

TRADE CHRONICLE

PAKISTAN'S OLDEST MONTHLY MAGAZINE OF COMMERCE, TRADE, INDUSTRY & PUBLIC AFFAIRS



Prime Minister Muhammad Shehbaz Sharif commended Finance Minister Ishaq Dar for tabling the Finance Bill 2023-24 in the National Assembly.



Prime Minister Muhammad Shehbaz Sharif inaugurated the 4th International Textile and Leather Exhibition, TEXPO at the Expo Centre in Karachi.



AD Ports Group, a global trade, logistics, and industry leader, signed a concession agreement with Karachi Port Trust (KPT).

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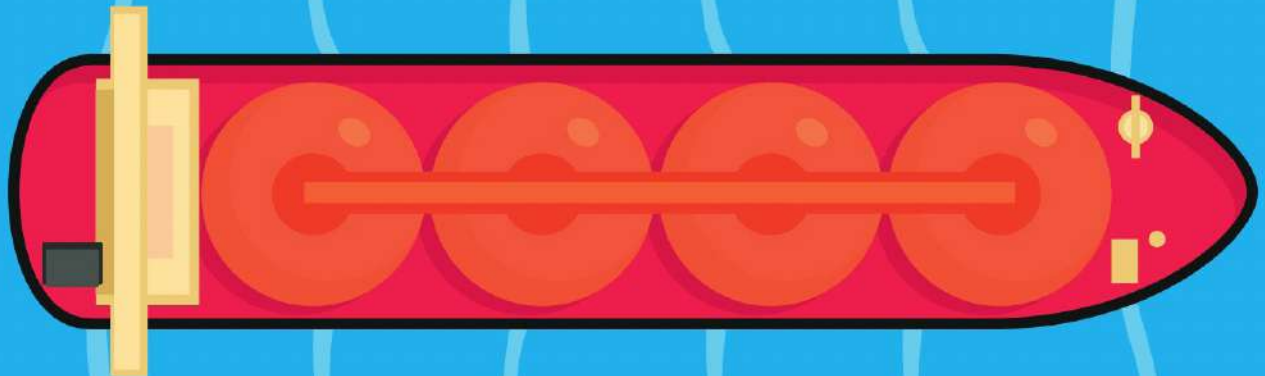
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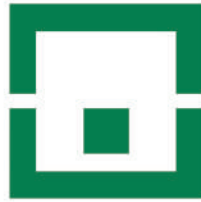
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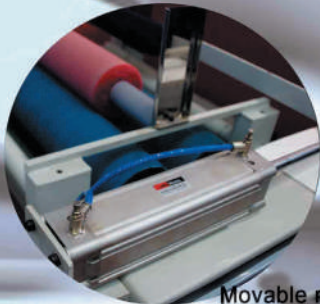
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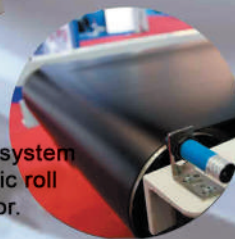
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Federal Budget FY 24 draws a mixed reaction

The Federal Government, Sindh and Balochistan have announced a budget for twelve months of FY24, and the Caretaker govt of Punjab and KPK made it for four months (July-Oct). The National Assembly passed the Finance Bill 2023-24 with certain amendments to the proposed budgetary measures with a revised outlay of Rs14.48 trillion. Punjab caretaker govt presents Rs1.7tr tax-free budget. Sindh govt unveils deficit budget with Rs2.247tr outlay. Balochistan unveils Rs750bn budget with no new taxes. The Khyber Pakhtunkhwa caretaker government presented Rs 462 billion spending plan for four months – July 1st to October 31st – of the fiscal year 2023-24, focusing on ongoing development schemes.

Experts believe that NA approved the federal budget as Pakistan tries to secure a crucial IMF deal in a final effort to clinch a much-delayed Staff level agreement between GOP and IMF. Under the approved bill, the tax collection target has increased from PKR9,200bn to PKR9,415bn, PKR215bn new additional taxes are also imposed under the new amended bill and the federal development budget is allocated at PKR950bn. A total of 9 amendments were introduced in the finance bill, and all of them were approved.

The federal government sets a 3.5% GDP target for FY24, which requires full facilitation from all provinces.

The initial feedback/comments from the industry and the public have mixed reactions on salary, pension, minimum salary and new taxes. The agriculture, IT sector and SMEs have received the expected incentives. In contrast, the burning issues of the textile sector could not receive due attention in the budget.

In pre-budget proposals, the All Pakistan Textile Mills Association (APTMA) had urged the government to restore the regionally competitive energy tariff (RCET) regime with a gas price of \$9/MMBtu and electricity tariff of 9 cents/unit for FY24. Recall that textile exports increased 55 percent, from \$12.5 billion to \$19.5 billion, during FY22 because of RCET. No decision was taken in the approved budget. Still, some more industries need to get the relief desired by them.

A long-awaited demand has been met in the budget for creating an Export Council of Pakistan under the leadership of the Prime Minister of Pakistan. This Council will hold at least one meeting every quarter and take decisions related to exports. To promote the export of Minerals and Metals, sales tax exemption will be given on any local purchase through any online marketplace.

The government now aims to generate another Rs215 billion in taxes and cut spending by Rs85 billion without reducing the federal development budget or the salaries and pensions of government employees, which will be difficult, reportedly.

Economic experts said the IMF orders would revise the revenue collection target to Rs9.415 trillion, put total spending at Rs14.48 trillion, and increase the provinces' share to Rs5.39 trillion from Rs5.28 trillion. The government will collect Rs70 billion from fertiliser duty, Rs45 billion from tax on buying and selling property, and Rs30 billion from an increased tax on people earning above Rs200,000 monthly.

Govt has claimed to cut spending by Rs85 billion, raise Petroleum Development Levy from Rs50 to Rs60 per litre and introduce a scheme worth Rs80bn to boost remittances. The Benazir Income Support Programme allocation was revised from Rs450 billion to Rs466 billion. We understand these measures would not affect low-income people, which is highly unlikely.

During the ongoing budget debate, the State Bank has withdrawn import restrictions on importing different raw materials. The allowance of imports could pressure the

***From the
editor's
desk***



Abdul Rab Siddiqi

ABDUL RAB SIDDIQI

forex reserves and possibly the currency unless new flows are generated to provide some respite.

We believe high markup and inflation coupled with an expected increase in energy prices, a tense situation on the political front, an increase in export, insufficient reserves of the greenback and holding of a general election will lead the country's economic direction in addition to ending the

Russian fight with Ukraine and prosperity internationally.

The top worry factor is Pakistan's gross external financing needs at a whopping US\$91.54bn over three years, from FY24 to FY26.

A leading paper has pointed out that a country's budget is supposed to be much more than a presentation of a statement of income and expenditure; it is the

most important economic policy document to shape and move the economy in the desired direction.

Unfortunately, this budget does not do this. No word on the State-Owned Enterprises (SOEs) continue to haemorrhage the exchequer or, for that matter, the energy sector reforms that beg immediate attention of the government.

Editorial Comments **New IMF funding for Pakistan**

For nine months, Pakistan has entered a new US\$3bn IMF short-term program, Standby Arrangement (SBA). The Karachi Stock Exchange (KSE) immediately responded well and saw an unprecedented rise in numbers. Recall here that Pakistan has entered into such IMF SBA in the past, also in 2008 and 2000.

Topline Research has termed this new program far better than expected and adds that this funding of US\$3bn for nine months will help restore investor confidence. Analysts believe that Saudi, UAE, and other bilateral and multilateral funding will come in after this new

deal helps to deplete FX reserves.

There will be some discipline until Dec 2023, which could not be due to upcoming elections (where the gov takes popular measures) if Pakistan had successfully or unsuccessfully completed this EFF. It's a blessing in disguise.

Now, the caretaker government will have a road map on what to do for economic stabilisation. In spite, it asked that interest rates may remain high as IMF says SBP to remain proactive in line with inflationary pressure. The other encouraging sign is that the PKR may gain both in the interbank and open market in the short run. But we do expect a major and sustainable recovery. According to IMF, there is no more interference in the currency market

now, as it says SBP is committed to full market determination of exchange rate.

Besides, power sector reforms may be introduced, including a further increase in tariffs. It ultimately pushes up business costs in the country.

Also, the government has withdrawn import restrictions. Pakistan has been witnessing current account surpluses for the last three months. This is partly due to import restrictions, whereby the SBP had directed banks to prioritise imports of certain essential items such as food, energy and medicines. This advisory now stands withdrawn in an apparent nod to the IMF. This could put pressure on foreign reserves, experts feared.

PSX performance remained lacklustre during FY23

Pakistan's stock market remained flat during FY23 amid a challenging economic situation alongside political uncertainty during the year, to close at 41,541 points while down 29% YoY on a USD basis. The benchmark equity bourse experienced a volatile period recently amid uncertain events on the back of various exogenous and macroeconomic indicators turning red, dampening the index's sentiment. Factors like mounting external sector challenges, delay in the resumption of the IMF program, ballooning fiscal deficit, upsurge in inflationary readings, and 825bps jump in the policy rate taking it to a historic high level of 22.0% - all combined made equities least attractive.

In addition, during FY23, the foreign exchange reserves held with the SBP witnessed a substantial decline of USD 6.2bn, reaching USD 3.5bn by the end period. This resulted in the Pak Rupee losing significant ground against the USD, closing at 285.99/USD on the last working day of FY23.

AHL Research going forward on an optimistic note, says that the successful resumption of the IMF will pave the way for inflows from other multilateral and bilateral partners and friendly countries which should shove up the country's FX reserves and relatively ease-off pressure on the external front.

Additionally, experts view headline CPI to start tapering off from Jun '23 onwards due to the high base effect of the prior year. However,

the future inflation outlook relies heavily on the successful revival of the IMF program, the impact of budgetary measures and effective management of debt repayments, which will potentially curb any major downside in the Pak Rupee. If this plays out in time, a bet can be placed on interest rate cuts one year down the line, attributable to lower inflation levels.

Despite the economic headwinds, KSE100 posted profitability growth of 8.8% in 9MFY23, while for FY24, experts expect earnings growth of 8.3% which should support the index in the future. Therefore, stock pundits advise investors to cherry-pick long-term stocks backed by strong fundamentals, including USD revenue stream companies and minimal or leverage-free balance sheets with strong payouts.

Pakistan Budget for the Fiscal Year 2023-2024

By Dr. Muhammad Nawaz Iqbal

The federal government expects inflation to be about 21% for the fiscal year 2023-2024, with an overall budget allocation of PKR 14.46 trillion. It aims to attain a GDP growth rate of 3.5% during this time. It is clear from the history of Pakistan that the nation faces time to time serious economic problems that require short-term and long-term measures. Learning from other countries' experiences navigating comparable financial crises is crucial to examining viable remedies. The fiscal year's budget reveals several topics that need more thought and analysis. Even though it could address some of Pakistan's ongoing economic problems, it is crucial to discuss their complexity.

According to experts, the budget does attempt to address specific industries and put in place policies that promote economic growth and stability. The budget encourages industrialisation and investment by considerably lowering customs charges and extra customs levies on importing intermediary/industrial commodities under the 10 Pakistan Customs Tariff (PCT) codes. To encourage industrial output, the budget avoids placing higher tariffs on necessary goods like agricultural production seeds, fertiliser, and vital components for industrial production. For Pakistan, FY 2023-24 will be a year that marks economic stability and recovery. The government continues to implement policies to maximise resource creation for the development and welfare of the people, including tax and non-tax resources. PSDP is being enhanced to Rs. 950 billion to spur economic growth and provide job opportunities in the nation.

Comments on provinces' budget

The budget's expenditure is Rs2247.581 billion for the forthcoming fiscal year 2023-2024 for the province of Sindh. The budget is concentrated on providing the province with inadequate social protection and

aiding individuals impacted by the floods. The overall development budget has risen by 72% to Rs700 billion. However, there is no financing for environmental protection in the development budget. The budget includes several effective programmes to raise educational standards and widen access to educational opportunities. The government employees in Sindh would receive a 35 percent pay increase. The Sindh government announced the provincial budget for FY2023-24, proposing a rise in government employee pay of 35%.

For Punjab Province, the budget's entire expenditure, from July to October 2023, is Rs. 1719.3 billion. The budget includes a 20% boost in pensions for retirees over 80 and a 30% pay raise for



government workers. Additionally, the budget increases funding for several industries, including agriculture, education, health, and information technology. Health and education spending has grown by 31%.

Baluchistan's provincial government would invest Rs 35 billion in development grants, while another Rs 39 billion will come from external finance. Estimates place the fiscal year 2023-24 deficit at Rs49 billion. The province finance minister emphasised that 4,721 development programmes with a budget of Rs170.7 billion will be implemented. Conversely, Balochistan plans to spend Rs. 53.6 billion on economic matters and Rs. 61.8 billion on public safety. A further Rs492 million has been set aside for environmental preservation. While spending Rs 42.8 billion on the health sector, the government would spend Rs 27.5 billion on housing and amenities. The interim administration of Khyber

Pakhtunkhwa approved a budget of more than 462 billion rupees for the initial four months of the fiscal year 2023-2024, which was presented on June 20, 2023. Over 51 billion dollars were allotted for populated regions, and 8.6 billion dollars were given to combined districts under the Annual Development Programme. Additionally, 112 billion for developmental costs and 350 billion for non-developmental expenses were allowed.

For the fiscal year 2023-24, Pakistan aims for GDP growth of 3.5%, expects inflation to be 21%, and will have a budget deficit of 6.54% of GDP, just under the current year's revised forecast of 7%. Low tax collection rates have made it difficult for Pakistan to generate enough money. This has resulted in a small tax base. It is common to rely heavily on indirect taxes instead of direct taxes because of the informal sector and widespread tax evasion. The inequity impairs the fiscal system's capacity to diversify its revenues. In Pakistan, there is a large budgetary imbalance between the provinces. Some provinces struggle to generate money and rely significantly on handouts from the federal government. Addressing these inequalities and improving budgetary autonomy remain difficult at the provincial level. Public debt in Pakistan has been a significant issue. The nation's debt load has significantly increased due to high budget deficits.

