

GWADAR NEWS UPDATE FOR 2009

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DAILY TIMES	27.10.2009	Iran may finance three energy projects worth \$330 million
BUSINESS RECORDER	07.10.2009	Cabinet likely to approve revised GPA Bill today
BUSINESS RECORDER	03.10.2009	ECC asks TCP to use Gwadar Port for import of Urea
BUSINESS RECORDER	28.09.2009	Gwadar Port Authority to be restructured
DAILY TIMES	18.09.2009	Government approves Rs 7.5bn construction of Gwadar Int'l Airport
THE NEWS	16.09.2009	Gwadar: Govt may allow private sector to set up sugar refinery
BUSINESS RECORDER	04.09.2009	China gave \$1 billion to improve Pakistan's economy: envoy
DAILY TIMES	02.09.2009	Uzbek envoy seeks transport facilities through Pak ports
THE NEWS	31.08.2009	China, Iran and United States too have a deep interest in the province.
THE NEWS	23.08.2009	PM announces 10pc reduction in port charges
DAWN	05.08.2009	Freight train service from Islamabad to Istanbul via Tehran will be launched
BUSINESS RECORDER	02.08.2009	TAPI gas pipeline: Pakistan suggests alternate route
DAILY TIMES	08.07.2009	FBR Grants Zero Rating for Machinery Import
DAILY TIMES	05.07.2009	Gwadar EPZ industries get 10-year tax exemption
BUSINESS RECORDER	03.07.2009	Sales tax zero rating facility for EPZ construction material likely
DAILY TIMES	03.07.2009	Tajikistan seeks access to Gwadar port for exports
BUSINESS RECORDER	20.06.2009	Withdrawal of 16% FED on imports: minister gives ports 30 days to cut charges
DAWN	27.05.2009	Gilani asked to hold PPP meeting on Balochistan
DAWN	22.05.2009	Iran to provide Gwadar Port 100MW free of cost
BUSINESS RECORDER	21.05.2009	EPZ over 46,000 acres to be set up at Gwadar, says Wattoo
DAWN	15.05.2009	Balochistan Govt. is likely to declare Gwadar as the winter capital of the province
JANG	29.04.2009	Turkmenistan to supply gas from Yasrak field
		Step to materialise Turkmenistan-Afghanistan-Pakistan-India gas pipeline project
APP	26.04.2009	Gwadar port - immense opportunities for import, export of petroleum products
BUSINESS RECORDER	25.04.2009	Pakistan offers Turkmenistan safe transit of gas
BUSINESS RECORDER	24.04.2009	Pakistan may bring LNG and LPG from Turkmenistan
DAILY TIMES	19.04.2009	Pak-Uzbek agreement for economic ties
DAILY TIMES	16.04.2009	Govt finalises 9-year investment plan for infrastructure development



GoldenPalms (Residential Estate, Gwadar)

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DAILY TIMES	09.04.2009	Int'l Road Transport Agreement ratified by Federal cabinet
DAWN	09.04.2009	Gas pipeline project with Iran - Price purchase formula offered by Tehran
THE NEWS	08.04.2009	People of Balochistan would be given priority: Chairman TCP
THE NEWS	05.04.2009	Pakistan Railway planning double track from Gwadar to Mastung
BUSINESS RECORDER	03.04.2009	Big ships at Gwadar Port: PSA to enhance discharging capacity to 10,000 M/T
BUSINESS RECORDER	02.04.2009	Law ministry for transfer of naval land to Gwadar Port Authority
DAWN	30.03.2009	Proposals for Balochistan autonomy prepared
THE NEWS	26.03.2009	Rs.1.497 billion for acquisition of land for New Gwadar International Airport
THE NEWS	21.03.2009	China Mobile offers to lay fibre optic cable from Karakoram to Gwadar
DAILY NEWS	09.03.2009	Pak maritime region a main artery of oil supply: CNS
BUSINESS RECORDER	01.03.2009	Track linking Gwadar Port: Balochistan Govt. seeks Rs450 million
BUSINESS RECORDER	26.02.2009	Wheat ships only to be handled at Gwadar Port
THE NEWS	17.02.2009	Development of Gwadar Port road linkages NHA's top priority
BUSINESS RECORDER	07.02.2009	Japan urged to set up exclusive zones in Karachi and Gwadar
DAWN	31.01.2009	Rs.4bn released for Balochistan highways
DAWN	29.01.2009	Hassan Abdal expressway to be linked with Gwadar
BUSINESS RECORDER	02.01.2009	Oman helps establish museum at Gwadar



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Dated 31st December, 2009

7th NFC Award inked at Gwadar

GWADAR: The Chief Ministers of four provinces on Wednesday signed the historic 7th National Finance Commission Award, marking a great step forward to the strengthening of the federation. The ceremony at the picturesque Gwadar, in the Balochistan province, was witnessed by Prime Minister Yousuf Raza Gilani and members of the Cabinet. The venue was specially chosen to reflect the desire of all the provinces to end years of deprivation of the largest province of the country.

The Award was inked by finance ministers of the four provinces in the presence of Punjab Chief Minister Shahbaz Sharif, Sindh Chief Minister Qaim Ali Shah, NWFP Chief Minister Ameer Haider Hoti, Balochistan Chief Minister Aslam Raisani, and Finance Minister Shaukat Tarin. The new Award would come into effect from the next financial year and marks the agreement by all the federating units over the distribution of financial resources among the provinces by the federal government on annual basis. Under the award, the population will be given 82 percent weightage, poverty 10.3 percent, revenue collection 5 percent (2.5 percent revenue generation, 2.5 percent revenue collection), and area 2.7 percent. Under the new NFC Award, the federation met the demand of the provincial governments for a greater share in the national resources.

The provincial share of the divisible pool would increase from 47.5 percent to 56 percent in the first year of NFC, and 57.5 percent in the remaining years of the Award. Under the new formula, Punjab would get 51.74 percent from the divisible pool, Sindh 24.55 percent, NWFP 14.62 percent and Balochistan 9.09 percent. In the new award, Punjab has given up 1.27 percent, Sindh 0.39 percent and NWFP 0.26 percent, while Balochistan has gained.

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Dated 31st December, 2009

Gilani to do away with bar on third-time Premiership

GWADAR: Prime Minister Yousuf Raza Gilani on Wednesday reiterated resolve to restore the 1973 constitution in its original form and vowed to do away with the restriction on becoming prime minister for third time. Addressing the gathering after the historic signing of the NFC award, he also rejected the amendments made by dictators in the constitution, saying that those who violate it need to be punished.

The Prime Minister said that he was in favour of strengthening the institutions, and not individuals. He said the 17th amendment and 58-2B would also be removed from the constitution and added that the constitutional committee was working in this regard. He said that Akbar Bugti was a great supporter of federation, and had worked with Quaid-e-Azam Mohammad Ali Jinnah. He said those responsible for his murder must be tried in a court of law. He termed the announcement of the consensus award as a "dividend of democracy" and reflection of commitment of the nation to strengthen the federation. He said democracy achieved something which a dictatorship could not do.



He said the 1973 constitution was an achievement of Z A Bhutto and strengthened the federation. He said the government believed in taking along all smaller provinces and that years of neglect would be addressed on priority. He said the provinces would be given political and financial autonomy. He said operationalisation of the Gwadar port would usher in an era of progress and prosperity for the province.

