PAKISTAN BUSINESS NEWSLETTER

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THE NEWS

Govt gets $1.6 bn offer for its equity holding in HBL

Privatization Commission Chairman Muhammad Zubair on Saturday said the government is getting an offer of 1.6 billion dollars against the shares of Habib Bank Limited which it has decided to offload**.** Speaking at a press conference, he said selling HBL's shares holds economic significance for the country, and due to government's better policies the market has witnessed improvement.

He said the market surged to 35000 points and attributed it to the robust economic reforms introduced by the government. He said the share prices were making huge gains between May 2013 and February 2015.

MCB Bank creates history by crossing Rs 1 trillion

The Board of Directors of MCB Bank Limited met under the chairmanship of Mian Mohammad Mansha on Tuesday to review the performance of the Bank and approve the financial statements for the three months period ended March 31, 2015. From financial performance perspective, MCB Bank has created history by posting the highest ever quarterly profit before tax of Rs 11.9 billion and profit after tax of Rs 7.9 billion. In comparison with the corresponding period last year, profit before tax has shown exceptional growth of 42% which is mainly contributed by 91% increase in non-markup income and 20% increase in net markup income. On gross markup income side, the Bank recorded an increase of Rs 2.7 billion with major contributions from investments amounting to Rs 1.8 billion with growth of 16% and from advances amounting to Rs 932 million presenting a growth of 14%. This was made possible with the prudent placements and timely shift in concentration levels of investments.

The interest expense registered an increase of Rs 704 million over corresponding period last year mainly due to higher Repo borrowings. On the non-markup income front, the Bank registered significant growth from gain on sale of securities (864%), fee income (23%), dividend income (29%), and other income (28%). The administrative expense base (excluding pension fund reversal) recorded an increase of 11% which consummates with increased operational and infrastructural outreach. On the non-performing loan front, MCB Bank Limited continued with its recovery trajectory and posted a reversal in provision of Rs 266 million.

On the statement of financial position front, the total asset base of the Bank crossed the one trillion mark and was reported at Rs 1,012.6 billion presenting a healthy growth of 8% over Dec 2014. Analysis of the asset mix highlights that net investments have increased by Rs 74.8 Billion (+15%) over December 31, 2014. NPL base of the Bank has decreased by Rs. 224 Million in period under review. Coverage ratio of the Bank was reported at 85.36% with infection ratio improving to 6.73%. On the liabilities side, deposit base of the Bank recorded an increase of Rs. 47.8 Billion (7%) over December 2014. MCB Bank Limited continued to enjoy the highest CASA mix in the banking industry of 91% with current deposits increasing by 10% and savings deposits by 6% over December 2014. Return on assets and return on equity improved to 3.25% and 29.13% respectively whereas book value per share stood at Rs 99.19. The Board of Directors declared first interim cash dividend of Rs 4.0 per share for the period ended March 31, 2015.

BUSINESS RECORDER

Women chambers to be set up in districts: CEO TDAP

Chief Executive Officer (CEO) Trade Development Authority of Pakistan (TDAP), S.M. Muneer has said that the Women Chamber of Commerce and Industry (WCCI) will be established at district levels so that the women entrepreneurs could benefit. He said this while speaking on the occasion of a dinner hosted in his honour by President Hyderabad Chamber of Commerce and Industry (HCCI), Gohar Ullah here at Fatah House late Wednesday night.

"The expenses of TDAP have been reduced by 40 per cent after his assuming office," he maintained adding about Rs 150 million were spent on the Expo held in the country. Muneer said that energy crisis was causing a hurdle in achieving the targets of exports.

"We are expecting a rise in export of mangoes during current year," he said adding new office for TDAP is being established at Expo Center Karachi where a display center and other modern information facilities will also be set up for exporters. President Federation of Pakistan Chamber of Commerce and Industry (FPCCI), Mian Muhammad Idrees said that the government should develop an appropriate policy to resolve the issue of energy crisis in the country. Despite various issue being faced by business community, the community is paying taxes honestly to the government, he said while appreciating the community.

Members of National and Provincial Assemblies should be approached for development of Hyderabad city, he suggested adding FPCCI would extend all kinds of cooperation in this regards. "In future, CNIC would be tax register number and FBR is working on it," FPCCI President said.