A considerable amount of the government budget is spent on paying down the debt, which leaves less money for social welfare and development initiatives. Comprehensive reforms are necessary to address these fiscal issues, including bettering tax administration, enlarging the tax base, rationalising subsidies, promoting accountability in public spending, implementing efficient debt management techniques, and encouraging economic growth to increase revenue generation. To get the latest information about Pakistan's budgetary difficulties and the steps the government has taken to solve them, it is crucial to check current sources.

Pakistan sets an ambitious target to address economic issues

By Abdul Rauf Shakoori & Dr Ikramul Haq

The Pakistan Democratic Movement government presented its second budget on June 9, announcing some ambitious targets to address economic vulnerabilities and accomplish the goal of economic sustainability in the country. The government has set the GDP growth target at 3.5 percent, while expecting 21 percent inflation.

The medium-term micro-economic framework indicates that imports for the FY 2024 are projected at \$58.7 billion, whereas the export target is set at \$30 billion leaving a huge gap between imports and exports. However, the targets for the FY 2023 were initially projected at \$66.4 billion (imports) and \$32.4 billion (exports) respectively. These were revised at a later stage and brought down to \$54.5 billion and \$28 billion, for imports and exports, respectively.

The overall outlay of the budget 2023-24 is Rs 14.46 trillion. This includes both bank and non-bank borrowings of Rs 3.4 trillion, privatisation proceeds of Rs 15 billion, net revenue receipts (both tax and non-tax) of Rs 6.9 trillion and net external receipts of Rs 2.5 trillion. The revenue mobilisation proposals of the government indicate that it is planning to collect Rs 3,759 billion in direct taxes; Rs 1,178 billion in customs duty; Rs 3,538 billion in sales tax; and Rs 725 billion in federal excise duty.

For achieving these targets, the government has introduced a few revenue mobilisation measures, such as improving the regulatory framework, aimed at simplifying trading across the border and boosting cross-border trade.

The initiatives to enhance the ease of doing business are commendable. These include digitisation and use of technology and the introduction of Automated Duty Draw Back Payment System to facilitate exporters. Pakistan Single Window will digitise and facilitate cross-border trade, including measures for automated customs clearance system at all the entry points, such as seaports, dry-ports and land border stations. The government is keen to enhance regional connectivity.

It plans to sign agreements with several countries such as China, Uzbekistan, Russia and Tajikistan to enhance cross-border trade.

The government is also planning to expand the track and trace system already implemented in the tobacco, sugar and fertiliser sectors, to the cement industry. The Inland Revenue Enforcement Network (IREN) has been established to stop the illicit movement of tobacco and sugar.

The government claims that broadening the tax base is its priority. It says regional tax offices (RTOs) have registered 912,392 million taxpayers (by March 31, 2023), against a target of 700,000. They are now aiming to raise the number of taxpayers from 1.2 million filers to 3.5 million in FY 2024.



To add value in revenue mobilisation and save time and cost the government's approach is to introduce soft initiatives. However, these soft measures might not survive the heat of various taxes and duties that will suppress the impact of such measures and raise the cost of doing business, which is a continuous hurdle to industrial as well as revenue growth.

In non-tax revenue measures, Petroleum Levy (PL) budgeted at Rs 869 billion stands out. It is reported that the government is going to raise the PL from Rs 50 to Rs 60 per litre. This raise will spur both inflation and the cost of doing business. The targets for Gas Infrastructure Development Cess and Natural Gas Development Surcharge are Rs 40 billion each.

The projected growth in non-tax revenue is around 83 percent. The government estimates an increase in profits from State Bank of Pakistan alone at Rs 0.7 trillion, contributing around 55 percent to the estimated total growth of Rs 1.3 trillion in non-tax revenue. Suggested orthodox measures will not add any out-of-the-box value

but further stress the current taxpayers and the already struggling families to meet their budgetary targets.

These figures show a non-serious attitude towards introducing policy measures to address fiscal challenges through revenue growth although the government is still in the International Monetary Fund's approved Extended Fund Facility (EFF) having agreed with the lender to initiate structural reforms as a condition. However, despite a lapse of four years, it has failed to honour this commitment.

The focus during the last four years has remained on implementing action items to meet our fiscal needs, which included imposing taxes, surcharge, duties and raising prices of electricity and petroleum products and presenting mini budgets.

However, policy actions, such as privatisation, curtailing of circular debt, reducing the government's footprint in the state owned enterprises (SOEs), combating corruption, reviewing excessive regulations discouraging people from paying taxes, registering properties and cross-border businesses, streamlining the FDI approval process, investing in human capital and education, initiatives for improving product market accessibility and adoption of information and communication technologies have been ignored.

The divestment of two LNG-based power plants, a development finance institution and a small public bank, agreed with the lender, are still on paper only.

These facts and the budget documents released by the government for the forthcoming financial year indicate that a similar practice will follow in the near future. Fiscal challenges will be met by raising duties and imposing taxes/ surcharge on the current taxpayers. The budget documents lack a strategy to plug leaking of revenue. There is no visible eagerness for privatisation of loss-bearing SOEs and amendments in relevant laws to simplify the process.

Improving governance and curtailing corruption remains a big challenge. The lender was promised a review of the anti-corruption framework and improvement in accountability laws.

Though the incumbent government has made certain changes in the accountability law, these have yet to align with international best practices.

Money laundering is another challenge. Though the global watchdog (FATF) removed Pakistan from the list of jurisdictions under increased monitoring, we have yet to comply with some recommendations on technical compliance and effectiveness levels on eleven desired outcomes.

The government's approach to movement of illicit funds has been passive. This is a matter of concern. In 2023-24, the government is expecting to receive \$33 billion from foreign remittances. It has introduced various

incentives for overseas Pakistanis. However, there is no mention of preventing the smuggling of greenback, improving border controls and training of officials to enhance their knowledge and awareness on various techniques of currency/ instruments smuggling, utilising modern tools for prevention.

The significant gap between inter-bank and open market dollar rates is promoting the informal remittance system. Effective measures are needed against the operators of alternative remittance system (hundi and hawala).

Persisting with the same exercises/ mistakes will not get us different results. Undoubtedly, the government is facing huge challenges. Still, there

is potential to address those as long as there is willingness to adopt best contemporary measures to deal with them. This time the federal budget, prepared by our fourth-time finance minister, was expected to focus on concrete policy measures to help ease the financial burden on the people, paving the way for generating enough revenue for improving social indicators and building infrastructure. However, he has opted for his predecessors' approach of regressive taxation.

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Punjab caretaker govt presents Rs1.7tr tax-free budget

The Punjab caretaker government approved an Rs1,719.3 billion outlay tax-free budget for four months, July to October, for the fiscal year 2023-24. Government employees' salaries were increased by 30pc, pension by 5pc, and the pension of above 80-year retirees was increased by 20pc. Addressing a press conference, Punjab Caretaker Information Minister Amir Mir, Industry Minister SM Tanveer and Secretary Finance Mujhaid Sherdil said the caretaker setup approved the four-month estimated expenditure under Article 146 of the Constitution.



The caretakers allocated Rs721.9 billion for current expenditures, Rs325 billion for development, Rs395.2 billion for the food account (disbursement of loans for wheat procurement) and Rs277.2 billion for capital expenditures. The provincial government expects Rs1,514.4 billion in receipts from different sources in the first four months, including federal divisible pool and provincial revenue receipts.

The government set an Rs579 billion revenue target for the fiscal year 2023-24, of which Rs393 billion were expected from the provincial revenue receipts and Rs186 billion from non-tax revenue. The government allocated Rs116 billion for pension payments.

The total four-month expenditures were estimated at Rs1,719.3 billion, of which Rs881 billion would be received

from the federal divisible pool and Rs194 billion from the provincial revenue receipts.

The ministers claimed that the education and health budget was increased by 31pc, and 30pc ad hoc increase was given in the salaries of the government employees. All provincial taxes on the IT industry had been abolished, and an Rs1 billion endowment fund had been established for the journalist community. The ministers also announced an Rs70 billion allocation for social welfare and protection and Rs120.4 billion for the provision of services.

In the four-month budget, the government maintained a one per cent stamp duty rate against the proposed three per cent. The capital investment of Rs16.4 billion approved for the Punjab Thermal Power Company Limited would be made in the next two months, while Rs47.6 billion were approved for the development of the agricultural sector, and Rs10 billion were earmarked for the IT sector.

The finance secretary said block allocation was made in the budget to control inflation. The Punjab government also started repaying loans of Rs600 billion taken from banks for wheat procurement. The loan would be retired in four months. He added that the provincial exchequer faced a daily burden of Rs250 million markup on the wheat business. Explaining the increase in a pension by

5pc for the age group of 60 to 80 years, and 20pc in the pension of retirees above 80 years, the finance secretary said the salary of the employees, who retired earlier, was stopped from the day of their retirement. After which, the departments concerned used to avail a period of one to two-and-a-half years to prepare pension documents. During this period, they used to get a salary and not a pension. But today, the Punjab finance department issued a notification with the approval of the Punjab government, after which the retired employees would continue to receive 65 per cent of their salary till one year after their retirement.

Before it, Caretaker Chief Minister Punjab Mohsin Naqvi presided over the 17th cabinet meeting at the civil secretariat and approved the tax-free budget for four months of the fiscal year 2023-24. The cabinet sanctioned a 30pc salary increase for all the Punjab government employees, which would be given as ad hoc relief. Furthermore, retirees above the age of 80 would receive 20pc increase in their pensions.

The cabinet also resolved to complete 50pc work on ongoing development projects during this period. Of 4,800 ongoing development schemes in Punjab, 2,500 will be completed in the next four months. Approval was granted for Rs16 billion to operationalise a non-functional power plant in the Trimmu area of Jhang, which had been non-functional since 2017. The establishment of an IT Park in Lahore Knowledge Park and an endowment fund of Rs1 billion for journalists were also approved during the meeting.

Sindh govt presents deficit budget with Rs2.247tr outlay



Sindh Chief Minister Murad Ali Shah proposed a deficit-budget outlay of Rs2.247 trillion with a deficit of Rs37.795 billion for the FY2024. He raised the salaries of public employees by 35% for grades 1 to 16 and 30% for grades 17 and up, as well as raising pensions by 17.5%. In addition to a minimum wage of Rs33,750 against Rs25,000 minimum wage, a 35% raise.

He said provincial development expenditure had been proposed at Rs700.103 billion against Rs406.322 billion revised estimates for 2022-23. Total receipts of the province have been projected at Rs2,209.785 billion against Rs1,738.784 billion revised estimates of 2023-24. The budget outlay of provincial expenditures for 2023-24 is Rs2.247 trillion, which marks a 31% increase over budget estimates of Rs1.713 trillion in 2022-23.

Budget estimates of FY2023-24 for current revenue expenditure (CRE) have been pitched at Rs1.411 trillion, 17.65% higher than budget estimates of Rs1.199 trillion for 2022-23. Budget estimates for current capital expenditure have been proposed at Rs136.256 billion, showing an increase of 150% over budget estimates of Rs54.481 billion for 2022-23. Shah said this marked increase might be linked

with excessive interest repayment due to a hike in the forex exchange rate from PKR186 to PKR300 per USD, raising the expenditure disproportionately.

The chief minister said that the budget estimates for federal transfers had been set at Rs1.353 trillion for 2023-24, including Rs1.255 trillion for divisible pool components and Rs64.424 billion for straight transfer components. The estimates show an increase of 27% over budget estimates of Rs1.055 trillion in the current financial year 2022-23. He said they proposed budget estimates of Rs469.9 billion for tax revenue for 2023-24. Next year's collection target for Sindh Sales Tax on services has been set at Rs235.0 billion against Rs180.0 billion for 2022-23. Likewise, the revenue collection target for levies under excise & taxation is Rs143.27 billion, and for levies under the Board of Revenue has been set at Rs55.218 billion.

Budget estimates for non-tax revenue have been proposed at Rs32.0 billion for the next financial year, 2023-24. Other major components of annual receipts are the grants relating to Foreign Project Assistance, Federal PSDP and budgetary support allocations. Murad Ali Shah said they had earmarked Rs312.245 billion for the education sector, representing a 7 % increase over the last year's budget estimates of

Rs292.47 billion. For health services, it has been proposed Rs214.547 billion for non-development activities against the budget estimates of Rs196.454 billion for the financial year 2022-23. A grant of Rs15.316 billion has been kept for the Sindh Institute of Urology & Transplantation (SIUT), Karachi. Rs6 billion has been kept for Pir Abdul Qadir Shah Jeelani Institute of Medical Sciences, Gambat. The grant of Indus Hospital Karachi has been enhanced from Rs2.5 billion to Rs4.0 billion in the next financial year, 2023-24. The grant for the expansion of Indus Hospital Karachi has been enhanced from Rs1.0 billion to Rs4.0 billion in the next financial year, 2023-24.

Budget estimates for the year 2023-24 for the advancement of transport and mass transit system has been proposed to be Rs13.4 billion, with a 92% increase over the budget amount of Rs6.9 billion this year. Shah said the Sindh government is committed to providing all citizens with safe and modern transport facilities at an affordable price. "In line with this, we have provided funds of Rs6.1 billion for the Sindh Intra District Peoples Bus service this year." He said the BRT project in Karachi is being implemented for Rs2.36 billion, adding that the corridor is 3.88 kilometres long and will carry 50,000 passengers daily. He said Rs500 million had been kept for Benazir Women Agricultural Workers Programme.