Gilani said he wished to set up a Navtec centre in Gwadar to train the locals and to ensure that they are given preference in all jobs. He said the educational qualification for appointment in Coast Guards would be lowered to middle to allow more locals into the jobs. He also announced giving of jobs to 20,000 locals in Balochistan and said it would help alleviate poverty and empower the locals. He said the objective of his visit was to find out about the problems of the area and added that all measures would be taken to resolve the issues on priority. He said the work on the completion of an international airport would be done on priority, within the stipulated time.

He said the Gwadar port cannot be a success till it is connected to the rest of the country, and directed the Finance Minister to expedite release of funds. Gilani also took note of the shortage of electricity and the need to speed up work for getting 110 MW from Iran. He directed expedition of project for clean drinking water and to explore various options in this regard.

He announced a girls college, with a hostel in Gwadar, while the minister for overseas Pakistanis announced to fund construction of a school in Gwadar. He directed the chairperson of Benazir Income Support Program to visit the area and ensure that the deserving people have access to the scheme. He directed the Ministers to visit the area regularly to allay the issues of the locals. Gilani appreciated Balochistan government for hosting the historic event.

DAWN

Dated 31st December, 2009

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7th NFC Award signed in Gwadar

GWADAR: The Seventh National Finance Commission Award was signed here on Wednesday by the finance ministers of the four provinces and the federal government.

The signing was witnessed by Prime Minister Yousuf Raza Gilani, Punjab Chief Minister Shahbaz Sharif, NWFP Chief Minister Ameer Haider Hoti, Balochistan Chief Minister Aslam Raisani and members of the federal cabinet, while Sindh Chief Minister Qaim Ali Shah signed the accord because he holds the portfolio of the provincial finance ministry. The award will come into effect from the next financial year.

Federal Finance Minister Shaukat Tarin said the provinces would get Rs227 billion in the first year under the new NFC award in addition to their current share of Rs550 billion in financial resources. The amount will increase to Rs850 billion the following year and to Rs1,250 billion by the fifth year. "This is the first step towards financial autonomy of the provinces and a victory of democracy," he said.

Mr Tarin said that it was a philosophical shift in government policy which would greatly enhance the shares of the provinces. He said the federation had given a considerable share to the provinces and the credit for the gesture went to President Asif Ali Zardari and Prime Minister Gilani. For the first time, factors other than population had been considered and the critical issue of distribution among the provinces had been resolved, he said. He gave the credit for this achievement to the Punjab chief minister and finance minister. Mr Tarin said a demand of the NWFP for



compensation of losses suffered in the war on terror had also been addressed and the province would get one per cent from the non-divisible pool on this account. He said that the award had been agreed unanimously and a committee would hold quarterly meetings to review its implementation. Mr Tarin said the government would reduce its expenses to help increase the share of provinces.

He said the federal government needed to increase its revenue collection from 8.8 per cent to 13.9 per cent and cut its expenses from 14.1 per cent to 12.5 per cent by 2014-15.

He said that there was mistrust between the provinces and the federation and also among the provinces when the NFC talks began 10 weeks ago. The forum had also helped in sorting out other financial issues between the federation and the provinces, he said.

Under the award, Balochistan's share in the provincial pool had been increased to 9.09 per cent, which will amount to Rs83 billion in the first year. After considering special needs of Balochistan and application of multiple indicators, Punjab has been allocated a share of 51.74 per cent, Sindh 24.55 per cent and the NWFP 14.62 per cent. The share of Punjab has dropped by 1.27 per cent, Sindh by 0.39 per cent and the NWFP by 0.26 per cent. The distribution is based on 82 per cent weightage to population, 10.3 per cent to poverty, 2.5 per cent to revenue generation, 2.5 per cent to revenue collection and 2.7 per cent to area. The provinces' share in the divisible pool will increase from the current 47.5 per cent to 56 per cent in the first year and 57.5 per cent afterwards. Speaking on the occasion, Punjab Chief Minister Shahbaz Sharif said the NFC had effectively addressed the sense of deprivation of provinces and their dissatisfaction with the federation and now the provinces believed that they also had a right over the resources of Pakistan.

He said that NFC would have a positive impact on Balochistan, but trial of former president Pervez Musharraf must be held for the murder of Nawab Akbar Bugti. Sindh Chief Minister Qaim Ali Shah said the provinces had shown great unity and the spirit of accommodation for each other which was the need of the hour. He termed the event a win-win situation for everybody. He said the process had been started with the spirit that distribution should be based on the needs of the provinces.

He said Balochistan's share had been increased because it had been kept backward in the past. He said that after agreeing on financial distribution, the provinces could also reach a consensus on political harmony and reconciliation. He disagreed with the contention of nationalist parties that Sindh had lost its share. He asked the gathering to pray for the victims of the Karachi bomb blast.

NWFP Chief Minister Ameer Haider Hoti said the accord would provide sufficient funds to the provinces for meeting their requirements independently. "We have laid the foundation for strengthening the provinces," he said. He said the future of Pakistan and Balochistan was interlinked. Mr Hoti said his province was fighting the war against terror for the survival of the country and had achieved significant successes. Balochistan Chief Minister Aslam Raisani said that it was the start of the struggle for the rights of Balochistan. "This is a good beginning."



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Dated 19th December, 2009

Germany assures cooperation in railway, CDM, HRD sectors

ISLAMABAD: A German delegation Friday called on minister for Railways, Haji Ghulam Ahmed Bilour and discussed matters of mutual interests and future cooperation in railways, Clean Development Mechanism (CDM) and human resources development. The delegation comprised German Consular Head Press and Economic Section Dr Gregor Schotten and Minister Counselor Deputy Head of Mission Stephan Roken. During the meeting, the Railways' Minister sought German cooperation in CDM and infrastructural development including signaling, environment and low carbon emission. He requested the German government to provide grants or soft loans in these sectors and also sought cooperation in freight train management, adding that in 1970, the Islamabad Carriage Factory was established following technical and economic cooperation by the German government. **The delegation assured the government of Pakistan for maximum possible cooperation in CDM, human resource development and hinted at support for standard gauge for new railway lines from Gwadar to Afghanistan, Iran and Havelian to China.** The delegation said Pakistan railways is environment friendly so it could be realised that investment could be made by German government in Pakistan's railways sector to make it more environment friendly and pollution-free. The delegation also reassured cooperation in Rolling Stock and highlighted various aspects of Pak-German historic ties in economic and other sectors, hoping that these relations would enrich in future. Secretary Ministry of Railways and chairman Pakistan Railway briefed the delegation about functioning of Pakistan Railways and its ongoing projects with the cooperation of different international partners.

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Dated 18th December, 2009

Rs 6.18 billion for Gwadar airport

ISLAMABAD: **The government has decided to provide Rs6.18 billion for construction of an international airport in Gwadar, despite an earlier decision that the airport would be built by the Civil Aviation Authority (CAA) from its own resources.**

The total cost of the project is Rs7.5 billion. The government of Oman will provide a grant of \$17.5 million.

Under the earlier decision taken at the beginning of the last fiscal year the CAA was to build the airport on the pattern of the Shaheed Benazir Bhutto International Airport in Islamabad.

The PC-1 of the project approved in July 2008 stated that CAA would use its own funds in addition to the Omani grant.

While an amount of Rs750 million was allocated in the development budget of the current fiscal for schemes forwarded by the defence ministry, the Central Development Working Party (CDWP) approved local financing of Rs6.18 billion for the airport.



A senior member of the Planning Commission said the decision had been taken under the government's Balochistan development policy.

The CAA has acquired 4,300 acres. It estimates that the airport will be operational by 2020 and it will be able to handle large passenger and cargo aircraft.

The second phase of the airport is scheduled to be completed by 2030 and the final phase by 2050 when it will have the capacity to handle more than one million passengers and 50,000 tons of cargo a year.