He urged the community to spend some amount of their profits for the welfare of people. All Chambers are being linked via video-links so that its members or office-bearers can attend meetings of FPCCI to be held anywhere, he added. Earlier speaking on the occasion, President HCCI, Gohar Ullah said that the business community of Hyderabad was facing various issues such as load-shedding and non-availability of proper infrastructure in Hyderabad city. He urged that the government should make Hyderabad cargo airport functional to facilitate the business community to export fresh vegetables and fruits. The representatives of FPCCI, HCCI and some officials were present on the occasion

Fish exports increase 1.35pc in 8 months

Exports of fish and fish preparations increased by 1.35 percent during first eight months of current fiscal year as compared to the exports of same period of last year. The fish exports in July-February 2014-15 were recorded at $227.05 million against the exports of $224.027 million in same period of the year 2013-14, according to the data of Pakistan Bureau of Statistics (PBS). In terms of quantity, the fish exports decreased by 1.29 percent to 88,911 metric tons in July-February (2014-15) as compared to the exports of 90.071 metric tons in same period last year.

On year-on-year and month-on-month basis, the exports of fish and fish preparations in February 2015, however, decreased by 18.33 percent and 31.43 percent when compared to the exports of February 2014 and January 2015 respectively. The exports in February stood at $19.267 million whereas the exports in February 2014 and January 2015 were $23.591 million and 28.098 million respectively. Similarly in terms of quantity, the fish exports in February 2015 decreased from 10.993 metric tons in February 2014 and 10.987 metric tons in January 2015 to 7.822 MT in February 2015 thus showing a decrease of 28.85 percent and 28.81 percent respectively.

BUSINESS RECORDER

14.8mn cotton bales reach ginneries across Pakistan

Seed cotton (Phutti) equivalent to 14.83 million or 14,838,605 bales have reached ginneries across Pakistan till Apr 1, 2015 registering a percentage increase in arrivals by 10.85 per cent compared to corresponding period of last year. According to a fortnightly report of Pakistan Cotton Ginners Association (PCGA) issued here Friday, out of total arrivals, Phutti equivalent to 14,829,916 or 14.82 million bales has undergone the ginning process.

The arrival at Punjab ginneries was recorded at over 10.86 million or 10,864,105 bales recording a percentage increase of 12.87 percent compared to corresponding period of last year. Arrivals at ginneries in Sindh was recorded at 3.97 million bales showing a percentage increase of 5.70 per cent. Textile Mills have purchased 13.82 million bales, exporters bought 474,091 bales while Trading Corporation of Pakistan (TCP) procured 94,900 bales. Total sold out bales were calculated at 14.389 million bales. Exactly 448,919 bales were still lying with the ginneries as the unsold stock, the report said.

Barron's Weekly Review

Global Investors Rediscover Pakistan

Chinese President Xi Jinping's visit underscored the country's commercial importance. Plus, a new U.S. ETF provides a way to play it.

In his first state visit to Pakistan last week, China's President Xi Jinping pledged $46 billion to build a 3,000-kilometer (1,860-mile) economic corridor linking China's restive west to Pakistan's southwest port on the Arabian Sea. It is by far Beijing's biggest bet on another developing country.

Earlier this month, Pakistan raised $1 billion from the sale of a big stake in its largest commercial bank, Habib Bank (ticker: HBL.Pakistan). Demand was overwhelming, and three-quarters of the shares went to foreigners, mostly long-term institutional investors. We associate Pakistan with terrorism and sectarian violence. But China's leaders are practical and business-minded: Are we missing something?

In many ways, Pakistan's prospects look brighter today than they have in a long time; in fact they're similar to those of its bitter rival, India. Growth has ticked up, from 3.7% in 2013 to 4.1% last year. Like India, Pakistan recently got nods of approval from the International Monetary Fund and Moody's, with the former lifting its GDP forecast to 4.3% this year and 4.7% next, and the latter raising Pakistan's credit outlook to positive from stable. Pakistan almost halved its budget deficit to 4.7% of GDP last year, and is now targeting 4%.