Balochistan govt presents Rs750 billion budget for 2023-24



Balochistan Finance Minister Zamrak Khan Achakzai unveiled the Rs750 billion provincial budget. During his speech, he added that Rs437 billion had been allocated for non-development expenditure while Rs229.3 billion had been earmarked for Public Sector Development Programme (PSDP). The

provincial government will spend Rs35 billion as a development grant, and foreign financing will add another Rs39 billion. The deficit for fiscal year 2023-24 is estimated at Rs49 billion. The provincial finance minister underlined that 4,721 development schemes would be introduced at a budget of Rs170.7 billion and added that 4,389 new jobs would be created for youngsters. "The

government of Balochistan set aside Rs5.5 billion for health cards," he said.

The budget document revealed that Rs464.7 billion will be received from the federal government. The province expects to generate Rs37.6 billion from taxes and gain an additional Rs19.4 billion from non-tax revenue. The capital receipts of the province during 2023-24 will amount to Rs34.7 billion.

KPK's caretaker govt presented an Rs462bn budget for 4M

Khyber Pakhtunkhwa government presented an Rs462 billion spending plan for four months – 1st July to 31st October – of the fiscal year 2023-24, focusing on ongoing development schemes. The budget comprises non-development expenditures of Rs350 billion and development spending of Rs112 billion. Rs112.385 billion has been earmarked for the development portfolio of the total budget outlay.

In contrast, the total authorised development expenditure has been proposed Rs92.122billion, including Rs43.333billion allocated under settled ADP, Rs8.667billion for settled district ADP, Rs37.132billion for settled FPA and Rs2.991billion for Settled Public Sector Development Program (PSDP), revealing the budget documents. An amount of Rs8.667billion has been estimated Rs 20.263 billion for newly

merged areas of Khyber Pakhtunkhwa, including Rs8.667billion for NMDsADP, Rs10.333billion under the Accelerated Implementation Programme (AIP) and Rs1.263billion for FPA.

The document further revealed that Rs350.041 billion had been estimated for current expenditure from 1 July to 31st October 2023, while Rs309.498 billion has been proposed for total current expenditure (settled) for the four-month.

CPEC: today and tomorrow

By Reema Shaukat

The China-Pakistan Economic Corridor (CPEC) is completing 10 years since its inception in 2013. The government of Pakistan is celebrating the CPEC decade. A variety of activities is planned to acknowledge the achievements and highlight the hopes for the future. The CPEC is a flagship project of China's economic initiative, the Belt and Road Initiative (BRI), which entails collective development via regional connectivity. The CPEC was envisaged to benefit not only China and Pakistan but also to have a positive impact on Iran, Afghanistan, the Central Asian Republics and the region in general.

When the CPEC was conceived initially, China committed \$46 billion investment. The amount was later increased to more than \$60 billion. So far, around \$30 billion has been spent on the projects that have been completed and some that are under way. The CPEC focused development in a variety of areas. These included energy, road infrastructure, Special Economic Zones and social sector. Besides, special projects were conceived and executed for Gwadar. In the energy sector, projects for generating 8,620 MW of electricity have been completed so far in various parts of Pakistan. It is noteworthy that these projects include coal-fired, solar, hydel and wind-powered generating systems. Projects yielding another 5,088 MW have been planned for the future and are currently at various stages of completion.

So far, 809 kilometres of road network have been added to the national highways and motorways. Another more than 1,700 kilometres is to be added. Once completed, these networks will improve connectivity throughout the country. Special Economic Zones (SEZ) play an important role in encouraging business in the country as well as smooth flow of trade. Under the CPEC four SEZs located at Rashakai, Dhabeji, Allama Iqbal Industrial City in Faisalabad and Bostan at Pishin, are either near completion or are in various phases of development. For Gwadar, there have been concerted efforts by China and Pakistan. The development projects undertaken in this regard include operationalisation of the port and its free zones; dredging

of the port; construction of East Bay Express Way; linking the port with the Makran Coastal Highway; New Gwadar International Airport facilitating operation of aircraft as big as A380; upgrade of the water distribution system; Pak China Friendship Hospital; water desalination plants of 1.2 and 5 MGD and provision of 100 MW electricity from Iran.

Comprehensive master plans have been approved separately for the city and for the port to ensure advancement. The Gwadar Smart Port City Master Plan includes facilities and commodities required by any modern city. Work on Gwadar Safe City project is also under way to make the city more investor-friendly.

A wholesome development plan for the port is in place according to which the Gwadar port will have 88 berths by the year 2050. It will be able to handle more cargo than the other Pakistani ports. To facilitate port development and operations, construction of a breakwater is being planned. The construction of a fish landing jetty and support for boat-making industry are also in the pipeline. Special attention is being paid to prepare and equip local manpower with skills needed for the operation of the port and other CPEC related projects. In this connection, vocational training as well as university-level courses are being offered in the relevant areas. It is time higher education in Pakistan shifted its focus to vocational and technical training.

Pak-China Vocational Training Institute at Gwadar, offering state-of-the-art training and boarding facilities is now functional. Socio-economic uplift of the people in regions where CPEC projects are being built has also been a concern for both Pakistani and Chinese authorities. In this context, projects related to poverty alleviation, such as vocational training, provision of technical laboratories, equipment and tools for agriculture, renovation of schools, smart classroom systems, distribution of solar-powered lighting systems and basic health facilities have been undertaken.

In showcasing the decade of the CPEC, one needs to prioritise the role of print, electronic and social media influencers. They should be taken aboard so that the next decade



of the CPEC does not suffer from a disconnect between the policy makers and the local populace.

It appears that there is a need to chart a people-inclusive plan for the next decade of the CPEC which must cater for the involvement of people of Pakistan in the projects. The academia, think tanks and media houses should be encouraged to highlight the CPEC on a regular basis to keep the discourse alive. Capacity building workshops and youth engagement programmes across Pakistan can play a pivotal role in producing technical experts required for running these projects.

An effective communication strategy should be devised for the projection of the achievements during the past decade and future outlook of the CPEC, while engaging social media influencers, bloggers, vloggers and writers. Competitions among media influencers hailing from respective areas can help improve the projection of the CPEC.

Leading universities can be asked to serve or provide support in the under-developed areas of the CPEC by accommodating local students through scholarships, admission quotas and fee concessions. Student exchange programmes among the provinces should be initiated.

Introducing CPEC ambassadors across the country for various categories can also help. For instance, a CPEC ambassador on energy can create his or her team of representatives, including youngsters who can showcase their work via seminars, roundtables, podcasts, op-eds, TV shows, poster competitions and art work. This will help in evaluating every province's strength and weakness.

Pakistan must endeavour to seek benefits from the Digital Silk Route concept. It is the future; the earlier it materialises, the better. The capacity of Pakistani fishermen needs to be enhanced. Fishermen need to be engaged and taught modern trends and techniques in fishing.

Courtesy - The News International

TEXTILE INDUSTRY

Denim mills fly the flag at TEXPO Pakistan

The Prime Minister of Pakistan, Shahbaz Sharif, inaugurated the fourth edition of Karachi-based TEXPO Pakistan 2023, a flagship event of the Trade Development Authority of Pakistan (TDAP), the Ministry of Commerce and the Textile Industry Division.

TDAP claimed foreign buyers placed orders worth \$500 million over the three days and that over 1,000 meetings were held, which would boost textile sector exports for years to come.

Abdul Wahab, marketing director of Siddiqsons, said the mill had expanded its denim fabric capacity from 2.6 million metres per month earlier this year to 3 million metres. It operates a 3.2MW solar power plant and an in-house water recycling facility. He commented

there was insufficient capacity in the country to make denim jackets, which requires skilled labourers.

Aamir Chottani, CEO at Chottani Industries, highlighted to Inside Denim's representative Japanese martial arts pieces made from denim waste, made in collaboration with a Japanese designer. The collection will be displayed at Berlin Art Fair. The Karachi-based factory has a monthly production capacity of 150,000 pieces and is constructing solar and water treatment plants.

Sarah Adnan of Garment Resources discussed plans to increase the production capacity of jeans from 35,000 pieces per month to 150,000 per month in the next five years.

Karachi-based Soorty Enterprises produces 8 million metres of denim fabric per month and claimed that roughly every 22nd jean imported into the US, Europe and UK is made by Soorty or uses Soorty fabrics.

Other major denim exhibitors included Interloop, Denim Crafts, Denim One, H.Sadar Ali Akhtar Ali and WE Apparel; and buyers attended from global brands and retailers including Target (US), Ikea (Sweden), KIK, C&A, Metro (Germany), LPP (Poland), Sinsay (Russia) and Boohoo (UK).

Contributed by A.R.Siddiqi, editor of Trade Chronicle in InsideDenim of UK



Textile exports show some respite on a sequential basis

Pakistan's total exports were US\$2.2bn in May 2023, down 16% YoY, but up 3% MoM. Textile exports clocked in at US\$1.3bn, down 20% YoY, but up 7% MoM, representing 60% of total exports. This takes 11MFY23 textile exports to US\$15.0bn, down 15% YoY. We believe sequential improvement came from better order flows and increasing focus on new client acquisition by local textile firms to maintain existing exports.

Key highlights in textile exports

- Value added textile exports were US\$1.0bn in May'2023, down 20% YoY but up 2% MoM. Readymade garments witnessed a rebound within this category and rose to US\$0.3bn, up 8% MoM. This is a reflection of better order flows coming from China mainly to fulfill their local demand, in

our view.

- On the flip-side, bed wear exports have reduced to US\$0.2bn in May 2023, down 8% MoM. The decline was mainly attributable to lower demand from USA and Europe where purchasing power of consumers remained subdued amid higher inflation and interest rates. However, recent inflation readings are encouraging and we can expect some respite in orders soon.

- Non-value added textile exports have clocked in at US\$0.3bn, down 19% YoY, but up 7% MoM. Yarn and fabric exports increased to US\$0.1bn and US\$0.2bn, up by 57%/19% MoM, respectively. This is largely due to better orders, acquisition of new clients and Chinese demand for their local downstream industry.

Outlook

Looking ahead, textile exports are expected to witness some improvement as global inflation and interest rates have started coming off and demand should pick-up soon in major exporting regions (USA & Europe). That said, the outlook for local textile sector earnings remains weak due to withdrawal of power & gas subsidy and elevated interest rates. This, coupled with recent imposition of 10% supertax rate in FY24 Budget and tax on windfall exchange gains, will likely dent sector profits further.

Courtesy - Intermarket

Textile exports recover in May'2023

(USDmn)	May-23	May-22	YoY	Apr-23	MoM	11MFY23	11MFY22	YoY
Total Textile Exports	1,321	1,642	-20%	1,233	7%	15,030	17,624	-15%
Knitwear	333	428	-22%	322	3%	4,045	4,646	-13%
Bed Wear	201	281	-28%	218	-8%	2,451	3,009	-19%
Readymade Garments	268	322	-17%	247	8%	3,172	3,536	-10%
Others	244	273	-11%	235	4%	2,765	3,083	-10%
Cotton Yarn	100	107	-6%	64	57%	737	1,113	-34%
Cotton Cloth	175	231	-24%	147	19%	1,859	2,237	-17%
Pakistan Total Exports	2,200	2,624	-16%	2,137	3%	25,380	28,871	-12%
- Textile (% of total)	60.0%	62.6%		57.7%		59.2%	61.0%	

Source: PBS

A visit to Meraj Limited – a renowned specialised automobile manufacturer in Pakistan

By Abdul Rafay Siddiqi

During a recent visit to Karachi, Pakistan, I had the opportunity to tour the facilities of Meraj Limited at Korangi Industrial Area Rd, behind Main, Sector 15 Korangi Industrial Area, Karachi, Karachi City. The Company is a multinational manufacturer specialising in special application trucks, pumps, and equipment.

The Company, founded in 1976 by Mr Iftikhar Hussain Qureshi, is renowned for using cutting-edge technology and automated engineering methods in production to meet local and overseas requirements.

What astonished me most about Meraj Limited was the scope and scale of its manufacturing facility. The Company boasts a modern, well-equipped plant with a paint shop, CNC shop, R&D department, and calibrated design tools that meet international standards. It was clear that the Company is committed to providing top-quality products to its customers while using the most advanced technology.

One of the most impressive aspects of Meraj Limited's business is the diversity of its product range. From fire trucks and aerial platforms to mobile cranes and municipality trucks, the Company offers a wide variety of products designed to meet the needs of both private and government clients.

Additionally, the Company has earned many European and American product conformity certificates, underscoring its commitment to quality and safety.

As I made my way around the Meraj Limited facility, I was surprised by the dedication and skill of the workforce. The Company's co-polymer department has a diverse range of products produced to meet its wide variety of requirements for their CBUs was particularly impressive, and it was evident that every employee took great pride in their work.

In conclusion, my visit to Meraj Limited made me admire the

Company's commitment to excellence and innovation. The use of advanced methods in the manufacturing process, coupled with the diversity of their product range, ensures that Meraj Limited is well-positioned to continue as a leading manufacturer in the engineering and special application truck sector for years.

Recall that Meraj is 100% family-owned, and the company foundation lays fire apparatus at the core. Meraj's firm belief in quality and commitment towards advancement through



can rely on. From yesterday to today and into the future, MERAJ Tailored apparatus have been and will be, built to take the challenge every time.

With more than four decades in the particular application vehicle industry, MERAJ has evolved from a small workshop to one of the leading OEMs, assemblers and international suppliers of fire trucks and pumping systems. The Company has developed various special application vehicles such as Firefighting Vehicles, Municipal Vehicles, Cranes, Access Platforms, Fuelers, Refuellers and several Disaster Management Vehicles catering to customer requirements in various parts of the world.

Over the years, along with the special purpose vehicles, MERAJ has entered the fire protection and firefighting equipment market. The scope of our equipment ranges from personal protection gear to technical equipment

bearing numerous variants of products based on brands, certifications and specifications. Our technical staff and sales team ensure that the equipment offered meets customers' specific requirements, which differ in various parts of the world.