The existing airport built in 1970 handles small aircraft flights to Pasni, Jiwani, Ormara, Karachi and Muscat.

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Dated 11th December, 2009

Gilani may inaugurate Gwadar-Pleri-Jiwani road project

ISLAMABAD: Prime Minister Syed Yousuf Raza Gilani is likely to inaugurate Gwadar-Pleri-Jiwani road project, costing Rs 2.5 billion. The project, which is near completion, will connect Gwadar Port with the upcountry. The project was scheduled to be completed in June 2008, but was delayed because funds were not released in time.

A senior official in the Ministry of Communication told *Business Recorder* here on Thursday that the project was part of Makran Coastal Highway, which is 639-kilometre long. It starts from Sheikh Raj on the main RCD Highway and ends at Gabd near Pakistan-Iran border. He said that the total length of the road was about 67 kilometres, contract of which was awarded to the Frontier Works Organisation (FWO).

"The project includes construction of six major and 218 small bridges", said an official, adding that the highway would provide an all weather road to the population of the entire coastal belt and would facilitate communication and trade by linking Karachi with Ormara, Pasni, Gwadar and Jiwani ports. "It also caters to the needs of the international traffic from Iran, Gulf and Central Asian states and facilitates trade activities between Pakistan and these countries," he said.

He further said that the construction of Gwadar-Pleri-Jiwani section of the coastal highway was part of the government's plan to develop Balochistan province and provide connectivity to the Gwadar Port, which is expected to play a major role in the country's economic development in the coming years.

The official said that the project was important in more ways as it was in the province of Balochistan, which was already high on the government's agenda for number of reasons. Besides, it was part of the government's overall plan to establish national trade corridor, an important aspect of which was to provide connectivity to Gwadar Port with the upcountry to facilitate the future trade with the Central Asian Republics (CAR).



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Dated 11th December, 2009

Gwadar Port project: President commends Chinese assistance

ISLAMABAD: President Asif Ali Zardari on Thursday said China's invaluable assistance and support for Gwadar Port project had contributed towards the socio-economic development of Balochistan and would stand as a living testimony of Pak-China friendship for generations to come.

Talking to President China Harbour Engineering Company Sun Ziyu, at Aiwan-e-Sadr, the Prime Minister said, "We envisage developing Gwadar not only as a trans-shipment port but also an energy port which can serve the economic interests of both Pakistan and China." He observed that the success of Gwadar Port could serve as a catalyst for Chinese exports from its western regions to the rest of the world, adding "we would like Chinese enterprises to undertake developmental projects and increased Chinese investment in the area."

President Zardari articulated that Pak-China friendly relations and mutual co-operation had become a shining example of friendly co-existence between two the neighbouring states. Minister of States for Ports and Shipping Sardar Nabil Ahmed Gabol, Secretary General to the President Salman Faruqui and Spokesperson to the President former Senator Farhatullah Babar were also present during the meeting.

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Dated 5th December, 2009

Ministry allows TCP to lift urea from Gwadar port

ISLAMABAD: The Ministry of Industries and Production has allowed the Trading Corporation of Pakistan (TCP) to lift imported urea from Gwadar Port after the National Fertiliser Company Limited (NFML) expressed its inability to make transportation arrangements from Karachi and Gwadar simultaneously, sources told *Business Recorder*.

Against the possibility of laying it open to charges of corruption and nepotism by allowing TCP to transport the urea, the Industries Ministry clearly indicated to the TCP that the rates must be identical to those charged by NFML, a subsidiary of the Industries Ministry.

Sources said that three ships carrying substantial quantity of imported urea are waiting for unloading in Karachi. Official spokesman of the Industries Ministry, Javed Malik, confirmed that TCP has been authorised to transport imported urea from Gwadar Port. For this purpose, a team of TCP officials will visit the venue of the urea stocks on Monday and finalise lifting arrangements. Earlier, TCP had registered a protest with NFML over the slow pace of lifting of imported urea from Gwadar Port.

According to Industries Minister Manzoor Ahmad Wattoo, the government is importing 0.6 million tons urea from



different countries to plug the deficiency. TCP's stevedores, Waqar & Co, and Portstar Enterprises, had said that NFML was not providing sufficient transport for lifting the imported urea discharged at Gwadar Port. Moreover, a huge quantity of urea is lying uncovered on the ground, sources added. Keeping in view the situation, TCP's fact-finding team, comprising Director, Commercial-II, along with General Manager (POD) and General Manager (Godowns) visited Gwadar Port on November 21, 2009.

Sources said that the team observed that a huge quantity, of about 80,000 tons of urea, was lying on the ground in open area at the port which would go up to 100,000 tons during the next few days as a new consignment is scheduled to reach the port. The fact-finding team expressed concern over the transport situation, which was expected to get more critical over the Eid holidays.

On enquiry, it was noted that not a single truck for lifting of urea was available at the port. Also, no representative of NFML was present to monitor this situation on the spot sources quoted Acting Chairman of TCP, Ghulam Nabi Mangrio, as saying in a letter to Industries Secretary Abdul Ghaffar Memon. As reported by the TCP Regional Office, Gwadar, and other agencies, the rainy season approaches Gwadar area by the first week of December and heavy rains, followed by thunderstorm, are expected, which may cause damage to the cargo valued at approximately Rs 2420.088 million, if it is not lifted on time.

TCP and NFML were in agreement that in case the bags were not made available in time then the demurrage on the vessel, if any, will be borne by NFML. There were unconfirmed reports that procurement of bags was not transparent, but Industries Minister denied the charges, saying that the process was transparent. It is pertinent to mention here that imported urea will be distributed through NFML dealers network.

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Dated 25th November, 2009

Balochistan to get representation on PPL, OGDC and SSGCL boards

ISLAMABAD: Federal government has proposed due representation of Balochistan on the Boards of the PPL, OGDC and Sui Southern Gas under Aghaz-e-Huqooq-e-Balochistan Package.

The other proposals are that where contracts are awarded the said district should be given 15 percent of revenue to be received by the provincial government and the distribution companies should be obligated under contract/law to provide on priority basis gas to the district where it is explored, in case of a successful find the federal government shall spend an amount equivalent of 10 percent of the net profits on development projects in the area. The ascertainment of profits shall be open to scrutiny by independent/third party auditors. The Federal government has released the accrued production bonus to the districts producing oil and gas, rationalisation of the royalty formula and the Gas Development Surcharge have resorted to, the concept of public-private ownership in the areas of a district granted for exploration should be followed. This should be adhered to in letter and spirit.



GoldenPalms (Residential Estate, Gwadar)

GWADAR NEWS UPDATE 2009

All new mega projects be initiated with the consent and approval of the provincial government. The share of the province in its profits/benefits to be assured in the contract/agreement, the concept of public-private ownership in such projects to be followed wherever possible. **In Gwadar there shall be a free economic zone and political activities in the said zone may be regulated by an appropriate law to be framed in consultation with all the stakeholders.**

In Gwadar all, or as far as possible, appointments in BS 1 to 16 should be from the local population. the local youth should be provided technical training and absorbed in GPA, GDA and Special Economic Zone, preference should be given to the qualified local contractors while awarding contracts related to the port, compensation and reallocation of all those fishermen who are being displaced due to the Gwadar Port must be finalised immediately.

The two jetties agreed to be constructed for the fishermen on the Eastern and Western Bays be constructed, a fisheries training center as required to be established under the Five-Year Plan for Balochistan, a portion of the revenue collected by the Gwadar Port Authority be allocated for the development of the Province.