Lower oil prices also help Pakistan. Inflation hit a new low of 2.5% in March, down from 8.5% a year earlier. In March, Pakistan's central bank cut its key interest rate to 8%, with another reduction possible. The major concern is, of course, security. While falling, the number of civilian fatalities from terrorist attacks still totaled 1,781 last year. That was a seven-year low. So far this year, there are 352 fatalities.

INVESTORS WILL USUALLY PAY a premium for structural reform. On this count, "Pakistan ticks many of the boxes" but is not getting the love, says Renaissance Capital's chief economist, Charles Robertson. It trades at only 8.4 times forward earnings, whereas investors' darling India fetches 16.8 times.

Much of the shortfall is Pakistan's fault. During the financial crisis in 2008, Pakistan suspended stock trading, only to see a sharp selloff upon re-opening. The episode prompted indexer MSCI to downgrade the country from emerging to frontier market. If operating normally, the Karachi Stock Exchange, with a market valuation above $70 billion, and $140 million in daily trading volume, would qualify as an emerging market. Over 25 stocks generate more than $1 million in daily trades.

Stocks have done very well since the shutdown. They've risen an annualized 26% over five years. Last week, Global X launched the first U.S.-listed Pakistani exchange-traded fund, Global X MSCI Pakistan, under the ticker PAK. Pakistani cement makers, beneficiaries of infrastructure spending, are a good bet, says Asha Mehta, frontier markets portfolio manager at Acadian Asset Management. Pioneer Cement (PIOC.Pakistan), for example, expanded its operating margin from 27% in 2012 to 34% in 2014 and trades at only 7.7 times earnings.

THE EXPRESS TRIBUNE WITH THE International New York Times

Investment: Yamaha resumes assembly in Pakistan

Yamaha, one of the largest motorcycle makers in the world, has resumed assembling motorcycles in Pakistan with an aim to produce up to 400,000 units annually by 2020. "The new investment from Yamaha will create jobs and bring new technologies," said Yamaha Motor Company President Hiroyuki Yanagi, adding that, "Pakistan is all set to become one of the top global markets of motorcycles.

Addressing the inaugural ceremony at Port Qasim Industrial Zone, he appreciated the role of the federal government in helping the company set up the plant. Yamaha Motor Pakistan (Pvt) Ltd, a newly formed company with 100% equity from Yamaha Motor Company, Japan, is expected to produce 30,000 units in year 2015.

The factory has been established with an initial investment of Rs5.3 billion and its current production capacity is 40,000 units per year. It has hired 200 employees in the first phase. Finance Minister Ishaq Dar, present on the occasion, said the event is not only historic for Yamaha but also special for the government as it had been looking forward to witnessing this inauguration for the last two years.

"The federal government is aggressively looking for Foreign Direct Investment (FDI) because the future of Pakistan lies in it, especially in the manufacturing sector," he said. Talking about foreign investors' concerns, he said, "The government is ready to help in providing additional security in any of the provinces."

He hoped that Yamaha will get a good response in Pakistan because of the growing demand of motorcycles in the country. "The middle class in Pakistan is growing and people want quality motorcycles," he added. In its initial phase, the company has introduced the "YBR125" model, a 125cc engine motorcycle, with a network of 140 dealerships in different parts of the country. Equipped with new technology, industry analysts say the initial price of YBR125 (Rs129,400) is competitive enough for its rival models in the market. Pak Suzuki's GS150 is available in Rs128,500 while Atlas Honda's CG125 and CG125 Deluxe is available in Rs102,900 and Rs124,000, respectively.

The Habib Bank privatisation

By going ahead with the HBL transaction, and hitting the billion-dollar mark for the first time in Pakistani history, the government has helped restore some confidence in their economic plan. When all is said and done, there will be some criticism of how the government handled the $1 billion Habib Bank secondary offering, the largest capital markets transaction in Pakistani history. And indeed, when dealing with a transaction that size, an error of even a few basis points can mean hundreds of thousands, if not millions, of dollars in potential revenue foregone. But on the whole, we do believe the government handled the privatisation of the country's largest bank rather well.

Finance is as much art as it is science, and so it is always possible to argue that the government could have gotten a better price, as indeed many have suggested. But at least some of the criticism is coming from people who clearly do not understand how valuation and pricing of secondary offerings work. There are three main criticisms offered: the price was too low, the bidding mechanism was not the right one, and the timing was not right. Each of those are very subjective criticisms, and there is no evidence to suggest that the government majorly bungled on any of those fronts.