FIRE FIGHTING VEHICLES

- Urban Fire & Rescue Trucks
- Industrial Fire Trucks
- Rapid Intervention Vehicles
- Aviation Fire Trucks (ARFF)
- Rescue Vehicles
- Roll on / Roll off Containers
- Fire & Rescue Aerials
- Fire Fighting Support Tankers
- Forest Firefighting Trucks
- Rapid Response Vehicles FIRE

For visiting official page:-

<https://www.merajlimited.com/>
<https://www.linkedin.com/company/meraj-limited/>

PORTS, SHIPPING & RAILWAY

Karachi Port and AD Ports Group sign concession agreement for the operation of container terminal

A Chronicle Report

AD Ports Group (ADPG) signed MoU with Karachi Port on May 15 and finally concluded a 50-year concession agreement on June 22. A Joint Venture between AD Ports Group, as a majority shareholder, and Kaheel Terminals, a UAE-based company, has been formed to manage, operate and develop the Karachi Gateway Terminal Limited (KGTL), berths 6-9 at Karachi Port's East Wharf.

Chief Executive Officer ADPG Captain Juma Shamsi and Chairman KPT Syed Sayedain Raza signed the agreement in the presence of Federal Minister of Maritime Affairs Faisal Sabzwari, Chief Minister of Sindh Syed Murad Ali Shah, United Arab Emirates (UAE's) Minister for Energy and Infrastructure Suhail Mohamed Al Mazrouei, Investment and foreign trade Minister Dr Thani bin Ahmed Al Zeyoudi, UAE Ambassador Sheikh Ahmed Dalmook al Maktoum, Consul General in Karachi Bakheet Ateeq AlRemeithi.

The JV will undertake significant investments in infrastructure and superstructure over the next ten years, with the bulk planned for 2026. The development works will include deepening berths, extending quay walls, and increasing the container storage area.

As a result, the terminal will be able to handle Post Panamax class vessels of up to 8,500 TEUs (Twenty-Foot Equivalent Units), and container capacity will increase from 750,000 to 1 million TEUs per annum.

This expansion and enhancement will further cement the Terminal and Karachi's position as a key player in the maritime industry.

Rail Connectivity MoU

Under this MoU, the parties have agreed to collaborate under a bilateral cooperation framework to develop and upgrade the connectivity of Karachi Port to the railway systems.



Free Zone MoU

This MoU establishes a cooperative relationship between AD Ports and Port Qasim Authority for developing, operating, and managing industrial and free zone facilities in the Port Qasim area.

Digital Solutions MoU

Under this MoU, AD Ports Group and the Government of Pakistan will cooperate in developing digital trade and logistics solutions, including customs digitalisation.

On the occasion, Captain Mohamed Juma Al Shamisi, Managing Director and Group CEO of AD Ports Group, said, "AD Ports Group is delighted to embark on this landmark partnership with the Government of Pakistan."

The signing of the concession agreement with KPT, and the three MoUs, exemplify AD Ports Group's strategy of investing in key maritime trade routes for the UAE, replicating our successful integrated business model in regions that offer long-term, sustainable growth prospects." Syed Sayedain Raza Zaidi, Chairman of KPT, said, "This landmark agreement between AD Ports Group and KPT marks a significant milestone and

holds big potential for the growth and development of Karachi Port. By joining forces, we are paving the way for a thriving container terminal to enhance efficiency, attract investment, and stimulate the economy."

Press continue

Addressing a press conference, Sabzwari said AD Ports would invest in reinforcement and restructuring by acquiring more area. "It will provide the country more revenues and royalty as well per box movement will also increase by 12.5 percent," Sabzwari said

The federal minister noted that this deal would increase our revenue by at least \$5 million to \$7 million per year, and we will see more revenues when they attract more business to that particular container terminal.

Under the agreement, the minister said the KPT would receive \$18 per container as a royalty.

According to AD Port, the minister spelt out JV will undertake significant investments in infrastructure and superstructure over the next ten years, with the bulk planned for 2026.

As a result, the terminal will be able to handle Post Panamax class vessels of up to 8,500 TEUs (Twenty-Foot Equivalent Units), and container capacity will increase from 750,000 to 1 million TEUs per annum. He said this expansion and enhancement would further cement the terminal and Karachi's position as a key player in the maritime industry.

Sabzwari said that the company had shown interest in more berths at the Karachi Port, Karachi Port to Port Qasim railway connectivity network and the industrial park at Port Qasim. So, on the whole, it is more than a \$2 billion expression of interest, he said.

Sabzwari termed the arrival of AD Port in Pakistan as a significant development for uplifting the country's maritime sector. "The footprint of Abu Dhabi port at Karachi port is itself very significant," Sabzwari said.

PNSC transports 80% of the oil products requirement of Pakistan *A Chronicle Report*

Rear Admiral Jawad Ahmed, Chairman and CEO of the Pakistan National Shipping Corporation (PNSC), revealed that 80% of the oil imported into Pakistan is transported through it fleets. Highlighting the critical role of the shipping industry, Rear Admiral Jawad Ahmed emphasised the need to promote and strengthen this sector. His remarks were made during an address at the Korangi Association of Trade and Industry (KATI).

Speaking at the event, Rear Admiral Jawad Ahmed extended a warm invitation to the Abu Dhabi Group, inviting them to invest in Pakistan and become stakeholders at the port.

Pakistan currently expends a substantial \$6 billion on freight for seaborne trade. Recognising the potential of the shipping sector, PNSC has undertaken measures to enhance its growth and development. Rear Admiral Jawad Ahmed mentioned

that collaboration with international organisations in the maritime sector could assist in meeting the demands of shipping lines, particularly regarding manpower.

The President of KATI, Faraz-ur-Rehman, also addressed the audience, emphasising the crucial role of the shipping sector in Pakistan. He expressed optimism about the ongoing revolution in maritime trade within the country. Faraz-ur-Rehman further highlighted Pakistan's abundance of marine resources, such as the port of Gwadar and institutions like the Pakistan National Shipping Corporation. He emphasised the potential economic benefits of recent developments, including the opening

of sea trade with Russia and the arrival of oil shipments.

Faraz-ur-Rehman stressed the need to focus on strengthening the shipping sector in Pakistan. Pakistan needs insufficient ships, leading to foreign companies charging exporters and importers in dollars. To rectify this situation, an atmosphere of healthy competition must be fostered, allowing Pakistan to rival foreign shipping companies.

Fawad Shaikh, Chairman of the Standing Committee, praised the commendable services rendered by the Pakistan National Shipping Corporation, highlighting their contributions to the country despite limited resources.



President KATI Faraz-ur-Rehman presenting a shield to: PNSC Chairman and CEO Rear Admiral Jawad Ahmad at the occasion. Nighat Awan, Muslim Mohammadi, Fawad Sheikh, Ehtesham Uddin, Farrukh Mazhar, Imran Tessori are also present.

The ceremony was attended by several notable figures, including Senior Vice President Nighat Awan, Vice President Muslim Mohammadi, Chairman of the Standing Committee Fawad Sheikh, and former presidents Ehtishamuddin and Syed Farrukh Mazhar, among others.

Pakistan International Bulk Terminal Ltd seeks loan deferment

Pakistan International Bulk Terminal Ltd (PIBTL) informed Pakistan Stock Exchange (PSX) recently that it has requested the International Finance Corp (IFC) and OPEC Fund for International Development (OFID) to defer the repayment of the principal instalment of its foreign loan due on 15 June 2023.

The notification from Company Secretary, Karim Bux, did not disclose the amount payable but said that the company would continue to make the interest payment by the terms of its foreign financing agreements. "Furthermore, the company continues to fulfil its obligations under the local financing arrangements," the notice said.

The company entered into a Build, Operate, Transfer (BOT) contract with Port Qasim Authority (PQA) on

6 November 2010 for the construction, development, operations and management of a coal and clinker/cement terminal at Port Muhammad Bin Qasim for 30 years. It has a built capacity for handling up to 12Mta of coal and 4Mta of cement and clinker, which can be further enhanced up to 20Mta. The total investment in PIBT is about US\$300m.

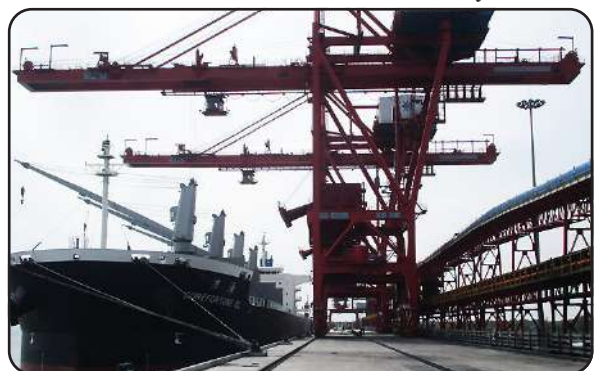
Financial result for 9MFY23

During the period (July 2022-March 2023), the company handled 3.89Mt of cargo against 6.17Mt in the same period last year, which is in line with the industry demand for imported coal. The company's management focuses on strategies to bring more efficiency to cargo handling operations and

provide unparalleled customer service.

During the period, the company has posted a net loss after taxation primarily due to the impact of currency devaluation on US dollar-denominated foreign loans. Financial highlights of the company for the period ended 31 March 2023, compared to last year. It reported a net loss of PKR2.58bn during this period on revenue of PKR6.83bn.

Courtesy - CemNet



Pakistan National Shipping Corporation inducts two oil tanker vessels



Despite the current adverse economic condition of the country, the PNSC (Group) has achieved an 879% increase in profit after tax to Rs.23,956 million in 9MFY23 as against Rs.2,446 million in the corresponding period last year.

The factors leading to the improved financial performance of the Group due to the induction of two oil tanker vessels, M.T. Mardan and M.T. Sargodha, in its managed fleet, which resulted in an increase in freight revenue amounting to Rs.5,778 million, liquid cargo carrying capacity (DWT) by 214,246 Metric Tons and average growth in AFRA from 103 to 222 and World scale from 5.29 to 6.57. The average exchange rate against USD was Rs.241 compared to Rs.174 in the year's corresponding period.

The PNSC standalone results reflect a net profit after tax of Rs.3,968 million compared to a net profit after tax of Rs.84 million in the corresponding period of the last year; the major reason is an increase in slot chartering and TCP business activities.



President Faraz-ur-Rehman presenting a shield to Federal Minister for Maritime Affairs Faisal Sabzwari, Zubair Chayya, Senator Abdul Haseeb Khan, Nighta Awan, Muslim Mohammadi, Chairman Port Qasim Rear Admiral (R) Nasir Shah, and Nasir Sheikh is also present.

FPCCI welcomes the inauguration of Pak – Russia direct shipping service

Mr Suleman Chawla, Acting President FPCCI, has welcomed the inauguration of Pakistan – Russia shipping & cargo service; and pinned his hopes that trade with Russia will usher the country into a new era where considerable pressure will be reduced from Pak Rupee and its parity vis-à-vis dollar; balance of payments can see some stability after the trade volumes are increased on a sustained basis as the commercial transactional procedures and other teething problems are sorted out.

He added that this development would enable Pakistani exporters to export to Russia directly, transshipment costs would be saved, and Pakistan itself could emerge as a transshipment hub.

Mr Suleman Chawla said that Russia has many high-quality products to offer & vice versa, and crude oil tops it all.

Mr Abdullah Farrukh, Convener of FPCCI's Central Standing Committee on Shipping Affairs, informed that direct shipping of cargo has kicked off between Pakistan & Russia on May 25, 2023, as the first ship arrived; and the private sector is fully geared up to play its part in fostering Pakistan – Russia trade and economic relations.

He proposed that Pakistan establish functional and efficient banking channels with Russia to reduce trade barriers. He apprised that the transactions would take place in Chinese Yuan through Pakistani & Chinese banks.



KPT revised the Tariff Rates viz SRO # 522(0) /2023

KPT Board of Trustees has taken a major step by rationalising revising the tariff schedule.

This measure was deemed essential in the wake of the incremental increase in fuel prices, consequently causing a corresponding increase in Labour and Port operations costs.

It is estimated that the increase in tariff structure will help improve the financial position of Karachi port and it would find it comfortable to

discharge the tasks assigned to it.

The revised rates will become effective 30 days after the publication of the relevant SRO i.e. 3rd May 2023, except for the port dues, which will become effective after 60 days.

KPT Board has sanctioned rates under Section 43, read along with sub-sections 43-A and 43-B of the KPT Act 1886.



Transit, bilateral trade: Tajik exporters given full access to Pakistani ports

The Federal Board of Revenue (FBR) in its new rules has given Tajik exporters full access to Pakistani ports for transportation of transit trade cargo and bilateral goods between Pakistan and Tajikistan.

The FBR has issued procedure for processing of transit trade cargo and bilateral goods through the notified ports under Customs Computerized System between Pakistan and Tajikistan.

The FBR has issued SRO 560 (I)/ 2023 to notify Tajikistan-Pakistan Transit Trade Rules 2023 recently.

Earlier, the draft rules were issued in March 2023 under SRO 286 (I)/ 2023.

Under the new rules, the vehicles transporting transit and bilateral goods shall be licensed by the competent authorities of the contracting parties as transport operator authorized to conduct international transportation.

Tajikistan's registered vehicles holding valid permits and are being utilized for the transport of transit and bilateral trade cargo shall enter Pakistan without the requirement of submission of any financial security for the duty and taxes leviable on the vehicle, on the basis of reciprocity, as agreed by the two contracting parties.



The Logistics Facilitation Centre shall record particulars of both driver and vehicle in the CCS and these details should be linked with the FIA's immigration module so that driver can only exit Pakistan, if his vehicle, on return journey, has entered the border Customs station and gate-in event has been recorded in the CCS and vehicle has completed all customs formalities for exiting Pakistan.

