraz has also observed that parliament should also have role in monitoring the trade agreements with other countries. The Committee chairman said that the government should appoint experienced trade attachés in trade-partner countries in order to enhance the trade opportunities. He further said that the government should also give importance to the other export oriented sectors instead of textile.

"The govt should also announce an incentive package for other export oriented sector, as it announced for the textile sector couple of months ago," Faraz said and added that this would help in enhancing the country's exports, which are currently declining from last couple of years.

The committee chairman also raised doubts on the GDP figure by saying how country's GDP is enhancing when current account and budget are in deficits. He also showed concerns over the delay in functioning of EXIM bank. The EXIM bank should start working for enhancing country's trade, he added. However, an official of the Ministry of Commerce said that it was the responsibility of the Ministry of Finance to make EXIM bank functional.

The official informed that the PM's incentive package worth of Rs180 billion would help in boosting the country's exports in the months to come. The government had earmarked Rs6 billion in the budget for the ongoing financial year 2016-17 for enhancement of exports. Similarly, the government had also given incentives for importing new machinery in the country. The Ministry of Commerce had asked the Ministry of Finance to enhance the funds for enhancement of the export, he informed. "The government will also announce an incentive package for the other export oriented sector except textile" the official said.

Senator Ilyas Bilour said that the government had not revised the electricity and gas tariffs. The current electricity unit is Rs13, which is still high. Shibli said that there is no policy for enhancing exports under CPEC projects. He further said that the government should increase exports through special economic zones (SEZs) to be established under CPEC.

The officials of Board of Investment (BoI) briefed the committee on investment policies of the incumbent government. They informed that foreigner investors especially from Belarus and Italy are taking interest to invest in Pakistan.

The committee also recommended that a conference should be organised in Islamabad, after consultation with all provinces, to highlight investment opportunities in the country. "The govt should provide conducive environment to attract foreign investment in the country," the committee chairman remarked.

The Nation on Web
The Nation
Wednesday, 22nd March, 2017

Site for garments training institute being selected

SIALKOT (APP): Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) Chairman Ijaz A Khokhar said here on Tuesday that arrangements were being made to set up the Pakistan Readymade Technical Training Institute (PRTTI) costing Rs125 million. "We are making adequate efforts for selecting a suitable site in central area for setting up the proposed institute to facilitate industrial workers", he said. Talking to the media, he said that idea behind this training institute was to produce trained workforce in the field of stitching, pattern designing, quality control, inspection and sewing machine mechanics. "The training will be imparted separately to male and female trainees in different fields at the institute," he added. He said that PRTTI would help exporters associated with the readymade garments industry to induct trained workforce to improve the overall productivity and quality of product.

He said that 50 industrial units were producing Martial Art uniforms while 100 units were engaged in producing tracksuits and sportswear in Sialkot.

The Nation on Web
The Nation
Wednesday, 22nd March, 2017

SBP to remain closed on 23rd

Our Staff Reporter

KARACHI - The State Bank of Pakistan (SBP) will remain closed on March 23, 2017 (Thursday) on the occasion of Pakistan Day, as declared by the government of Pakistan, said a statement issued here on Tuesday.