Firstly, for a share offering of that size for a company that is already publicly listed, the issuer always has to offer shares at a discount to the current price. One can quibble about just how much of a discount before the transaction actually takes place, but the proof is in the order book: the government received only 60 per cent more bids than the offered number of shares which, in this day and age of inflated order books, barely qualifies as a successful offering, suggesting that the offering, at Rs168 per share, was correctly priced, and indeed, may perhaps have been more favourable to the government than to investors.

Secondly, there has been some suggestion that the method used to conduct the offering — the Dutch auction — was not the appropriate method. Yet that criticism appears to come from people who seem unaware of the fact that the Dutch auction is by far the most common method of selling securities, particularly in large transactions. It is also used by the United States Treasury when selling US government bonds.

And finally, and perhaps, most legitimately, there has been concern that the transaction was held at a time when the overall market had just gone through a sharp, painful correction, and bank stocks in particular had been hammered badly. This suggests that the price was artificially lowered because the market price is lower than it should normally be. There is certainly some truth to this point, but the government has no means of knowing when precisely the best time is to execute a transaction, nor indeed does any player in the capital markets. You do the best you can, and the government made a reasonable calculation that it was still getting a good price and so went ahead.

The Nation

‘Made in Pakistan’ in Kabul

The 3-day Made in Pakistan exhibition, organized by Rawalpindi Chamber of Commerce and Industry (RCCI), was inaugurated in a hotel of Kabul on Wednesday, informed RCCI spokesman. Federal Minister for Commerce Khurram Dastgir was the chief guest of the inaugural ceremony while his Afghan counterpart Muzamil Shenwari, Secretary Commerce Arbab Shahzad, Pakistan Ambassador in Kabul Syed Abrar Hussain, leader of the RCCI trade mission and former president RCCI Dr Shimail Daud Arain, Khurshid Barlas and others were also present in the ceremony.

Federal Minister Khurram Dastgir, while expressing his views, said that Rawalpindi Chamber was playing pivotal role to enhance the business relations with regional and international states and other chambers must follow RCCI to further enhance trade relations with all the countries of the world especially with SAARC and neighboring states. He said that Pakistan and Afghanistan were two brother countries and share a long traditional and cultural history, RCCI recent step would enhance the bilateral trade ties and Chamber must be appreciated for this, he added.

"RCCI has organized many Made in Pakistan expos in almost every SAARC state from its own resources, which shows the commitment of the Rawalpindi Chamber for the betterment of the national economy" he said. Speaking on the occasion, leader of RCCI trade delegation and former president RCCI Dr Shimail Daud said that RCCI prime objective behind organizing such expos was to promote the regional and international trade. He said that RCCI was the only chamber which has organized 20+ single country expos till date. He said that now RCCI has decided to explore neighboring Afghanistan's trade market with full force. He thanked federal minister of Pakistan and Commerce Minister of Afghanistan Muzamil Shinwari for their presence on the event. He invited the Afghanistan business community to organize Made in Afghanistan expos in Pakistan to further strengthen the trade relations.

The Nation

Economic Corridor to bring economic revolution in region: Ahsan

Federal Minister for Planning and Development Ahsan Iqbal on Wednesday said the Pak-China Economic Corridor (PCEC) project would bring economic revolution in the region.

Chinese companies were investing in energy sector of Pakistan through their own resources and government has taken no loans in this regard, he added. He was addressing the launching ceremony of Pak-China Economic Corridor Council (PCEC) here. The event was attended by Chinese Ambassador to Pakistan Sung Weidong, Chief Minister Baluchistan Abdul Malik Baloch, Chairman PCECC Senator Talha Mahmood, many members of Parliament and representatives of civil society from all provinces. The aims to set up the council include supporting the successful execution of Pak-China projects, play role to declare twin cities between Pakistan and China, strengthening relationship between both countries, promoting cultural and tourism programs and coordination between chambers of commerce etc. The PCEC was not a bilateral project, the minister said, adding that three Asian economic engines including the South Asia, Central Asia and Middle-East would get benefits from the project.