DP World cut total global carbon emissions by 5% in 2022

DP World cut direct carbon emissions from its global operations by 5% last year, according to its latest Environmental Social and Governance (ESG) report, reflecting progress towards its 2040 carbon neutral target.

Maha AlQattan, Group Chief People and Sustainability Officer, DP World,

said: "At DP World, we believe in enabling resilience, and building a smart and sustainable future that generates long-term societal impact. In 2022 we saw continued global headwinds but that challenged us to push new frontiers of collaboration. I'm proud that we have cut our direct carbon emissions by 5%, and significantly increased our community contributions. We recognise our impact and are continuing to look at

how we use our resources responsibly, on issues from education to WASH infrastructure, in line with our clear roadmap for the future."



DP World signs deal to double capacity at Indonesia's Belawan New Container Terminal

DP World is set to commence operations at Indonesia's Belawan New Container Terminal (BNCT), after finalising an agreement with the Indonesia Investment Authority (INA) and Pelindo to manage the terminal and begin a major expansion.

The strategic partnership between the Indonesia Investment Authority (INA), Indonesian government-owned port operator Pelindo, and DP World will create Indonesia's most direct link with the Malacca Strait, one of the world's busiest shipping routes.

The agreement was signed by Sultan Ahmed Bin Sulayem, Group Chairman and CEO of

Pelabuhan Indonesia (Persero), and Ridha Wirakusumah, CEO of Indonesia Investment Authority.

In the long term, the agreement aims to increase BNCT's capacity to 1.4

DP World, Arif Suhartono, President Director of PT

million TEUs, up from 600,000 TEUs. BNCT will also aim to attract more direct calls, reducing North Sumatra's reliance on regional hub ports to access regional and global markets.

The BNCT currently serves as a local hub for the neighbouring provinces in Sumatra. The expansion and modernisation programme will strengthen its position as a major trade and logistics gateway in the Malacca Strait.

Alongside modernising maritime infrastructure, DP World will also work with its partners to connect other terminals and small ports on the Island of Sumatra to further realise the BNCT's role in reducing container logistics costs within Northern Sumatra.





CEMENT INDUSTRY

Pakistan's cement industry faces significant challenges recently

cement industry.

On June 09, the State Bank of Pakistan (SBP) released the "Pakistan Economic Survey FY23", critically reviewing all sector performance, including the cement sector in 9FFY23 and the remaining months of FY23. While commenting, Topline Pakistan Research said the outgoing year was one of the worst periods in Pakistan's recent economic history. Pakistan's GDP growth is provisionally estimated at 0.29 per cent for FY23 as against the target of 5 per cent for FY23 and 6.10 per cent in FY22. This will be the third instance in the last 50 years when Pakistan has recorded GDP growth below 1 per cent. In FY09, GDP growth was 0. Per cent due Global Financial Crisis, while in FY20, it was negative 0.9 per cent due to Covid.

Cement industry

Pakistan Cement has faced significant challenges recently, including a decrease in demand due to the impact of floods on infrastructure and a construction slowdown caused by political uncertainty. The government's fiscal constraints and limited foreign aid have delayed rehabilitation efforts, further affecting cement demand. Additionally, the economic slowdown in global markets has resulted in lower cement exports, with countries like Sri Lanka and Bangladesh facing foreign exchange crises. Besides, the industry has also been impacted by the massive increase in prices of construction materials.

The cement industry showed a hefty decline of 24.2 per cent in March FY2023 on a Y-o-Y basis due to a massive decline in exports. Total cement dispatches stood at 3.80Mt as against 5.01Mt last year.

Domestic consumption suffered a contraction of 28.7 per cent and reached to 3.36Mt as compared to 4.71Mt in March FY2022. Despite the challenges, there was a positive aspect with an uptick in export shipments, which surged by 48.5 per cent from 0.30Mt to 0.44Mt over the same timeframe. The launch of two

developmental projects by the World Bank in Afghanistan, resulting in the construction of concrete roads and streets, has created a surge in demand for cement in Afghanistan. As a result, cement exports from Pakistan to Afghanistan have increased significantly in the last two months.

Northern Region

Domestic consumption in the north was recorded at 2.72Mt in March FY2023 compared to 3.85Mt dispatches in the same month last year, thus showing a negative growth of 29.3 per cent. Exports from the north grew by 24.6 per cent and stood at 0.10Mt during the period as compared to 0.08Mt in the same period last year.

Southern Region

Domestic consumption in the south decreased by 26.2 per cent and reached to 0.64Mt in March FY2023 as compared to 0.86Mt in March FY2022. At the same time, exports from the region increased by 57.4 per cent, from 0.21Mt to 0.34Mt in March FY2023.

Cumulative Dispatches

Total local dispatches during July-March FY2023 dipped by 15.5 per cent to 30.56Mt from 36.17Mt last year. Additionally, total exports during the same period amounted to 3.04Mt, reflecting a decline of 34.5 per cent compared to 4.64Mt in the corresponding period of the previous year.

Dispatches in the northern region experienced a significant decline of 16.3 per cent, whereas the southern region witnessed a notable drop of 10.9 per cent in local dispatches. Exports from the north surged by 14.6 per cent, while the south witnessed a fall of 43.1 per cent during the period.

Cumulative dispatches (local & exports) declined 17.6 per cent and reached 33.6Mt during July-March FY2023 against 40.8Mt in the corresponding period. Interesting figure about the

Coal uses

From total coal consumption of 15.416Mt, power, brick kilns, and cement/other sectors consume 47.3, 21.5, and 31.1 per cent, respectively. Furthermore, imported coal was consumed by power plants, cement manufacturing units, and other steel-making industries. During July- March FY2023, domestic coal production figured at around 9.402Mt and about 6.576Mt of coal was imported.

Production

The cement production stood at 36.543Mt in 9MFY22 and slid to 31.733Mt of cement in 9MFY23, translating into a negative growth of -13.16 YoY.

FED on Cement

The collection of Federal Excise Duty (FED) during July-April FY2023 has recorded a growth of 9.8 per cent. The net collection stood at PKR281.2bn during July-April FY2023 as against PKR256bn during the same period last year. The major revenue spinners of FED are cigarettes, cement, beverages/ food, motor cars, air travel, etc.

Track and Trace System (TTS)

The TTS has been implemented in the sugar, fertiliser, and tobacco sectors. Phase-1 of cement sector implementation is planned for June 2023 onwards.

Capacity utilisation

Pakistan's cement industry total capacity at the end of March 2023 reached to 74.24Mt.

Export

The cement export declined in quantity and value by 44.4 per cent and 32.1 per cent, respectively, during Jul-Mar FY2023 because of increased production costs, higher freight charges and soaring coal prices.

A Chronicle Report

What does the Federal Budget FY 24 offer for the construction industry

Federal Minister for Finance and Revenue Senator Mohammad Ishaq Dar announced the Budget for the next fiscal year FY24, with a total budgeted outlay of PKR 14.5trn (up 51 per cent compared to the budgeted cost of FY23) on June 09.

Arif Habib, JS Global, Al Meezan Investment, and other research houses have believed that the Federal Budget for FY24 would impact the cement industry as Neutral to Positive.

Cursory looks indicate that tax measures directly or indirectly benefit the cement, steel, glass and other industries associated with construction in Pakistan.

Budget measures

- Public Sector Development Programme (PSDP) budgeted for FY24 is at PKR950bn, 33 per cent higher than PKR714bn for FY23. Whereas allocation for provinces has jumped up to PKR 1.6 trn, taking the overall PSDP to PKR 2.5 trn vis à vis PKR 2.3 trn last year.

- The bill has proposed that for tax years 2024 to 2026, individuals shall be entitled to a 10 per cent tax credit (up to a maximum of PKR1m) for constructing a new house. Advance Final tax of 2 per cent on buying immovable property through foreign remittance to be abolished.

- Income of builders on new construction projects shall be reduced by 10 per cent or PKR5m, whichever is lower, for the tax year 2024 to 2026.

- PKR157bn allocated to National Highway Authority (NHA) for construction of motorways and bridges (55 per cent growth over revised FY23 number).



D.G Khan Cement maintains its progress

D.G Khan Cement is progressing well due to the backup of dividends from group companies. According to Spectrum Securities Ltd, the portfolio/revenue of DG Khan is promising, given its holding company portfolio with major holdings in banks, textiles, power generation, agriculture, hotels and dairy.

However, the company borrowed a massive loan due to capacity expansion, and working capital requirements at the end of March 23 stood at PKR 42 bn. The likely ease in policy rate on slowing the pace of inflation and resuming economic activities will reduce the company's financial cost in

years to come.

In 2022, DGKC secured an order from the USA to supply 600 000t of high-quality low-alkali cement, expected to bring home a total of US\$360m within the country. Moving forward, 1st consignment of 50,000t of cement was sent in June 2022, followed by 2nd consignment of 37,500t in January 23, and the third consignment was in Feb 23.

DG Khan Cement Company Limited (under the Nishat group is amongst the largest cement manufacturers in Pakistan with a production capacity of 25,000tpd of cement or 7.5Mta. DGKC has three cement plants at Dera Ghazi Khan, Kalar Kahar, and Hub.



During the month of March 23, the company completed the installation of the on-grid solar power plant of 6.952 MW at its Khairpur site, financed 100 by the SBP financing scheme of renewable energy and is planned to replace energy generated from fossil fuel bought from the national grid.

Courtesy - CemNet

Pakistan cement exports continue a mixed trend in 11MFY22-23

The cement industry in Pakistan continued to experience a mixed picture in export revenue during the first 11 months of the current financial year, which runs from July 2022 to June 2023. While the income earned in US dollars decreased, the Pakistani rupee improved due to the currency's devaluation.

BMA Capital, in a research report on the cement industry, commented that the prospect of exports serving as a viable solution for new cement capacities appears reasonable. Analysts anticipate that cement exports will grow by five per cent YoY in FY24 and adequately support utilisation levels (53 per cent in FY24 estimated) in the wake of depressed local dispatches. It expects flattish local cement sales in FY24 due to higher cost of production, restricted government spending and poor purchasing power.

Experts believe the PKR depreciating by over 40 per cent a financial year till date (FYTD) and normalising freight charges will further support export volumes. Economic distress in Sri Lanka and restricted market access to India have pushed local manufacturers to look for alternate exporting destinations. DG Khan Cement, for example, has initiated exports to the US and is also exploring options in South America and Europe. Furthermore, stability in Afghanistan is also a welcome sign.

Based on the latest Federal Bureau of Statistics (FBS) data, the cement industry's export earnings in 11MFY22-23 (July – May) amounted to US\$168.58m, with 3.71Mt of cement and clinker exported worldwide.

This is down from the previous year's earnings of US\$211.19m and 5.47Mt exports, indicating a decline of 20.18 per cent in value and 32.17 per cent in volumes. FBS also noted that in local currency terms, export earnings experienced 13.73 per cent YoY growth, amounting to PKR41.71bn.

This was possible due to a fall in local currency value against the dollar, ultimately benefiting exports of cement in PKR terms.

Lucky Cement plans expansion of clinker capacity in Iraq



Pakistan's leading cement manufacturer Lucky Cement Limited announced its strategic move to enhance clinker production capacity in Iraq. In line with the increasing demand for cement in Iraq, driven by the resurgence of economic activity and a surge in construction projects, Lucky Cement's joint venture company with Al-Shumookh group, Najmat-Al-Samawah (NAS), has resolved to add a new clinker production line in Samawah, Iraq.

This expansion will boost the clinker production capacity by an additional 1.82 million tons per annum (MTPA), reinforcing Lucky Cement's commitment to meet Iraq's growing cement requirements and ensure a sustainable supply of clinker for the Joint Venture cement grinding facility in Basra, Iraq.

The construction activity is slated to commence within the first quarter of FY24 and is expected to be completed

within 18 months.

With the inclusion of this new clinker line, Lucky Cement's overall domestic and international capacities will be significantly enhanced. The updated capacities are as follows:

- Lucky Cement Limited, Pezu, Lakki Marwat: 10.25 MTPA (Fully integrated cement plant)
- Lucky Cement Limited, Karachi: 5.05 MTPA (Fully integrated cement plant)
- Nyumba Ya Akiba, Democratic Republic of Congo: 1.31 MTPA (Fully integrated cement plant)
- Al-Mabrooka Cement Company, Basra, Iraq: 1.74 MTPA (Cement grinding plant)
- Najmat-Al-Samawah, Samawah, Iraq: 1.31 MTPA (Fully integrated cement plant)
- Najmat-Al-Samawah, Samawah, Iraq: 1.82 MTPA (New clinker line)

This strategic capacity expansion aligns with Lucky Cement's core value of entrepreneurship, as the company seeks to diversify its portfolio of products and businesses. In addition to cement operations, Lucky Cement has a well-diversified business portfolio encompassing automobiles, chemicals & agri sciences, mobile phone assembling, and energy, including captive power plants. This diversification not only enhances the quality of earnings but also delivers sustainable value to its shareholders.

Attock Cement sells stake in Iraqi units for US\$11.7m

Attock Cement Ltd of Pakistan has updated Pakistan Stock Exchange (PSX) about selling its 60 per cent share in its Iraqi grinding plant on 21 June 2023. Company Secretary, Irfan Amanullah, has informed PSX that the agreement for the sale of the entire shareholding of the company in its subsidiary 'Saqr Al Keetan for Cement Production Co Ltd' reached, and the company has received a sum of US\$11.700m as a consideration against the sale of 9m shares.



The company will be sold to two buyers i.e., Abdul Lateef Mohsin Al Geetan, an Iraqi national, and Lamassu Babylon General Trading Co, a company incorporated under the laws of Dubai, UAE. The notice adds that the company is now transferring 9m shares to one of the buyers as per the Share Purchase Agreement under the prevailing laws of the Islamic Republic of Iraq. Set up in 2019; the grinding plant has a cement capacity of 540,000tpa.