The Chief Minister shall be the Ex-Officio Chairman of the Gwadar Development Authority and there shall be seven members from the province on the Board of Directors, the provincial government of Balochistan will nominate a person duly qualified to be the Chairman of the Gwadar Development Authority. There should be a special development package for the area and the armed forces should be systematically withdrawn from the area.

EMPLOYMENT OPPORTUNITIES: The federal government will create, with immediate effect, 5000 additional jobs for the province, the quota for the province as prescribed in the rules/law for employment in government (specially foreign service), semi-government, autonomous, semi-autonomous, corporations and bodies must be strictly complied with. Deficiency if any, needs to be met in a proactive manner.

The Overseas Employment Foundation needs to facilitate the recruitment of skilled or unskilled labour for employment aboard. The local people living along the coast who meet the criteria should be given jobs in the Coast Guards, the monitoring of the aforesaid shall be the responsibility of the Standing Committee for Establishment, Senate of Pakistan.

The federal government agrees to pay the arrears of Gas Development Surcharge from 1954 to 1991. This is a total amount of Rs 120 billion payable in 12 years. In organisations such as PPL, OGDCL and Sui Southern, the province will be able to purchase up to 20 percent of the right shares when offered in the open market. The federal government from its 30 percent shares in the project will immediately give 20 percent to the province.

On completion of the project and when the foreign company withdraws the project shall be owned exclusively by the province. There shall be a uniform price of gas throughout the country for the purpose of calculation of GDS. Fishing trawlers should be restricted to the authorised limits of 33 kilometres from the coast. This will help promote the small fishermen.



KOHLU DISTRICT: Special incentives should be given to the local tribes to facilitate exploration in the area, which continues to be closed due to security concerns.

POVERTY ALLEVIATION: In all poverty alleviation schemes, the allocation of the province should be proportional to the percentage of people living below the poverty line.

PROFIT SHARING IN EXISTING AGREEMENTS: (I) It is proposed that existing agreements on projects such as Saindak, Rekodic and others where agreements have already been negotiated, the federal government may reconsider the agreement concerning the sharing of income, profits or royalty between the federal government and the provincial government.

DERA BUGTI INTERNALLY DISPLACED PERSONS: The federal government for the rehabilitation and settlement of the IDPs shall provide a sum of Rs 1billion.

WATER MANAGEMENT: The federal government shall immediately undertake schemes which include the construction of small dams throughout the province but particularly in the districts of Quetta, Pasheen, Qila Abdullah, Qila Saifullah and Zhob.

DAWN
Dated 15th November, 2009

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Pakistan, Thailand to sign investment MoU

In order to promote tourism and hotel facilities a Thai company, Invision Hospitality, showed interest in making investment in Pakistan and hoped to create facilities of hotels at Gwadar Port, Gilgit-Baltistan , Swat and the adjoining areas of Murree and the NWFP.

BUSINESS RECORDER
Dated 14th November, 2009

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Feasibility of IP gas pipeline project: contract awarded to German firm

ISLAMABAD: Pakistan has awarded a contract to ILF Consulting Engineers of Germany for consultancy on Iran-Pakistan (IP) gas pipeline project to undertake project feasibility. The ILF will work in joint venture with Pakistan engineering consultancy agency, National Engineering Services Pakistan Limited (Nespak), *Business Recorder* learnt reliably here on Friday.

Pakistan has already agreed to import 750-mmcfcd gas and would seek additional 250-mmcfcd gas from Iran on the request of Balochistan government to meet Gwader Port's requirements. "If the Economic Co-ordination Committee (ECC) gave the nod for additional gas import from Iran, then the size of the pipeline would be increased



and Pakistan will have to take up the issue of the size with Iran," the sources said. "If the volume of gas imports is increased, the size of the pipeline may have to be increased to 48 inches, said the sources.

The cost of construction of 42-inch pipeline - from Iran to Nawabshah - was estimated at 1.2 billion dollars. However, with increase in the size, the cost would rise. At present, 48 percent thermal power generation is based on furnace oil, out of which about 62 percent is imported. One bcfd gas will generate an estimated 5,000-mw electricity. Recent studies have shown that the imported gas would be the most economical fuel compared with other imported fuels.

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Dated 11th November, 2009

5th urea ship arrives at Gwadar

KARACHI: The fifth ship carrying 45,574 metric tonnes of urea for Trading Corporation of Pakistan (TCP) berthed at the Gwadar Port on Tuesday. A TCP official said that with the arrival of MV Star Cosmos from Oman, the total imported quantity for Rabi season has reached 175,449 MT of urea from the awarded quantity of 600,000 MT. app

Associated Press of Pakistan (APP)

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Balochistan govt. asked to utilize natural resources for social development

QUETTA: Balochistan government had been advised by World Bank for giving preference to utilization of its natural resources for uplift of social infrastructure in the province. According to World Bank Review Reviews on Balochistan Economic Situation, the provincial government had been asked to adopt an agenda aimed at increasing the production capacity of the province besides introducing reforms in energy and trade sectors.

"Efforts should also be made for evolving effective revenue collection system in order to increase revenue of the province", the WB report said, urging the need for capacity building of the members of provincial administration besides encouraging public-private partnership in the province.

The Report also recommended to the provincial government to opt for loans for development project on soft conditions. **It also envisaged an estimated dollar two billion plan for development of Gwadar deep water port and the allied port city.**

The Economic Report advised for concentrating the funds available with the provincial government on completion of already ongoing development schemes halting implementation on new projects in the province.



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Dated 8th November, 2009

Balochistan uplift roadmap unveiled

WD-ADB report urges improvement in law and order in province

ISLAMABAD: The World Bank and the Asian Development Bank (ADB) unveiled on Monday a roadmap for Balochistan's economic development, and described economic opportunities in Balochistan as "instruments for higher economic growth in Pakistan". The report – launched in Islamabad – observed that while development in Balochistan had lagged behind, it was now "high time to invest in the province so that Balochistan draws on its natural resources and strategic location to promote economic development".

The report suggests that Gwadar be transformed into a full-fledged port by pursuing a land port model, in a bid to promote national exports and imports. It also proposes that regulations and coordination be improved through the Gwadar Port Authority. The report calls for tightening security and promoting the provincial level oil and gas cell to facilitate gas exploration in Balochistan. For the development of coastal areas, the report suggests that investment be made in the value chain, fish stock assessments be held to encourage private investment and shrimp farming be launched as a public-private partnership. **It also proposes the establishment of a fish-processing city in Gwadar,** the development of new fishing ports and capacity-building to manage common pool resources. In a bid to promote mining, the report calls on authorities to disseminate a geological survey of Pakistan to attract private investment. It also proposes that fiscal and regulatory reforms be pursued in mining.

Law and order: As part of efforts to link enterprises, the report has suggested that the government improve the law and order situation, reduce the cost of doing business and consolidate the national highway network.

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Dated 27th October, 2009

Iran may finance three energy projects worth \$330 million

ISLAMABAD: Iran has indicated its willingness to finance three projects related to development of energy infrastructure in Pakistan by utilizing \$330 million total pledges made at Tokyo Donor Conference, officials sources told Daily Times here on Monday.