Chinese Ambassador to Pakistan Sun Weidong extended his gratitude to set up PCECC, saying such activities would bring more momentum in economic corporation of both countries. He hoped the cooperation between Pakistan and China would expand to agriculture and poverty alleviation programs etc. He said the PCEC is a comprehensive package that will strengthen the trade, finance ties and people to people contacts between two countries. He said the China is supporting development in Baluchistan and has also encouraged its companies to invest in the province. Weidong hoped that the future of friendship between two countries is broad and bright.

DAWN

Banks earned record Rs247bn in 2014

Banking industry's pre-tax profit surged by 52 per cent to an all-time high of Rs247bn in 2014, the State Bank said.

Banking industry's pre-tax profit surged by 52 per cent to an all-time high of Rs247 billion in 2014 thanks to their huge investments in government securities, the State Bank said. In its quarterly report 'Performance of Banking Industry' for Oct-Dec 2014, the SBP said, "Banks holding of government securities surged to Rs4.8 trillion as of end-December, constituting more than 90pc share in total investments and 40pc share in total assets."

Due to expected cut in policy rate, declining inflation and improved balance of payments position, banks mostly invested in Pakistan Investment Bonds (PIBs) and partly in Market Treasury Bills (MTBs). PIBs' share in banks' investment in government securities rose sharply reaching 56.5pc by Dec 31, 2014 compared to 19.3pc as of Dec 31, 2013, said the report.

Most of these investments were concentrated in three-year PIBs and were kept in 'available-for-sale' category to effectively manage the market liquidity, it added. The share of investments continued to increase in total assets due to growing stock of government securities with a quarter-on-quarter rise of 13.8pc (25pc year-on-year). "Despite the recent reduction in policy rate, banking profitability is expected to remain intact due to relatively higher return on huge stock of longer-tenor PIBs built during 2014," said the report. During Oct-Dec 2014, assets of the banking sector grew by 8.8pc quarter-on-quarter and 15.4pc year-on-year on the back of seasonal pick-up in advances and heavy government borrowing from commercial banks.

Profitability of the banking sector surged by 49pc year-on-year, while Capital Adequacy Ratio increased to 17.1pc from 15.5pc. “The asset base observed healthy increase due to seasonal pick-up in advances and increase in government borrowing from commercial banks supported by a modest increase in customer deposits. Asset quality slightly improved, while growth in equity led to a considerable decrease in capital impairment ratio,” said the report.

A number of factors that contributed to the sector’s growth included: high mark-up income with major contribution by return on investments in government bonds (grew by 24.7pc year-on-year) followed by some improvement in return on advances (10.3pc); significantly lower provisioning charges (-37pc); higher non-interest income (19.5pc) with improvement in fee based income and dealing in foreign exchange; and substantial increase in gain on sale of securities (44pc).

China-Pakistan corridor: Visibility of the game changer

THE sense of thrill found in the PML-N hierarchy is missing, but Pakistan’s businesses view China’s promise of $46bn investment with a focus on building a China-Pakistan Economic Corridor as a potential game changer. It considers the convergence of the country’s interests, prohibitively deficient in infrastructure, with those of China — which is keen to expand its economic footprint in South and central Asia— a big boon for ordinary and corporate citizens of the country.

Having being disillusioned in the past many times over tall talk about the economy, the business leaders wished China had transferred some token amount of the multi-billion pledge instantly for some doable projects to shore up investors confidence and generate an uptick in the market. They saw the long-term nature of projects for the lack of an instant market response. But for a brief spurt in the capital market, the commodity and currency markets did not react to the deal.

The businessmen missed the inclusion of their class in the two days of festivities in Islamabad and found it rooted in the ruling party’s style of governance, and probably China’s preference for a singular state authority over multiple stakeholders. The perception is strong that the PML-N likes to hold its cards close to its chest and detests the idea of sharing plans and policies with anyone but its inner team of confidantes. Businessmen believe this increases the party’s high level of alienation from the society.

Many of them also expect political bickering on the issue of unilateral change in the China-Pakistan Economic Corridor’s (CPEC) earlier route, which can strain inter-provincial harmony that is necessary for the implementation of the mega project. They fault smaller provinces, particularly Sindh, for not being able to negotiate a fair cut in the huge deal. They particularly mentioned the Karachi Circular Railway project, which have been sold to the Chinese had the PPP-led government done its homework and pursued it properly.