Cement players expect demand in FY24 to remain stable

Topline Securities hosted the Pakistan Cement Conference 2023, where top executives of major cement players Maple Leaf Cement (MLCF), Lucky Cement (LUCK), DG Khan Cement (DGKC), Cherat Cement (CHCC), Kohat Cement (KOHK) and Pioneer Cement (PIOC) participated in the conference through Zoom recently.

They ruled out unanimous fears of a price war, stating that it would be unwise to start a price war due to economic conditions and slow demand. However, they believed that major price wars have only commenced when capacity has increased by around 50 per cent in a span of one to

two years.

Recall here, the major price wars in the past started in 1995-96, 2006 and 2017 when large capacities came online. The sector has managed smaller increases in capacity in the past without any major pricing indiscipline.

Cement company managements expect demand in FY23-24 to remain stable after a large decline in FY22-23



and expects margins to remain strong. The sector is currently trading at an average EV/t of US\$22/t and is trading significantly below replacement value and remains cheap. The sector has managed the increase in international coal prices by moving towards Afghan and local coal.

Some companies pointed out that they have opened letters of credit for coal from South Africa, which would reduce the average cost of coal. Coal from Richards Bay has declined to the lowest level since June 2021.

As LoC opening restrictions reduce and the supply of South African coal improves, the cost of Afghan coal is expected to decline, topline concluded in its research coverage report.

Courtesy - CemNet

STEEL & ALLIED INDUSTRY

IIL installs 1MW solar power system in Karachi

International Industries Limited (IIL), Pakistan's largest manufacturer & exporter of steel and polymer pipes, proudly announces the successful



commissioning of a state-of-the-art 1 MW solar power system at IIL Factory 1 in Karachi.

This initiative marks a significant step towards IIL's larger commitment to sustainability and reducing its environmental footprint by installing a total of 4MW of renewable energy across all its factory locations.

"We are thrilled to unveil our new solar power system, which represents our strong commitment to sustainability and environmental stewardship," said Mr. Sohail R. Bhojani, CEO of International Industries

Limited. "By harnessing renewable energy, we are not only reducing our carbon footprint but also demonstrating our dedication to responsible business practices and to contributing towards a greener future for Pakistan and the world at large", he further added.

Aside from the significant contribution to carbon footprint reduction, the solar power system is expected to generate substantial cost savings for International Industries Limited over its operational lifespan. By relying on solar energy, the company will significantly reduce its dependence on conventional power, thereby mitigating the impact of rising energy costs and enhancing its long-term financial sustainability.

Agha Steel and Mount Khalid Islamabad sign a MOU for supplying Grade 80 rebars

Agha Steel Industries has recently collaborated with Mount Khalid to supply their cutting-edge Green G80 Ultra High Strength Rebars. This partnership marks a significant milestone as Agha Steel gears up to contribute to the highly anticipated Mount Khalid project, enhancing its structural integrity and durability.

Hussain Agha, CEO of Agha Steel Industries, expressed his excitement about the collaboration, stating, "We are thrilled to partner with this prestigious project Mount Khalid. Our Green Grade 80 Steel Rebars represent a significant advancement in construction materials, offering unmatched strength, durability, and flexibility. We are confident our collaboration will create a structurally superior and

Nadeem Khalid, MD of the Mount Khalid project, also shared his enthusiasm, saying, "We believe in incorporating the best materials and technologies in our projects. Partnering with Agha Steel Industries and utilising their Green Grade 80 Steel Rebars will undoubtedly elevate the structural integrity and longevity of Mount Khalid. We are committed to delivering an extraordinary lifestyle to our residents, and this collaboration is a testament to that commitment."

The joint efforts of Agha Steel Industries and Mount Khalid are set to create a lasting impact on the construction industry in Pakistan. With

sustainable residential building."



the introduction of eco-friendly Green Grade 80 Steel Rebars, structures like Mount Khalid will stand tall, demonstrating unparalleled strength and durability while maintaining a sustainable approach.

Steel industry performance in FY23

According to the Economic Survey for 2022-23, Iron & Steel production nosedived by 4.02 percent during the period under review against the growth of 16.55 percent in the same period last year.

Billets/Ingots, mainly used in the construction industry, experience a negative growth of 14.3 percent, indicating a lower demand from construction-related industries.

However, H/C.R.Sheets/ Strips/Coils/plates grew by 2.7 percent. Non-metallic Mineral Products contracted by 10.75 percent as compared to a 1.08 percent increase last year.

Import

Metal group imports decreased by 33.3 percent and reached US\$ 3344.3 million. The imports of iron and steel declined both in quantity and value

by 36.0 percent and 31.7 percent, respectively.

Imports of iron and steel scrap decreased both in quantity and value by 41.8 percent and 47.6 percent, respectively, during Jul-Mar FY2023.

In the textile group, imports of raw cotton witnessed an increase in both quantity and value by 6.1 percent and 16.3 percent, respectively, during Jul-Mar FY2023 as compared to the same period last year.

LEATHER INDUSTRY

Pakistan's leather industry earns \$ 837.854m in 11MFY23

Pakistan's leather industry has earned export revenue of \$ 837.854 million during the first eleven months (July – May) of the current financial year 2022-23 (July – June), against revenue of \$ 899.828 million earned in July 2022 – May 2023. This translates into a contract of 6.88%, according to data compiled by the Pakistan Bureau of Statistics (PBS). Pakistan Tanners Association (PTA) told Leatherbiz that there are multiple reasons for the fall in the export of leather, leather garments and products due to the withdrawal of the regionally competitive energy tariff on the supply of electricity & gas, withdrawal of drawback of local taxes and levies (DLTL) scheme, high-

interest rate, skyrocketing inflation, restriction on import of sodium sulphide, condition of quarantine certificate on export and import of finished leather, hides and skins and raw material, high cost of imported chemicals, stuck-up of sales tax refund claims, pending release of duty drawback claims and high rate of petroleum products, in addition to challenges on export worldwide.

Despite these odds, Pakistan's leather exports have grown significantly during 11MFY23, with 9.266 million pairs of leather shoes exported at \$127.253 million, representing a growth of 27.28% in quantity and 13.450% in value on a YoY basis. Still, the export of Finished Leather and leather manufacturing, including

garments and goods, has decreased by 19.48% and 7.67%, respectively, in quantity and dollar value on a YoY basis. The breakdown shows that Pakistan exported 10.019 million sq. mtr Finished Leather at \$153.824 million, compared to 14.145 million sq. mtr shipped at \$191.050 million. Thus, export recorded a fall of 29.17% in quantity and 19.48% in dollar value, respectively, over July – May 2021-22.

Similarly, Pakistan exported leather manufacturing, including leather garments, leather gloves and other leather articles, worth \$523.332 million between July and May 2023, compared to \$566.822 million in eleven months of the last fiscal year. This translates to a decrease of 7.67 in dollar value on a YoY basis.

A Chronicle Report

India's leather industry earns over \$5bn in FY23

During the last financial year (April 2022 – March 2023), the Indian leather industry earned US\$5.259 billion against bringing home \$4.872 billion in twelve months last year. This translates to a growth of 7.94% on a YoY basis, according to the Indian Council for Leather Export (CLE).

The breakdown shows that during 12MFY23, finished leather saw a fall of -5.52% in value to \$430.93 million from \$456.10 million in the same period last year. However, leather footwear was up 16.13% to \$2.377 billion from \$2.047 billion, and leather garments by 3.12% to \$353.07 million from \$342.38 million during the same twelve months of the last fiscal year.

Likewise, leather goods exports increased by 1.11% to \$1.301 billion from \$1.287 billion during this period. But Saddlery and Harness's export fell by 19.53% to \$222.17 million from \$276.10 million during this period.

The export of non-leather footwear rose to \$284.98 million, up by 33.10% and footwear components at \$289.81 million, rising by 15.98% during the export period.



Bangladesh's leather industry earns \$1.120bn in 11MFY23

The Bangladesh leather industry saw a nominal growth of 0.42% in export revenue to US\$1.120bn in the first eleven months (July – May 2023) of the current financial year 2022-23 (July – June) from US\$1.115bn earned in July – May 2022, according to the Bangladesh Export Promotion Bureau (EPB).

The breakdown shows that Bangladesh earned US\$114.59 million in exports of finished leather between July and May 2023, compared to \$139.93 million made in the same eleven months in the last fiscal year, which shows a fall of 18.11%.

The breakdown adds that leather products exports increased by 19.43% to US\$361.47 million in July – May 2023, from US\$302.66 million made in the same months in the previous year.

On a negative note, leather footwear exports decreased to US\$644.18 million in July – May 2023 from US\$672.98 million in the same ten months of the previous year. It translates to a fall of 4.28% on a YoY basis.

EPB sets the country's leather industry's export target at \$1.440 billion for 2022-23 (July – June) compared to the \$1.245 billion of the previous fiscal year. The government plans to boost the country's leather and leather goods export to \$12 billion by 2030.



Bangladesh's total merchandise export revenue, including the leather sector, reached US\$45.67 bn in the 10MFY22-23, 5.38% up on the US\$43.34 bn seen in the previous year.

Bangladesh to set up three leather industrial cities

Bangladesh Minister for Finance, A H M Mustafa Kamal, presented the national budget 2023 -24 (July – June) on June 01 and announced decision for promoting the leather industry.

In addition to BSCIC Savar Leather Industrial City, work is underway to establish another three leather industrial cities in Rajshahi, Chattogram, and Dhaka, he briefed in

his budget speech.

He proposed to support the destitute export-oriented RMG and leather sector of Taka 15 billion for the next fiscal year.

He added, "We are implementing multifaceted activities through the concerned departments for skill development. It is to be noted that through the Skills for Employment Investment Programme (SEIP), 13 industrial enterprises and four Industry

Skills Councils, Non-Governmental Development Organisations, commercial organisations, charity organisations, and the textile and garment industry are working directly with four Ministries/Departments. The project imparts basic skill development training in textile and garment, leather and footwear, information technology, light engineering, tourism and hospitality, export-oriented ship-building, women entrepreneurship development, nursing and caregiving and driving.

Fashion brands acknowledge Pakistan as a promising sourcing destination for leather footwear

General Secretary of Pakistan Footwear Association, Ahmad Fawad Farooq as the keynote speaker at the International Summit on Consumer Trends and Supply Chain, held at Expo Riva del Garda in Italy on June 18, 2023, highlighted the strength and potential of Pakistan as a prime sourcing destination for leather footwear. His presentation captivated industry leaders, who enthusiastically expressed their intention to visit Pakistan this year for further exploration and collaboration opportunities.

With a dynamic and rapidly growing economy, Pakistan has emerged as a powerhouse in the manufacturing sector, particularly in quality footwear.

Ahmed Fawad Farooq emphasised two key factors contributing to Pakistan's appeal as a sourcing destination: low labour costs and the abundant availability of raw materials.

He said that the cost advantage offered by Pakistan's labour market had garnered significant attention from international brands. The country's skilled workforce can produce high-quality footwear at competitive prices, making it an attractive option for fashion brands seeking cost-effective manufacturing solutions without

compromising quality.

Further, he said, Pakistan's abundance of raw materials, especially in the leather industry, enhances its appeal as a sourcing destination. The availability of premium-quality leather enables

promising sourcing destination for leather footwear by top fashion brands' sourcing management is a testament to the country's growing prominence in the global supply chain.

Their keen interest in visiting Pakistan this year demonstrates a strong commitment to exploring and leveraging Pakistan's vast potential.



Ahmed Fawad Farooq expressed excitement regarding the fashion brands' recognition of Pakistan's strengths and potential. He stated, "I am thrilled that top fashion brands' sourcing management

has acknowledged Pakistan's appeal as a sourcing destination for leather footwear. This recognition is a testament to the hard work and dedication of Pakistan's skilled workforce and the abundant resources we possess. We look forward to welcoming these esteemed brands to Pakistan and showcasing our country's immense potential and quality."

The visit of these renowned fashion brands to Pakistan will open new avenues for collaboration and provide an opportunity for knowledge exchange, fostering innovation, and driving sustainable growth in the footwear industry. Pakistan's manufacturing sector stands ready to embrace this influx of interest and deliver excellence in quality and efficiency to meet the needs of global fashion brands.

The endorsement of Pakistan as a

PEOPLE & EVENTS

New Chairman of Nadra



The federal government appointed Asad Rehman as chairman National Database and Registration Authority (Nadra) after Tariq Malik

resigned as NADRA Chairman on June 13.

The newly-appointed chairman is a public policy practitioner with 26 years working for the government of Pakistan. He joined the service in 1996 and has experience of multiple sectors and jurisdictions. He has served in the provincial governments of Balochistan, Punjab, and in the federal government.

His current assignment is the secretary of the Board of Investment at the Prime Minister's Office in the federal government, which he calls the most challenging of all assignments in view of the public sector regulatory reforms he is spearheading to attract investments.

Aleem Khan becomes IPP President



Istehkam-e-Pakistan Party (IPP) Patron-in-Chief Jahangir Khan Tareen has announced Abdul Aleem Khan as central President of his newly-formed party.

Jahangir Tareen, who was in London for his medical check-up, in a tweet recently announced nomination of Abdul Aleem Khan.

Aamir Kayani will be the Secretary General, while Tareen's close aide Aun Chaudhry has been appointed as the Additional Secretary General.

Aun Chaudhry will also be the spokesperson of both the party and of Patron-in-Chief Jahangir Khan Tareen.

Karachi mayor, deputy administered oath



The swearing-in ceremony of newly elected Mayor Karachi Murtaza Wahab and Deputy Mayor Salman Abdullah Murad was held at Gulshan Jinnah Polo Ground recently.

Sindh Election Commissioner Ejaz Anwar Chauhan administered the oath to Wahab and Salman while Sindh Chief Minister Syed Murad Ali Shah,

Jawad Sohrab Malik made SAPM on interior

Prime Minister Shehbaz Sharif has assigned the portfolio of Interior to Special Assistant Jawad Sohrab Malik.