The Iranian commitment of \$330 million consists of \$10 million as grant (project mode), \$120 million as project finance and \$200 million as trade finance. The Iranian government identified utilization procedures for grant (\$10 million), which include provision \$3 million in 2010, another \$3 million in 2011 and \$4 million in 2012. **Officials in the Economic Affairs Division (EAD) told this scribe that Irani counselor in Islamabad informed them that they would like to fund health and education sector projects in Balochistan from their grant. The government of Balochistan had been requested to send the portfolio of viable projects in health and education sectors for the grant portion.**



The Iranian government still not provided any detail of time frame and spending of project finance (\$120 million) and trade finance (\$200 million). However, Iran hinted that the project loan would be utilised mainly for energy related and infrastructure development projects. The project loan will be hard loan but the terms of loan were still not clear, however, it would be around 3 percent to 4 percent fixed interest rate. The officials further claimed that Iran had indicated its preference for funding three projects out of the loan assistance.

The officials claimed that the Iran might assist Pakistan in supplying 100MW electricity to Gwadar Port in Pakistan in order to ease the growing power crisis there. All the groundwork in this connection had been completed and the power supply would start as soon as Pakistan finalised work on transmission lines.

Iran also expressed its desire to finance the construction of SEHRA hydropower project in AJ&K by an Iranian company costing \$350 million. The Iranian company as an IPP project was constructing the said project. The Sehra project has 65MW power generation capacity.

Sources further claimed Iran expressed its willingness to finance the construction of Noshki-Dalbandin Road in Balochistan (cost of the project is \$50 million). They claimed that provision of electricity to Gwadar Port and construction of roads would further enhance trade and economic activities in Balochistan, which would help in removing deprivation of the province. The Iranian indication of utilising \$200 million as trade finance is meant for increase in bilateral trade between the two countries that is already being performed under Pak-Iran Preferential Trade Agreement. Iran has already indicated Pakistan supply of furnace oil on deferred payment.

The officials claimed that there was a possibility that Gwadar Port would be linked with Iranian Port in Chabahar that would bring enormous economic benefits to the two countries. Under trade finance, the officials expressed the hope that Iran would facilitate Pakistan as a transit to export its commodities to Turkey and offered the government's full cooperation to the Iranian traders in their efforts to get access to the Chinese markets. The government of Pakistan has told Iranian government that the issue of transmission line and construction of road projects in Balochistan was being undertaken with WAPDA and National Highway Authority (NHA). In addition, the officials claimed that Pakistan would also propose Public Sector Development Project (PSDP) funded projects to Iran for funding.

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Dated 7th October, 2009

Cabinet likely to approve revised GPA Bill today

ISLAMABAD: The Cabinet, which is scheduled to meet on Wednesday, is likely to approve revised Gwadar Port Authority's (GPA) structure by replacing the Chairman and members of the Board with non-executive professionals, with the objective of placing skilled people at the helm, official sources told *Business Recorder*. The proposal was part of the agenda of Cabinet meeting held on September 28, 2009, but due to paucity of time, it did not come under consideration, sources added.

According to details, a summary was submitted to the Cabinet on May 14, 2008 by the Ministry of Ports and Shipping. The Cabinet deferred consideration of 'Gwadar Port Authority's revised Bill for new corporate structure of the port' till a thorough examination was completed by a committee which comprised of Ministers for Ports and Shipping, Finance, Law and Justice, one Minister from Balochistan and Deputy Chairman, Planning Commission.



The committee in its meeting on July 2, 2008, thoroughly examined the Bill, advised amendments in it, and directed the Ministry of Ports and Shipping to submit the revised Bill to the Ministry of Law for vetting. Sources said that the Bill, finalised by the committee and vetted by Law Ministry, was submitted to the Cabinet Division for consideration, along with the findings and recommendations of the committee, through a Summary on December 16, 2008.

However, the summary was returned by the Cabinet Division on December 23, 2008 with advice for fresh consultation with all stakeholders and vetting from Law Ministry. Accordingly, the views of the Ministries/Divisions concerned as well as from the Balochistan government were obtained on the Bill afresh. Sources said there is a wide range of opinion among different Ministries and Divisions over the revised provisions of the GPA's Bill, which are being placed before the Cabinet for its verdict. Under the Bill, the Chairman and Members of the Board will be non-executive professional people, without any executive function or responsibility.

The responsibility for management of all affairs of the Authority will rest with the Chief Executive Officer (CEO) of the Authority, to be appointed under section 34 of the Bill. The CEO will also act as co-opted Member of the Board and will report to the non-executive Chairman and the Board on all matters including those delegated by him to the subordinate officers in the Authority. Besides the revised Bill, the Ministry of Ports and Shipping will also give a detailed presentation to the Cabinet on the affairs of the GPA.

Other important proposals which are expected to be approved by the Cabinet are: Net Hydrel Profit (NHP) to Punjab government in respect of hydroelectric station located in Punjab and a proposal of Alternative Dispute Resolution (ADR); approval in principle to start negotiations between Pakistan and Hungary for an agreement for the establishment of Joint Economic Commission (JEC), approval in principle for grant of autonomous status to Pakistan Academy of Letters, amendments in the Companies Ordinance, 1984, amendments to the Anti Money Laundering Ordinance 2007, amendments in the Chartered Accountants Ordinance, 1961, amendment in Seed Act, 1976, approval of the Pakistan Health Research Council Bill, 2009, ratification of United Nations Convention against transnational organised crime, approval for ratification of extradition treaty between Pakistan and Libya, amendment in Sub-section (2) of Section 35-a of Code of Civil Procedure, 1908, National Child Protection Policy, National Commission on the Rights of Children Bill, 2009, Child Protection (Criminal Laws Amendment) Bill, 2009 and draft Bill for restructuring/ reorganisation of Federal Statistical System of Pakistan are the some of the proposals, which are most likely to be discussed for approval. Sources said that discussion on Kerry Lugar Bill, law and order situation, forthcoming bye-elections, and power load shedding would also be held.

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Dated 3rd October, 2009

"Urea be made available to farmers by mid-November": ECC asks TCP to use Gwadar Port for import.

ISLAMABAD: The Economic Co-ordination Committee (ECC) of the Cabinet has directed the Trading Corporation of Pakistan (TCP) to use preferably Gwadar Port for the import of urea to be provided to growers by November 15. Sources in the Agriculture Ministry said the ECC also directed the authorities to ensure the availability of imported urea to growers by November 15, but not later than November 30, preferably through Gwadar Port.

The Ministry of Finance would ensure facilitation for opening of Letters of Credits (LCs) in time and Subsidy of



Rs.750/- per 50 kg bag as decided by the ECC on September 15 would remain intact and distribution would be ensured by National Fertiliser Marketing Limited (NFML) expeditiously.

While considering the summary, the ECC in its meeting held on September 29 on "Approval to Import 0.6 Million Tons of Urea Through TCP and its Distribution by NFC/NFML for Rabi 2009-10" allowed to import 0.6 million tons of Urea fertiliser instead of 0.4 million tons by TCP on fast track basis. ECC was informed that since the earlier decision taken on September 15, regarding import of 0.4 million tons of urea through private sector, the fertiliser situation/demand for Rabi crop 2009-10 in the country was further reviewed.

It was explained that the representatives of provincial governments, National Fertiliser Corporation (NFC) and fertiliser manufacturers had re-assessed quantity of urea required to be imported at 0.6 to 0.7 million tones in view of prevalent trend of intensive use of fertiliser in Bt cotton.

Moreover, it was observed that private investors are not willing to participate in the import of urea. The earlier decision for import through private sector was, therefore, not viable. TCP showed reservations about adherence to the timelines given for import of urea because of procedural limitations.

Sources said the ECC expressed concern over the situation and advised TCP to adopt proactive approach and prioritise completion of due process to ensure that the imported urea reaches the farmers by mid November 2009.