They want the government to share details of economic deals with the private sector, as it is not clear how the amount will be channelised and what exactly would be the combination of aid, loan and grant for project financing etc. Senior business tycoons hammered upon the need for transparency and information sharing to ward off the risk of leakages leading to a situation where individuals and companies benefit at the cost of the country. They mentioned many instances of liberal resource inflows into the country that failed to create the desired impact.

Arshad Saeed Husain, president of the American Business Council, was optimistic. In an e-mailed response, he said: “Pakistan desperately requires investment in infrastructure and energy projects, so we view the announcement positively. A deteriorating infrastructure coupled with energy shortages and compounded by security concerns have kept investors at bay”.

“A renewed commitment to the CPEC bodes well for investors groups that are already in Pakistan as well as for investors looking to enter the country,” he added. Muhammad Rafique Ibrahim, a leading textile tycoon, was also optimistic. “There are questions begging answers, but all in all China’s investment commitment is a sign of growing confidence in Pakistan. It might take some time before the gains become visible, but the bottom line is that Pakistan is not losing but gaining support,” he said over phone.

Majyd Aziz, who is active in multiple business forums, focused on Pakistan’s geographical advantage and the convergence of its interests with China’s. “Yes, it is great if Asia’s rising giant is willing to hold our hand, but there is no free lunch in business. The CPEC will benefit Pakistan, but its value to China is probably yet to be understood. A report suggests that savings on trade transit cost for China will compensate its investment cost in Pakistan within the first two years once the route becomes functional.”

Razzak Dewan, another leading businessman, was concerned about what he called an ‘invasion’ of Chinese goods eroding the country’s manufacturing base. “Infrastructure takes time to develop, but our immediate worry is dumping of goods by Chinese companies in Pakistan, driving people out of business. Something should be done to check the trend”. Tariq Rafi, another reputed businessman, hinted at the tardiness of the Sindh government. “If Punjab can get money for the Orange Line from China, I am sure funding for the circular railway wouldn’t have been an issue had the Sindh government been persuasive.”

Saleem Mandviwala, a businessman-turned-politician from Sindh said the last PPP government had worked hard on cultivating relationships and generating a level of comfort between the two nations to draw them closer economically. “The PML-N must control its temptation to go solo. It is imperative that the ruling party adopts an inclusive approach and lets other segments and parties participate in the planning and implementation of the CPEC,” he said.

During his two-day visit last week, China’s President Xi Jinping had signed multiple agreements amounting to an investment of $46bn — about three times the total foreign direct investment received by Pakistan in the last one decade. According to details under the CPEC plan, the Chinese government and banks will lend to Chinese companies for investment in identified projects. About $15.5bn worth of coal, wind, solar and hydropower projects will come on-line by 2017 and add 10,400MW of electricity to Pakistan’s national grid. A $44m fiber-optic cable will also be built.

DAWN

Pakistani bank among winners of ADB award

Habib Metropolitan Bank is among the 12 banks of Asia and the Pacific region that have won an Asian Development Bank (ADB) award for their role in supporting trade. All the awardees, except JP Morgan Chase, are partner banks of ADB’s Trade Finance Programme (TFP). They were presented with the awards at a ceremony held in Manila, Philippines, on Thursday.

The TFP helps fill market gaps for trade finance in developing Asia by providing guarantees and loans to banks to support trade. Backed by ADB's 'AAA' credit rating, the programme works with over 200 partner banks to provide companies with the financial support they need to engage in import and export activities. Since 2009, the TFP has supported more than 6,000 small and medium-sized enterprises in about 10,000 transactions valued at over $20 billion in a wide range of sectors, from commodities and capital goods to medical supplies and consumer goods in the region's most challenging markets.

Pakistan Today

PM says economic indicators improving with each passing day

Prime Minister Nawaz Sharif Thursday said the challenges the government inherited in 2013 were enormous but with the policies of the government now all economic indicators in Pakistan are improving with each passing day. The prime minister said the present government had set the priorities such as energy, education, economy and eliminating extremism, an official statement said.