According to the Prime Minister's Office, the approval of Jawad Sohrab Malik as Special Assistant on Interior was given by Prime Minister Shehbaz Sharif today, according to which he

Governor Kamran Tessori and Foreign Minister Bilawal Bhutto Zardari were also present.

The mayoral elections in the megacity were held on June 15 in which the PPP leader secured 173 votes while the JI's Karachi Emir Engineer Hafiz Naeemur-Rehman bagged 160 votes.

After taking the oath, Wahab thanked his party leaders, including Bilawal, Asif Ali Zardari and Faryal Talpur, for having him elected as the mayor.

He said the people of Karachi had elected a PPP mayor and they wanted to mend the broken hearts.

He said he would serve the city and bury the politics of hate. Later, the traditional key of the city was handed over to Wahab by the outgoing KMC administrator, Dr Saifur Rehman.

will immediately work in his new position.

The matter was sent to Cabinet Division for necessary action. Jawad Sohrab Malik was previously Special Assistant for Special Projects.



New PTA Chairman assumes charge

Major General Hafiz Afeezur Rehman (retd) has assumed the charge of Pakistan Telecommunication Authority (PTA) chairman.

The federal government recently appointed Rehman, Member (Administration) PTA, as the Chairman of the authority.

The Chairman will have MP-1 scale. Rehman is a technology professional with experience of over 37 years in national security, ICT development,



spectrum management, digital transformation, cyber security and policy-making.

Rehman holds BE (Telecom) and MS (War Studies) from the National Defence University (NDU), Islamabad.

He has served at key leadership positions dealing with ICTs strategy and transformation.

He has vast experience in the deployment of state-of-the-art telecom infrastructures, enhancing the redundancy and efficiency of networks, fiberization, RoW management, and data centres design and architecture.

He has also served with the United Nations (UN) at key appointments in member countries.

Irfan Qadir again appointed SAPM on accountability

Former attorney general and eminent jurist Irfan Qadir has been appointed Special Assistant to the Prime Minister (SAPM) again.

Qadir will look after the affairs related to accountability. Irfan Qadir had also served as a judge of the Lahore High Court and he is known for his staunch pleading against corruption and

corrupt practices. Qadir will be availing the status of a state minister and he will have his office in the Prime Minister's Office (PMO).



His appointment at this juncture is viewed as a significant development in the wake of cases before the National Accountability Bureau (NAB) and related courts against Imran.

Bangladesh HC meets TDAP Chief Executive

The Chief Executive of TDAP M Zubair Motiwala received the High Commissioner of Bangladesh to Pakistan, Ruhul Amin Siddiqui at TDAP Office the other day.

CE TDAP and the high commissioner of Bangladesh exchanged thoughts on increasing bilateral trade between the two countries and agreed to enhance the existing trade volume between the two countries.

CE TDAP also expressed his gratitude for the support of High Commissioner for exchange of information related to trade between the two countries



related to trade.

The bilateral trade has remained in favor of Pakistan with the trade surplus of \$521 million in the year 2020, however, the trade volume during the period has been inclining from \$704 million in 2016 to \$834 million in 2019, except in 2020 when it has decline to \$645 million, which is believed to be the economic effect of Covid-19.

Three tennis courts inaugurated in Naya Nazimabad



Naya Nazimabad has inaugurated three tennis courts of international standard by organizing exciting tennis matches. In the sports festival of Naya Nazimabad Gymkhana, tennis matches were played between the players of Karachi Club and Modern Club, while a cricket match was played between Karachi Club and Naya Nazimabad team in the floodlights.

At the end of the matches, a prize distribution ceremony was held in which trophies were distributed to the winning teams and players. Naya Nazimabad team was declared the winner of the cricket match, while the man of the match trophy was given to Javed Mansoor for his brilliant 64 runs and 2 outs.

The closing ceremony was attended by Ashfaq Tola Minister of State and Chairman Reforms Revenue Mobilization Commission, Arif Habib Chairman Arif Habib Group of Companies, Samad Habib CCO Javidan Corporation, Asim Ghani President Karachi Club, Amin Merchant Secretary Karachi Club, Syed Muhammad Talha President Naya Nazimabad Gymkhana.

Chairman Naya Nazimabad Arif Habib said that he is trying to make Naya Nazimabad a world class sports city to promote the sport. He informed that cricket stadium, football stadium, basketball court, futsal ground and water tennis courts were already operational and several tournaments have been held here; however now tennis is being inaugurated to further boost the sport activities.

Naya Nazimabad gymkhana swimming pool, squash court, badminton arena, table tennis hall, snooker hall, gym and other facilities are under construction and will be completed very soon.

Momin Ali Malik appointed President PBF Lahore

The Executive Committee of the Pakistan Business Forum (PBF) have been appointed Director Guard Rice Ltd, M u h a m m a d Momin Ali Malik as new PBF President Lahore with immediate effect. In this regard notification have been issued.



Bosal new finance secretary

The government has appointed Imdadullah Bosal as new Secretary Finance Division recently.



According to a nonfiction issued by the Establishment Division, Imdadullah Bosal, a BS-22 officer of Pakistan Administrative Service, presently posted as Special Secretary, Finance Division is transferred and posted as Secretary, Finance Division, with immediate effect and until further orders.

Rafiq Sulaiman Memon appointed Chairman of Leadership Forum for East Africa



President Memon Leadership Forum (Global) Abdul Rahim Janu, a prominent businessman of the country and former chairman of

Rice Exporters Association of Pakistan (REAP), member Memon Leadership Forum (World Council), Rafiq Suleman has been appointed as the Chairman MLF of the East Africa Chapter.

Abdul Rahim Janu has expressed his belief that Rafiq Sulaiman will carry out his duties in the best interests of the Memon community in East Africa and a member of the MLF of the Memon community in African countries.

TELECOMMUNICATION NEWS

Mobile phones worth \$516.488m imported during 11 months

Pakistan imported mobile phones worth \$516.488 million during the first 11 months (July-May) of the current fiscal year 2022-23, registering a negative growth of 73.46 percent when compared to \$ 1.946 billion during the same period of last year.

Pakistan's mobile phone imports increased by 308 percent on a month-on-month (MoM) basis in May 2023 and stood at \$ 43.201 million compared to imports of \$ 10.587 million in April 2023, according to data released by the Pakistan Bureau of Statistics (PBS).

Mobile phone imports registered 68.52 percent negative growth on a year-on-year (YoY) basis in May 2023 when

compared to \$ 137.212 million in May 2022.

The overall telecom imports into the country stood at \$ 860.441 million during July-May 2023 and registered 66.87 percent negative growth compared to \$ 2.597 billion during the same period of the last fiscal year.

On a YoY basis, the overall telecom imports registered a negative growth



of 55.83 percent and stood at \$ 81.028 million in May 2023 compared to \$ 183.458 million in May 2022. On a MoM basis, the overall telecom imports registered 134.84 percent growth in May 2023 compared to \$ 34.504 million during April 2023.

Other apparatus imports stood at \$ 343.953 million in July-May fiscal year 2023 and registered 47.15 percent negative growth compared to \$ 650.795 million during the same period of the last fiscal year.

On a year-on-year basis, other apparatus imports stood at \$ 37.827 million in May 2023 and registered 18.21 percent negative growth compared to \$ 46.246 million in May 2022 and registered 58.16 percent growth on MoM basis compared to \$ 23.917 million in April 2023.

Zong 4G and PAGE join forces to empower girls' education in Pakistan



Zong 4G, Pakistan's leading telecommunications provider, is proud to announce a strategic partnership with PAGE (Pakistan Alliance for Girls Education), an esteemed organization dedicated to creating an enabling environment for gender equity in education, employment, rights, and leadership. The Memorandum

of Understanding (MoU) signing ceremony took place on Wednesday, 21st June, solidifying the commitment of both organizations to collaborate and empower girls' education in Pakistan. The ceremony was attended by representatives from both Zong 4G and PAGE.

PTCL Group inaugurates Futsal Arena for employees



Pakistan's largest telecommunication and integrated ICT services provider, PTCL Group (PTCL & Ufone 4G), has opened its new Futsal Arena at PTCL Group Club in Islamabad for its employees. This facility will serve as a hub for promoting physical fitness and fostering a vibrant sporting culture within the organization. The Futsal Arena was inaugurated by United Arab Emirates Ambassador to Pakistan, His Excellency Hamad Obaid Ibrahim Salem Alzaabi, who was accompanied by the President and Group CEO, PTCL & Ufone 4G, Hatem Bamatraf, senior executives, PTCL Group team members and other guests.

Zong 4G and Pakistan Bait ul Mal (PBM) celebrate the first cohort of graduates of their Digital Lab and Women Empowerment Initiative



Zong 4G, in collaboration with Pakistan Bait ul Mal (PBM) and with the support of the Ministry of Poverty Alleviation and Social Safety (MOPASS), held a momentous Graduation Ceremony at Zong headquarters, celebrating the

achievements of the first graduates of the centre's Digital Program. These talented individuals successfully completed the comprehensive training program, gaining valuable skills in various digital domains.

PTCL Group organizes blood donation drive on World Blood Donor Day 2023



Pakistan's largest telecommunications and integrated ICT services provider, PTCL Group (PTCL & Ufone 4G) undertook a massive blood donation campaign at its headquarters in

connection with 'World Blood Donor Day'. The initiative stems from PTCL Group's sustained commitment to creating shared value and giving back to society.

PTCL recognized as the 'Most Facilitating Employer' at NUST Placement Recognition Awards 2023



Pakistan Telecommunication Company Limited (PTCL) has been recognized as the 'Most Facilitating Employer over the Last Five Years' at the National University of Science and Technology's 'NUST Placement Recognition Awards 2023'.

Group Chief People Officer (GCPO) PTCL & Ufone 4G, Muhammad Shoaib Baig, received the award at a vibrant awards ceremony organized at NUST. This recognition is a testament to PTCL's unwavering commitment to fostering a work culture that provides a growth platform to the future leaders of our country.

Zong 4G partners with Roshan Packages to provide customized and enhanced digital business solutions



Zong 4G has partnered with Roshan Packages Limited, one of the country's largest packaging manufacturers, to provide bespoke connectivity for its business.

This partnership will enable Roshan Packages Limited to employ Zong 4G's business solutions to optimize the efficacy and reliability of its daily operations across the board.

BANKING & INSURANCE

CEO Club honours NBP chief



Rehmat Ali Hasnie, President and CEO (A) of National Bank of Pakistan (NBP), has been recognised as the CEO of the Year by the CEO Club Pakistan, a statement said recently. Governor Punjab Muhammad Baligh Ur Rehman presented the award to Hasnie during a grand ceremony held at the Governor House in Lahore. Ijaz Nisar, president and founder of CEO Club Pakistan was also present at the occasion.

With over 25 years of diversified experience in economics research, capital markets, investment banking, treasury, and credit markets, Hasnie has been an instrumental figure within the banking sector in Pakistan. "This recognition serves as a powerful motivation for me to continue strengthening NBP's role in advancing Pakistan's economic growth and promoting financial inclusivity," Hasnie said.

BOP, PSEB, Mastercard launch Freelancer Digital Account and Card



The Bank of Punjab (BOP) in collaboration with Pakistan Software Export Board (PSEB) and Mastercard launched the Mastercard Freelancer Digital Account and Card at a ceremony held recently. The launch came after the signing of a memorandum of understanding (MoU) between the parties to offer tailored banking services and solutions to PSEB-registered freelancers and Information Technology (IT) and Information Technology Enabled Services (ITes) professionals.

MCB upgrades ATM network

MCB Bank Limited (MCB), has launched a technology upgrade of its existing ATM network, with over 1,000 state-of-the-art ATMs to be installed across 500 cities nationwide, a statement said on Thursday.

The upgrade is part of MCB Bank's commitment to providing innovative and secure financial services to its customers. The new ATMs are equipped with advanced features making transactions faster, more secure, and easier than ever before.

The bank celebrated the commencement of the project with an inauguration ceremony held at the MCB Bank principal office. MCB Bank President and CEO Shoaib

Mumtaz formally launched the project. The event was attended by Chief Digital Officer Shahzad Ishaq, Chief Financial Officer Hammad Khalid, Innovative Pakistan CEO Naveed Ali Baig, Touch Point CEO Tabish Sabah, and other senior representatives from MCB Bank, Innovative Pakistan, and Touch Point.

Mumtaz emphasised MCB Bank's unwavering commitment to meeting the evolving needs of its customers.



'UBL Freelancer Account' launched

UBL, one of Pakistan's leading banks, has announced the launch of 'UBL Freelancer Account', a new banking solution designed specifically for the growing population of freelancing individuals in the country.

The product is envisioned to be a unique value proposition for freelancers, providing them with the freedom and flexibility to bank on their terms while ensuring that their financial needs are met.

As a current account with no initial deposit balance, no minimum balance requirement and simple account opening documentation, customers can conveniently open an account through the bank's website and branches across the country.

Discounts on co-working spaces – a pain point of freelancers – will also be offered. Upon maintaining an adequate balance, customers can further avail rate breaks on loans and complimentary insurance coverage for uncertain circumstances.



"The launch of 'UBL Freelancer Account' highlights our commitment to understanding the evolving needs of our customers and offering innovative solutions," said Zia Ijaz, Deputy CEO, UBL.

SLIC signs MoU with Bahria Foundation

State Life Insurance Corporation of Pakistan (SLIC) signed an agreement with Bahria Foundation to provide group life and health insurance to over six thousand employees of Bahria Foundation and retired personnel of Pakistan Navy.

Shoaib Javed Hussain, Chairman

(SLIC) and V/Adm Khan Hasham Bin Saddique HI(M) witnessed the event where, executives from both organisations were also present.





EFU General Insurance has been conferred with the '12th Annual Fire Safety Award 2022'.