It was emphasised that timely import was critical in view of the incoming sowing season and consumption of urea which was almost double. Finance Division agreed to facilitate TCP to open LCs in time so that shipments may arrive within the aforesaid timelines. The requirement to ensure expeditious transportation and distribution of fertiliser through National Fertiliser Marketing Limited (NFML) was also emphasised, sources said.

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Dated 28th September, 2009

Gwadar Port Authority to be restructured

ISLAMABAD: The government has decided to revise Gwadar Port Authority's (GPA) structure by replacing the Chairman and members of the Board with non-executive professionals, with the objective of placing skilled people at the helm, official sources told *Business Recorder*.

A summary was submitted to the Cabinet on May 14, 2008 by the Ministry of Ports and Shipping. The Cabinet deferred consideration of "Gwadar Port Authority's revised Bill for new corporate structure of the port" till a thorough examination was completed by a committee which comprised of Ministers for Ports and Shipping, Finance, Law and Justice, one Minister from Balochistan and Deputy Chairman, Planning Commission.

The committee in its meeting on July 2, 2008, thoroughly examined the Bill, advised amendments in it, and directed



the Ministry of Ports and Shipping to submit the revised Bill to the Ministry of Law for vetting. Sources said that the Bill, finalised by the committee and vetted by Law Ministry, was submitted to the Cabinet Division for consideration of the Cabinet, along with the findings and recommendations of the committee, through a Summary on December 16, 2008.

However, the summary was returned by the Cabinet Division on December 23, 2008 with advice for fresh consultation with all stakeholders and vetting from Law Ministry. Accordingly, the views of the Ministries/Divisions concerned as well as from the Balochistan government were obtained on the Bill afresh.

Sources said there is a wide range of differences of opinion among different Ministries and Divisions over the revised provisions of the GPA's Bill, which are being placed before the Cabinet for its verdict. Under the Bill, the Chairman and Members of the Board will be non-executive professional people, without any executive function or responsibility.

The responsibility for management of all affairs of the Authority will rest with the Chief Executive Officer (CEO) of the Authority, to be appointed under section 34 of the Bill. The CEO will also act as co-opted Member of the Board and will report to the non-executive Chairman and the Board on all matters including those delegated by him to the subordinate officers in the Authority. Besides the revised Bill, the Ministry of Ports and Shipping will also give a detailed presentation to the Cabinet on the affairs of the GPA.

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Dated 18th September, 2009

Government approves Rs 7.5bn construction of Gwadar Int'l Airport

* CDWP approves 42 projects worth Rs 107.2 billion

ISLAMABAD: The Central Development Working Party on Thursday approved 42 national importance projects worth Rs 107.2 billion including foreign aid component of Rs 10 billion.

The 42 projects included Construction of New Gwadar International Airport (NGIA) and Allied Facilities Rs 7.5 billion including Rs 1.312 billion as FEC. The scheme envisages construction of state of the art NGIA, along with allied facilities over a piece of land already acquired measuring 4300 acres. The construction of the NGIA would be undertaken in phased programme over a 30-year period.

The airport would be developed as a green-field airport and all major components of an airport would be developed as part of this project. The officials claimed that the NGIA would be the business gateway to Pakistan through the city of Gwadar. The government had already allocated Rs 750 million in the PSDP 2009-10 for construction of the airport.



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Dated 16th September, 2009

Gwadar: Govt may allow private sector to set up sugar refinery

ISLAMABAD: The government is all set to give a go-ahead to the private sector to set up a sugar refinery at the Gwadar port to meet local demand in the wake of high prices of the sweetener in the international market, official and industry sources confided to The News on Tuesday.

“Yes, the Ministry of Industries is considering allowing the private sector to set up a sugar refinery at the Gwadar Port to deal with sugar crisis in the long run,” an official of the Ministry of Industries and Production told The News but requested not to be named.

“It is not the business of the government to set up an industry or run an industrial unit but we will facilitate and encourage the private sector to do business by setting up industrial units,” the official said.

The federal cabinet has allowed private sugar millers the import of 0.35 million tons of raw sugar before the start of crushing season in October or November as the food and agriculture ministry anticipates a sugar shortfall of 1.5 million tons in 2009-10.

There are 82 sugar mills for crushing cane in the country but no sugar refinery for processing imported raw sugar for public consumption. Imported raw sugar is only processed by mixing it with cane juice during the crushing season.

Besides import of 350,000 tons of raw sugar by the Pakistan Sugar Mills Association (PSMA), the government would import 70,000 to 100,000 tons through the Trading Corporation of Pakistan (TCP) which would be processed either by local mills or a refinery in Dubai, said a well-informed official of the food ministry. “It is right time that the government gets rid of the shackles of PSMA by allowing the setting up of a sugar refinery for processing raw sugar,” the official said.

“We are studying the government’s plan for a sugar refinery in the country and have submitted proposals in this regard,” a leading commodity importer said from Karachi by telephone.

Since last year, India, who used to export raw sugar, “has become a net importer and has set up 10 to 15 refineries on fast track as it sees a shortfall of five million tons in sugarcane production,” he added.

During the season in India, the cost of refining raw sugar came to \$60 per ton at the most, allowing the refineries to make reasonable margins, said the importer. A proposal for setting up a sugar refinery reveals the project requires an investment of \$30 million, which could be higher if the refinery wants to export electricity, generated through high steam pressure system. It will reduce the cost of production with revenues from power export.

It estimates the project capacity at 750 to 1,000 tons per day of refined sugar based on Phospho-flotation and Ion Exchange technology and annual production at 0.25-0.30 million tons.

The proposal says electricity will cost nothing due to cogeneration of steam and power (as steam will be generated at higher pressure and passed through a turbine). Power requirement is 60 kilowatt hour (kwh) per ton of refined sugar and the refinery can run 330 days in a year, taking 30 days for maintenance.



The interested party also says they have commissioned a refinery for a sugar mill and can build a refinery at a much lower cost and will commission it with their own manpower and hand over the same to the client.

The cost of refining will depend to an extent on fuel cost, but taking coal as a fuel available at \$100 per ton the cost will be less than \$60 per ton of refined sugar including both fixed and variable cost, the proposal concludes.

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Dated 4th September, 2009

China gave \$1 billion to improve Pakistan's economy: envoy

ISLAMABAD: Chinese Ambassador to Pakistan Lou Zhaohui has said that China has already given one billion dollars in two tranches to enhance Pakistan's foreign reserves and improve Pakistan's economy. "Pakistan is the only country in the world that China has ever given such a huge amount on very low interest rate that is due to the nature of bilateral relations", the Chinese envoy said while talking to media here on Friday.

President Asif Ali Zardari and his Chinese counterpart Hu Jintao are to meet in New York later this month on the sidelines of UN General Assembly, he said, adding that their meeting will focus a wide range of regional and international issues, but the main emphasis would be on bilateral relations. Zhaohui said that within the last one year President Zardari has twice met both the Chinese premier and the president. The interactions will further deepen the relations between the two countries, he added. He deeply appreciated Pakistan's stance over July 5 incidents in Xinjiang province and said it was the only country in the world to have issued a statement in support of China.

To a question, the ambassador said that Pakistan's religious/political parties also supported China on the issue. Zhaohui said President Zardari during his first official visit to China last October had committed to visit China after every three months and each time he would visit a new province of the country. "President Zardari has kept his promise and has so far visited his country thrice learning from Chinese model of development and holding interactions with various business leaders, economists and agriculturists," he added.