He said this while talking to a World Bank delegation led by Ms Annette Dixon, Vice President, which called on at the PM House the other day. The prime minister said Pakistan's macro economic situation was improving, inflation was at the lowest level in past 13 years, and foreign exchange reserves were considerably up while fiscal deficit was down. He thanked World Bank for continued support for Pakistan. The prime minister said the government had taken decisive steps against terrorism and extremism. Pakistan had suffered enormously at the hands of terrorism both in terms of financial losses as well as loss of human lives. "We have broken the back of terrorists by destroying their sanctuaries and hideouts," he added.

Pakistan Today

Pakistan, Tajikistan, Afghanistan finalise trilateral transit accord

Pakistan, Afghanistan and Tajikistan are almost near finalisation of draft of the trilateral transit agreement among the three countries. On April 9, the meeting of the working group of representatives of the governments of the three countries opened in Dushanbe. The meeting will agree on a draft of this agreement. "The relevant decision under this agreement will be made at the end of the meeting of the working group," said the ministry of economic development and trade of Tajikistan on Friday.

In January this year, Pakistan handed the draft of the proposed Pakistan-Afghanistan-Tajikistan Trilateral Transit Agreement (PATTTTA) to both the Afghan and Tajik governments and sought their proposals. In the beginning of January this year, Pakistan and Afghanistan held two days negotiations to review Afghanistan Pakistan Transit Trade Agreement (APTTA) and to search out avenues of signing Trilateral Transit Trade Agreement (ATTA) amongst Pakistan, Afghanistan and Tajikistan with an aim to enhance trade volume up to $5 billion over the next three years.

Russia to invest $2b to build natural gas pipeline in Pakistan

Russia will invest a whopping $2 billion in Pakistan to build a 1,100-kilometre pipeline from southern port city of Karachi to Lahore to transport liquefied natural gas. "Pakistan and Russia have finalized an LNG pipeline deal in a recent meeting in Moscow and the two countries will sign a government-to-government basis deal next month," Petroleum Minister Shahid Khaqan Abbasi was quoted as saying by a local newspaper.

Abbasi said that in return for the investment, Russian companies will be awarded the contract to build the pipeline.

"Russia will start its first LNG exports in 2016 and has also offered to sell gas to Pakistan," he said. The formal agreement between the two sides is expected to be signed next month, following which Pakistan will also sign a commercial agreement with a Russian firm that Moscow will identify as its preferred contractor to build the pipeline. According to the agreement, the contract will be awarded without any formal bidding process. The financing for the LNG pipeline comes as a prelude to Russia's offer to sell LNG to Pakistan.

Russia is the second-largest producer of natural gas in the world, and is seeking to diversify its export markets after a spat last year with the European Union, its main buyer, over Ukraine. Russia promised to make investment after relations between the two Cold War rivals increased in recent years.

Several years back, former Soviet Union financed the construction of the state-owned Pakistan Steel Mills in Karachi. The Soviets had also provided oil drilling equipment for the state-owned Oil and Gas Development Company. Pakistan is working on two pipelines to transport re-gassified LNG from Karachi to the northern parts of the country. The first pipeline will connect Gwadar Port to the main natural gas pipeline hub in Nawabshah, while the second will connect Karachi to Lahore.

Pakistan Observer

China's investments likely to soar economic growth upto 8pc

Friday, April 17, 2015 - Islamabad—China-Pakistan Economic Corridor (CPEC), being termed as game changer is focused to help Pakistan improve its economic growth from 4.5 to 8 per cent by turning it into a hub of trade and investment. Some experts in the field believe its fruition can make Pakistan to become one of the top 25 economies of the world. The Chinese President during his upcoming official visit to Islamabad would formally inaugurate this mega project worth US$ 45 billion. It would further cement the existing bilateral trade and investment relations.

This project is backed by political forces in the country as it is considered a milestone for the future regional integration. Traders, business community and economic experts also believe that the historic project between the two friendly countries would leave a lasting impact on geo-economic position of the two countries. Hailed as a project of an immense potential, the business community said it would bring economic uplift in the country.