EFU General Insurance ensures to apply of HSE goals with the aim of continuous progress for a better workplace for employees and all the stakeholders engaged in business operations.

The company has always prioritised occupational health, safety and environmental protection.

The company has been receiving this award for eight consecutive years.



EFU General Insurance Limited has been recognised for its outstanding corporate social responsibility (CSR) achievements.

The company was awarded the CSR Award 2023 by the National Forum for Environment and Health (NFEH) in recognition of its commitment and dedication towards developing local communities and creating a sustainable future.

EFU General's CSR initiatives reflect the company's values and commitment to promoting social responsibility.

The company's efforts towards education, health, and the environment have been recognised and appreciated by various other stakeholders, which is a testimony to its dedication towards sustainable development.



Glimpses of EFU General's 90th Anniversary Celebrations and Corporate Dinner 2023.

Our journey: From humble beginnings to a thriving businesses, we proudly

celebrate 90 years of innovation, growth, and success. We couldn't have

made it this far without our dedicated employees, loyal customers, and supportive community.

Thank you for your support, and we look forward to building

on our legacy with your trust and commitment.



Pak-Qatar Group Signs MoU with Institute of Cost and Management Accountants of Pakistan (ICMAP).



Governor SBP felicitates Bank Alfalah for Redefining Banking with the Inauguration of Pakistan's First Digital Lifestyle Branch.



Karandaaz and Vizpro Announce Strategic Partnership to Accelerate Digitization of Retailer to Distributor Payments in Pakistan.



Mr. Sultan Richard, Chairman & CEO, Discount World (DW) and Mr. Farhan Hassan, Head of Easypaisa pose for a group photo alongside senior officials of both organizations to announce the strategic alliance.



Faisal Mahmood, Chief Information Officer of Mobilink Bank and Syeda Urooj Haider, President of Vision-Building Future sign a Memorandum of Understanding (MoU) to launch targeted initiatives under the Women Inspirational Network (WIN) program, aimed at advancing financial inclusion and empowering women.

HBL inaugurates Islamic Prestige Lounge in Dolmen Mall Karachi

HBL inaugurated its 5th Islamic Prestige Lounge located in Dolmen Mall, Karachi. This is the 39th Prestige Lounge including an international lounge in Jumeirah, Dubai. The Prestige footprint is now spread across 17 cities, with plans to expand further.

The inauguration of the lounge was done by Dr Najeeb Samie, member of the Board of Directors – HBL, Muhammad Aurangzeb, President & CEO – HBL accompanied by Dr Mufti Muhammad Zubair Usmani, Chairman Shariah Board - HBL. Nadeem Riaz, Chairman & CEO - Dolmen Group along with valued clients and senior leaders of the Bank were also present at the inauguration.

H B L Prestige provides a world-class

banking experience to high-net-worth individuals (HNWIs). This exclusive Islamic proposition offers Shariah-compliant banking solutions to our clients. The proposition includes seamless instant account opening with tailored solutions through dedicated digital & physical channels and portfolio managers.

The account offers personalized banking services to its clients including but not limited to instant world elite debit card issuance, dedicated conference rooms, and top-notch alliances. The state-of-the-art Prestige



Lounges are located strategically in high-visibility areas of key cities.

Commenting on the occasion, Muhammad Aurangzeb, President & CEO – HBL said, “HBL Prestige is exclusively designed and tailored to meet the financial and lifestyle needs of our high-net-worth clients across Pakistan. We are delighted to inaugurate our state-of-the-art HBL Islamic Prestige Lounge in Dolmen Mall, Karachi.

EFU General launches WhatsApp chatbot service to enable quick and easy customer interaction

EFU General, a leading insurance company, has launched its WhatsApp Chatbot service to provide customers with a quick and easy communication channel. With the increasing use of WhatsApp as a communication tool, EFU General recognises the need to provide its customers with a more convenient and accessible way to connect with them. Through WhatsApp Chatbot service,



customers can easily send inquiries, claims, and other requests directly to the company without needing a phone call or an email.

“We understand that our customers want to interact with us on their terms and at their convenience,” said EFU General’s spokesperson. “Our WhatsApp Chatbot service enables us to provide a more efficient and personalised experience, allowing us to respond to our customer’s needs more effectively.”

The WhatsApp service is available to all EFU General Customers, who can simply save the company’s WhatsApp number 0308-6937265 in their contacts

and start messaging. The service is available 24/7, and customers can expect a prompt and helpful response from EFU General’s customer service team.

“We are committed to providing the best customer experience possible, and we believe that WhatsApp service will help us achieve this goal,” added the EFU General spokesperson. “We are excited to launch this service and look forward to further improving our communication channels with our customers.” EFU General’s WhatsApp service is part of the company’s ongoing efforts to enhance its customer service and provide innovative solutions to meet its customers’ evolving needs.

State Life achieves 67pc growth high revenue

State Life’s unparalleled performance and strategic growth can be attributed to its highly competent leadership, diversified management, and professional team.



State Life has achieved close to a 67 percent growth compared to the previous year, resulting in all-time high revenue.

Its Gross Written Premium (GWP) of PKR 286 billion plus surpasses the combined GWP of all other insurance companies in Pakistan, which stands at approximately PKR 127.87 billion. State Life’s growth has played a significant

role in driving the industry’s overall progress, contributing to a nearly 43% growth in the industry in 2022. State Life

Insurance Corporation’s market share in 2022 has increased close to 70%, compared to 55% plus in the previous year, which is close to 24% growth in the market share as well.

Business performance:

New business: 174.5 billion increasing by over 143% from 2021

Earnings: Premium Income: Over Rs.286.3 billion collected – increased by 67% from 2021

Growth: Assets: Over Rs. 1.6 trillion – increased by 17% from 2021

Payouts: Claims: Over Rs. 175.5 billion in claims paid to policyholders – increased by 78% from 2021; highest ever since inception

Bonus to policyholder: Rs. 97.5 billion – increased by 14% from 2021; highest ever since inception

State Life Insurance Corporation of Pakistan, under the leadership of Mr. Shoaib Javed Hussain, has emerged as a trailblazer in the insurance industry. With a clear focus on bolstering the industry’s contribution to the nation’s GDP, State Life plays a pivotal role in fortifying the economy’s backbone through the strategic alignment of technology, data, and a human-centric approach.



AUTOMOBILE NEWS

May 2023: Improved PSMC sales lift industry volumes

• Sales volumes in the auto industry have experienced a moderate recovery, with a MoM increase of 19% to 5,290 units. However, sales have decreased by a significant 77% YoY. The overall increase in production and sales volumes by PSMC has contributed to the sector's improvement on a MoM basis. Excluding PSMC, industry volumes have declined by 22% compared to the previous month.

• **INDU:** In the month of May'23, INDU volumes contracted by 12% MoM and 71% YoY, amounting to 1,718 units. All INDU's variants declined sequentially. However, the luxury segment (Revo and Fortuner) demonstrated more resilience, experiencing an 8% MoM decline compared to the sedan segment, which saw a 15% MoM decline. In terms of production volumes, there was a 26% MoM improvement. The higher closing inventory indicates subdued demand, possibly influenced by increased interest and inflation rates, along with a significant surge in car prices in the recent past.

• **PSMC:** The company experienced a substantial surge in sales, jumping by 101% on a MoM basis to reach 2,958

units. However, this increase can be attributed to a low base effect. On a YoY basis, sales contracted by 76% in May'23. Production also saw an increase during the month, rising to 3,753 units, representing 33% MoM growth. The additional production in the past two months may assist PSMC in maintaining the current sales figures in the upcoming month.



• **HCAR:** The company experienced extremely low sales of only 87 cars for the month, with production being even lower at just 25 cars. The significant drop in numbers can be attributed to the plant being shut down for over 15 days in May. In, its PSX notice published on 15th May, the management stated that production would resume on a piecemeal basis. This should enable HCAR to show considerable improvement in production and sales numbers in June, in our view.

• The tractor industry's sales are showing a gradual recovery in demand,

with a 9% MoM increase. The sustained demand for tractors indicates that the agriculture economy is relatively more resilient against the backdrop of high inflation and interest rates, thanks to favorable crop yields. AGTL continued to dominate the market for the second consecutive month, holding an average monthly market share of 60%, compared to a 36% average for the first nine months of FY23. Meanwhile, MTL's market share has improved by 5ppt in May'23 to reach 43%, although it is still lower than the 9MFY23 monthly average of 64%.

The Pakistan auto sector continues to grapple with challenges related to raw material shortages due to import restrictions. This remains a significant risk for the overall industry's growth and profitability in the future. Moreover, the sector is also affected by macroeconomic instability and reduced purchasing power of consumers, which is likely to dampen the near-term demand outlook, even if import restrictions are eased.

However, the tractor industry is expected to thrive and demonstrate resilience in the face of these headwinds, primarily due to the protected purchasing power of end-users.

Courtesy - Intermarket

IMC team meets PM to showcase first locally-made Toyota Corolla Cross HEV

A delegation from Indus Motor Company, led by Vice Chairman Shinji Yanagi and Chief Executive Ali Asghar Jamali, met with Prime Minister Shehbaz Sharif at the PM's Office to showcase the first locally-manufactured Toyota Corolla Cross Hybrid Electric Vehicle (HEV).



Also participating in the meeting was Yoshiaki Konishi, President, Toyota Asia, who is also the Chief Engineer of the Corolla Cross. Mitsuhiro Wada,

Ambassador of Japan to Pakistan, also graced the occasion along with Members of the Cabinet, including Federal Minister of Finance Ishaq Dar and Federal Minister of Industries & Production, Makhdoom Murtaza Mehmood.

The PM commended Toyota's initiative in bringing the first locally-manufactured Hybrid SUV to Pakistan and emphasised the need to further localisation efforts in the country as well as focus on exports.

He further assured to uphold the incentives for HEVs as outlined in the AIDEP 2021-26 Policy.



Toyota Asia's President Yoshiaki Konishi said: "For over 30 years, Toyota has contributed to Pakistan, thanks to the support of the government and people of Pakistan. I feel the Corolla, a product that is dear to my heart, has become Pakistan's "people's car" in terms of brand and meets Toyota's vision of "Mobility for All".

TRAVEL WORLD

Ethiopian Airlines to resume operations after 25 years

Sindh Chief Minister Syed Murad Ali Shah has said that Ethiopian Airlines has resumed its Karachi operation after a lapse of four decades, opening new vistas of trade and commerce, investment, and tourism between Pakistan and African countries.



This he said recently while talking to media after receiving the inaugural flight of Ethiopian Airlines, which land at the old terminal of the Karachi airport with 110 passengers, including three Ethiopian state ministers in the wee hours recently.

Shah received Ethiopian State Minister for Foreign Affairs Mesganu Arga, Minister for Technology Fozia Amin and Minister for Commerce Kassahun Gofe and their senior officers. The Ambassador of Ethiopia, Jemal Beker Abdulla, was also present on the occasion. The chief minister told the media that it was a great breakthrough that Ethiopian Airlines had started its commercial operation in Karachi.

PIA generates Rs172bn revenue in 2022

PIA generated total revenue of PKR 172 billion in the year 2022 which as compared to previous financial year is nearly 100 percent increase. CEO PIA, AVM Amir Hayat said that PIA



management sees a positive outlook ahead based on the present scenario with rise in travel demand.

However, we are still faced with the challenge of US dollar and Pakistani rupee devaluation which has been one of the main constraints in the present scenario. PIA managed to reduce the gross loss from PKR 8.5 billion in the year 2021 to PKR 4.1 billion in the year 2022.

Canadian Zara Airways to start direct flights to Pakistan

Canadian private airline Zara Airways said it would start direct flights from Toronto to three major cities in Pakistan in August. The airline will operate three weekly flights from Toronto to Karachi, Islamabad and Lahore. It will use two Boeing 777 aircraft initially, and may increase the number of aircraft depending on demand. Zara Airways is a new airline founded by Pakistani-Canadian businessman Faqir Bawar Hussain Bhakari. It has partnered with Shaheen Airport.

The airline said it was seeking a No Objection Certificate (NOC) from the

Canadian government before it can start operations.

"We are excited to offer direct flights between Canada and Pakistan," Bhakari said at a news conference in Karachi. "This will make it easier and more convenient for people to travel between the two countries."

The airline's chief executive officer, Syed Qali, said the flights would cater to a large number of passengers, including Pakistanis living in Canada and tourists visiting Pakistan.

"We are also in discussions with Air Canada to codeshare on some of our flights," Qali said.



Fly Jinnah increases flight frequency between Karachi and Islamabad

Fly Jinnah, Pakistan's new low-cost carrier (LCC), has announced an increase in flight frequency between Karachi & Islamabad effective from June 1, 2023. The airline will now operate three daily flights per week, providing travelers with greater convenience and flexibility.



As the summer season approaches, the demand for affordable and reliable air travel options between the two major cities continues to grow. Fly Jinnah aims to enhance connectivity and meet the needs of both business and leisure travelers, ensuring a seamless travel experience.

Fly Jinnah remains committed to providing reliable and comfortable travel at competitive prices while prioritizing passenger experience by offering quality service, efficient operations, and more connectivity. At present, Fly Jinnah connects five major cities of Pakistan including Karachi, Lahore, Islamabad, Peshawar, and Quetta.

The carrier currently operates a fleet of three modern Airbus A320 aircraft. Adding extra comfort to our passengers, providing the most generous seat-pitch of any economy cabin. The aircraft is also equipped with "SkyTime", a free in-flight streaming service that allows passengers to stream a wide selection of entertainment directly to their devices. On top of that, passengers can enjoy a wide varieties of delicacies between snacks, sandwiches and meals from the on-board "SkyCafe" menu at affordable prices.

Customers can now book their flights by visiting Fly Jinnah's website (www.flyjinnah.com), by calling the call centre (021-3565096) or through travel agencies.

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