To a question about the protocol President Zardari was given in China, the ambassador said that no head of state is ever given such a protocol if he is on a working visit to cities other than Beijing. "This is rare. When dignitaries from other countries are there in Chinese provinces, they are received by an official of the Chinese foreign ministry. No one outside Beijing gets protocol which President Zardari receives during his working visits," Zhaohui said. He said although President Zardari was not on a state visit, but still he was received by vice premier and the foreign minister also met him in Guangzhou. Ambassador Lou Zhaohui also dwelt upon areas of Pakistan-China co-operation and other international and regional issues. He said last year there were 3,000 Chinese engineers working in Pakistan on a number of projects, but this year their number has increased to 10,000 and the total projects they are working on are 120.

Expressing satisfaction over the security that interior ministry is providing to Chinese diplomats and engineers, he



GoldenPalms (Residential Estate, Gwadar)

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said the embassy has a joint task force with Pakistan's interior ministry and have a 24 hours hotline. "A number of foreigners left Pakistan, but we are committed to complete all the projects on which Chinese are working," he said. **To a question he said for timely completion of Gawadar Port, China provided \$300 million and was interested in its operating rights, which were given to Singapore Port Authority.** He said China is also co-operating in Neelum Jhelum power project and in defence field his country has provided JF-17 fighter jets and handed over Frigate-22 to Pak Navy.

The ambassador informed that an MoU between the two countries will be signed next week to launch Pakistan's satellite into space. He said unlike Pakistan, his country has a number of political issues with India including border issue and Dalai Lama. Zhaohui, however, stated that relations with India were improving and recent talks on border issues have been satisfactory and some Indian army officials have also visited China.

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Dated 2nd September, 2009

Uzbek envoy seeks transport facilities through Pak ports

By Sajjad Malik

ISLAMABAD: The government of Pakistan is considering Uzbekistan's request for provision of transport facilities at the Gwadar Port and Port Qasim, Uzbek Ambassador Aybek Arif Usmanov said on Tuesday.

In a statement issued on the eve of Uzbekistan's 18th independence day, the ambassador said Uzbekistan had earlier asked Pakistan to provide transport facilities at its ports. He said the federal cabinet had also ratified the transit trade agreement with Uzbekistan, which would prove instrumental in promoting trade relations between the two countries. The ambassador said both countries enjoyed friendly relations based on deep-rooted historical interactions and brotherhood.

He said several bilateral visits of the top leadership had taken place in the past.

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Dated 31st August, 2009

China, Iran and United States too have a deep interest in the province.

The establishment of the Gwadar deep-sea port, confirmed deposits of precious metals in the province and shared borders with Afghanistan and Iran has given Balochistan a unique strategic position. **Gwadar has the potential of being a highly profitable communication link between China and the Persian Gulf, and between Central Asia and Pakistan.** The US has a huge interest in the province to protect itself in Afghanistan, and considers it important in the context of its potential rivalry with China and poor relations with Iran. The power play of global and regional actors



in an insurgency-ridden Balochistan is a serious challenge for Pakistan. Islamabad should realise that the peace security and stability of the province are closely interlinked with the integrity and future well being of Pakistan. And Balochi nationalism has to be assimilated and harmonised with the overall national interest, and not allowed to remain hostile to it.

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Dated 23rd August, 2009

PM announces 10pc reduction in port charges

ISLAMABAD: Prime Minister Syed Yousuf Raza Gilani on Saturday announced a 10 per cent reduction in port charges in order to enhance the port's operational activities.

He made this announcement while attending a presentation during his visit to the Ministry of Ports and Shipping here.

The Prime Minister said that port charges in Pakistan are high in the region. Cargo handling is sluggish while storage facilities are deficient. This, he said, impedes the flow of trade and adds to the cost of doing business.

The Prime Minister said that since the transfer of Pakistan Marine Academy to the Higher Education Commission in 2004 for turning it into a university/centre of excellence has not materialised, the possibility of shifting its administrative control back to the ministry may be examined.

He said that Gwadar Port is the port of the future and must be developed as per its master plan, positioning it as a hub for trade and trans-shipment in the region.

Gwadar is ideally placed to serve trading needs of Central Asia, Afghanistan and western part of China. For this purpose, he added, "we need to move fast on developing communication infrastructure."

The prime minister directed the Ministry of Communication to expedite the construction of road network from Gwadar to upcountry to facilitate transportation and enhance port activity.

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Dated 5th August, 2009

ISLAMABAD: Federal Minister for Railways Ghulam Ahmed Bilour has announced that a freight train service from Islamabad to Istanbul via Tehran will be launched on August 14.

Addressing a press conference here on Tuesday, the minister said that if the freight service succeeded, a passenger train would also be introduced on the route. The minister said he hoped that Pakistan Railways would eventually be



able to introduce train service to Europe through Turkey. For that, he added, railway tracks would have to be modified and upgraded.

He announced that Pakistan and China had agreed to establish a consortium for various projects, including the laying of railway track up to Iran and Afghanistan and construction of coaches in Pakistan. He said the volume of trade between Pakistan, Iran and Turkey was around \$15 billion and was growing. The best way to reduce the cost of goods was to link the three countries of the Economic Coordination Organisation with a train service. Mr Bilour said the passengers' movement was also growing and the rail link offered a profitable business potential.

He said the main hurdle was the difference of track gauge. Pakistan has broad gauge while most tracks in Iran were of meter gauge. Iran will provide transshipment facilities at Zahedan station till a standard gauge line is laid between Zahedan-Mirjaveh and Quetta. Mr Bilour said his ministry hoped that the consortium to be set up with Chinese companies would lay standard gauge tracks up to the borders of Afghanistan, Iran and China.

'The Chinese are building the Torkham-Jalalabad track. We want to link Karachi with Torkham, Khunjab with Islamabad and Gawadar to Quetta and onwards,' he said.

The minister said the issues of the cost and financing of the project would be resolved soon. Pakistan, he added, would like a 'build and manage' model and avoid financial involvement in the project. The length of the Islamabad-Istanbul rail link is 6,500 kilometres, 1,900km in Pakistan, 2,570km in Iran and 2,036km in Turkey. According to railway officials, initially the existing common tariff structure between Turkey and Iran, based on the Europe-Asia Tariff structure, would apply to the Islamabad-Tehran-Istanbul container service. The idea to establish rail links between Pakistan, Iran and Turkey dates back to 1970s but it was the 10th ECO summit held in Tehran in March this year which decided to launch it in August this year. The minister said Pakistan had placed an order to China for 200 railway coaches, out of which 150 would be built in Pakistan.

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Dated 2nd August, 2009

TAPI gas pipeline: Pakistan suggests alternate route

ISLAMABAD: In the wake of stepped-up tactics by the Taliban in Afghanistan, Pakistan has proposed to Turkmenistan an alternate route in western Afghanistan to finalise the much-delayed Turkmenistan- Afghanistan-Pakistan-India (TAPI) gas pipeline, a senior official in the Ministry of Petroleum said on Saturday.

"Alternate western route in the militancy-plagued Afghanistan is under discussion to lay down the TAPI gas pipeline



without further delay. The route will be between Afghanistan-Iran and Pakistan-Iran and then again it will enter Balochistan," official said.

He said that the Afghanistan government was in favour of that alternate western route for laying down the gas pipeline. **"The TAPI pipeline will pass near Rakho Deeq copper mines project in Balochistan's Chaghai area and will reach the Gwadar port," he added.**

Taliban militants are active elsewhere with special reference to the lawless Pak-Afghan border region and the earlier proposed pipeline was feared to be damaged. Pakistan has conveyed to Turkmenistan that more than 72 percent insurgency-related cases by the extremists elements are being taking place on weekly basis on the earlier proposed TAPI gas pipeline route where it links Herat to Kandahar.