President Islamabad Chamber of Commerce and Industry (ICCI), Muzamil Hussain Sabri billed CPEC as the biggest economic project, which would impact positively on local economy and the whole region. He said that CPEC is an under-construction development project, which would link

Gwadar Port to China with network of highways, railways and pipelines adding that the route would be used as a primary gateway for trade between China and the Middle East and Africa.

“The project would not only be a way for economic prosperity of Pakistan but would also be beneficial for the people around the globe as about 3 billion people from China, South Asia and Central Asia, would benefit from this project”, he added. He said that it would also change the foreign investment scenario of the country as it would lure in other investors as well. Besides creating job opportunities it would open many new avenues of investment in infrastructure sector development, energy generation and would generate production activity in the country, he added.

The ICCI head said that business community fully supported the initiative of the two countries and were waiting for its early completion, which would boost business activities in the two countries. Replaying to a question he said that the CPEC project would have multiple benefits for the exports of the country as cost of transportation will be reduced and road links would also enable easy access of agricultural products’ exports to Central Asian States.

Muzamil Sabri said that recent visit of Chinese President to Pakistan would further strengthen the bilateral diplomatic, trade and economic relations. Cooperation in energy sector would bring a sort of revolution in trade and industrial sector of the country. Both the countries are committed to enhance their cooperation in different source of energy generation, he added. Commenting on the project, Senior Research Fellow, Islamabad Policy Research Institute (IPRI), Muhammad Munir said that the project has four pillars including energy, infrastructure, roads link, industrial parks and trade enhancement through land and seaports.

He said that it would link the region with energy rich Central Asian States through Gawdar, which would help in addressing the energy issues for rapid industrial growth in the country. The CPEC project would be completed at an initial cost of $ 45.6 billion where over $ 30 billion would be spent on energy development projects and $ 11.8 billion on infrastructure as well as on road links, he said.

Daily Times

PTA gives awards to best app makers

The Pakistan Telecommunication Authority (PTA) has conferred awards and cash prizes on the winners of “Pakistan Mobile App Awards 2015”.State Minister for IT and Telecom Anusha Rahman presented the awards to the winners of the competition at a hotel. PTA Chairman Dr Ismail Shah, PTA Member (Finance) PTA Tariq Sultan and Member (Compliance and Enforcement) Abdul Samad were also present. The event was attended by representatives from the government, telecom industry, academia, media and parents of the awardees.The awards were given in two categories. In students’ category the 1st position was won by International Islamic University students Rabia Jabbar and Hamna Shaheen for developing the pre-school champs mobile application whereas the 2nd position was grabbed by Military College of Signals student Waqas Ajmal and his team for developing catch the bus mobile application.

In professional category, 1st position was won by Hassan Baig and his team for developing the Internet tutor app whereas 2nd award was given to Dr Hammad Cheema and his team for developing the OMNES app in the security domain. The PTA also praised the efforts of two talented Pakistanis Iram Tariq Bhatti and Shahryar Khan for their achievements at the international level. They were also given awards. Addressing the ceremony, Anusha Rahman said that the PTA has taken this initiative proactively which should be appreciated and followed by the whole telecom industry especially by the operators to take maximum advantage from the innovative development work of these young innovators.

Praising the winners, she assured them of the effective utilization of these applications by the related organisation. She said that the initiative would go a long way in developing a strong relationship between the academia, industry and the relevant government organisations and would turn out to be exemplary for the rest of the sectors of our economy. She said, "We are working for the development of telecom sector on priority basis. The revenue of telecom sector will reach Rs 800 billion in next 5 years, whereas till year 2020 this revenue is expected to reach $4 billion. Government of Pakistan is also establishing tele centres in different areas of the country, especially in rural areas. This year 2015 is also declared the year of IT. We are starting 9 IT projects of Rs 20 billion in Khyber Pakhtunkha and Balochistan.".

PTA Chairman Dr Ismail Shah said, "We at PTA believe in harmonized efforts for the uplift of ICT Industry of Pakistan as we look forward to carrying out significant projects in partnership with the operators and solution providers in the future as well. The Pakistan Mobile App Awards is to bridge the gap between industry, academia and the regulator." SUPARCO Chairman Major Gen (r) Ahmed Bilal and Rukhsana Zuberi also spoke.A total 100 applications were received which were later on scrutinised and evaluated by a committee of IT and software experts.