"Afghan authorities have also agreed with the Pakistan's point of view that the western route for TAPI gas pipeline is viable and it has been de-mined to make it protected in line with security point of view," the official added.

Another official in the Petroleum Ministry said on condition of anonymity because he was not authorised to speak on the issue: "If the proposed alternative western route is accepted by Turkmenistan, then the length of gas pipeline will reduce to 1,490 kilometres instead of earlier estimated length 1680 kilometres on Herat-Kindhar route."

The official said the alternative western route was feasible and would be acceptable to India, and added Pakistan was set to establish liquefied natural gas (LNG) terminal at Gwadar port, providing a golden opportunity for India to import LNG.

Turkmenistan did not so far come up with any tangible response on the proposed route. "Once the four countries are agreed on timeframe, modalities and other parameters, then an independent consultant will be hired under the Asian Development Bank (ADB) to convert the project into a bankable report," he said.

Turkmenistan has said that it has gas reserves of eight trillion cubic meters, but Pakistan and India want certification about the gas reserves before taking any further step on the TAPI gas pipeline project. Under the proposed project, Turkmenistan will supply 3.2 bcf/d gas, which would be shared by Pakistan, Afghanistan and India.

Earlier, the project steering committee meeting on TAPI was held in Islamabad on April 21-24, 2008 and Turkmenistan pledged to submit the audit report on certification of gas reserves by September 30, 2008. The ADB representative in a meeting of the steering committee had expressed reservation over the delay of the project.



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Dated 8th July, 2009

FBR Grants Zero Rating for Machinery Import

ISLAMABAD: Federal Board of Revenue (FBR) on Tuesday allowed sales tax zero rating on import and local supply of parts along with plant, machinery and equipment, whether locally manufactured or imported.

Sales Tax zero rating would also be applicable on Import and local supply of construction materials imported by Gwadar Export Processing Zone's investors and for development of Export Processing Zone Gwadar for development of zone's infrastructure.

In this regard, The FBR authorities have issued SRO 625 (I)/2009 stating that in exercise of the powers conferred by clause (c) of section 4 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that the following amendments shall be made, and shall be deemed to have been so made on 14th June, 2009, in its Notification No. 549(I)/2008, dated the 11th June, 2008. staff report.

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Dated 5th July, 2009

Gwadar EPZ industries get 10-year tax exemption

** Industrial units in EPZ allowed to sell 50 percent of their produce locally*

ISLAMABAD: **The Federal Board of Revenue (FBR) on Saturday notified a tax exemption on profits and gains of any industrial unit in the Gwadar Export Processing Zone (EPZ) for a period of 10 years.**

The exemption will commence from the time the industrial unit is set up or begins commercial operations.

The FBR also notified that industrial units established in the Gwadar EPZ would be allowed to sell 50 percent of their produce in the local market, compared to 20 percent previously.

The remaining produce can be exported as per the producer's preference.

Earlier, the industrial units located in the Gwadar EPZ needed to export 80 percent of their production for availing tax exemptions and incentives.

The FBR issued SRO 606(I)/2009, which amended the Second Schedule of the Income Tax Ordinance and added a new clause, 126-D, after clause 126-C.

The FBR also issued a notification SRO 612 (I)/2009 that amended the Customs Rules.

According to newly-added clause IV, the licensee may procure duty-paid input goods manufactured locally in addition to duty-free input goods for the production of finished products.



If duty drawback and rebate of federal excise duty are admissible on exports of such finished products on the basis of standard duty drawback and rebate notification, the value for claiming duty drawbacks and rebates would be the products' value less the value of the duty-free input goods.

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Dated 3rd July, 2009

Sales tax zero rating facility for EPZ construction material likely

ISLAMABAD: The government is likely to announce sales tax zero rating facility on the import and supply of construction material by investors of Export Processing Zone (EPZ) Gwadar or development of the infrastructure through amendment in the zero rating SRO.549(I)/2008. The Federal Board of Revenue (FBR) has also given permission to export upto 50 percent of the production from zone to tariff area of the country on payment of normal duties rates.

Sources told Business Recorder on Wednesday that the amendment in the SRO.549(I)/2008 would be made after vetting by the Law and Justice Division to allow sales tax zero rating on import and supply of construction material by EPZ investors. The construction materials may be incorporated in the SRO.549(I)/2008, which deals with the goods on which sales tax shall be charged at the rate of zero per cent.

Details revealed that the government has granted a number of incentives to the EPZ, Gwadar. Firstly, the Cabinet decision of June 3, 2009 regarding "Package of Incentives for Export Processing Zone Gwadar" has been implemented vide SRO No 606(I)/2009. Through this notification, tax holiday for 10 years from the commencement of commercial operation of the project has been granted to EPZ Gwadar.

Secondly, the FBR has also granted permission to export upto 50% of the production from zone to tariff area of the country on payment of usual duties. The summary for the Cabinet dated June 2, 2009 submitted by Ministry of Industries & Productions regarding package of incentives for EPZ Gwadar relating to Export Wing has been implemented by issuing SRO.600(I)/2009 amending the Customs Rules, 2001.

Thirdly, all exports from Pakistan are zero-rated for the purpose of sales tax under section 4 of the Sales Tax Act, 1990 and this facility is available to all including projects established in Export Processing Zones without any discrimination. Fourthly, presently SRO.11(I)/2008 of February 06, 2008 provides exemption from sales tax for a period of 40 years on the import and supply of materials and equipment for construction and operation of Gwadar Port and Development of Free Zone for Gwadar Port and Ship Bunker Oils bought and sold to the ships calling on/visiting Gwadar Port.

Similarly, supply of raw materials, components and goods for further manufacturer of goods in the Export - Processing Zones and import or supply made to Gwadar Economic Zones excluding vehicles are zero-rated vide S.No 5 and 8 of Fifth Schedule of the Sales Tax Act, 1990 respectively. Moreover, SRO 551(I)/2008 provides exemption on



import of machinery, equipment and materials either for exclusive use within the limits of Export Processing Zone or for making exports there from and goods imported for warehousing purpose in Export Processing Zone.

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Dated 3rd July, 2009

Tajikistan seeks access to Gwadar port for exports

ISLAMABAD: Ambassador of Tajikistan, Zubaydov Zubaydullo Najotovich on Thursday said that his country is in a dire need of access to the world through Gwadar port of Pakistan.

The ambassador expressed these views during a meeting with the Federal Minister for Industries and Production, Mian Manzoor Ahmad Wattoo here today. During discussion he also pointed out that Pakistan was also looking to import Tajik power to its Northern Areas as Tajikistan has the huge hydropower potentials and cheapest electricity in the world.

Easy and smooth of energy supply has become mantra of every government around the globe. The ministers of four countries, Pakistan, Tajikistan, Kyrgyzstan and Afghanistan signed a resolution to proceed further with the Central Asia/South Asia Regional Electricity Market (Casarem) project envisaging transmission of 1300MW from Tajikistan and Kyrgyzstan to Afghanistan and Pakistan; but further commitment to the project will be linked to the availability of financing. A consortium of three financial institutions i.e. Islamic Development Bank, Asian Development Bank and World Bank has recently agreed to provide \$1 billion to Pakistan to import electricity from Central Asian Republics (CARs).

Together with the government of Tajikistan and Kyrgyzstan an inter-governmental council was established in 2007 and a secretariat in 2008 with the objective of developing the electricity market and the CASA 1000 project.

According to the ambassador the government of Tajikistan would be able to assure its electricity requirements by 2009 and would export to the other countries. For the advancement of the communication projects, the government had adopted strategy to construct new highways and bridges to link Tajikistan with neighboring countries.

“From Pakistan’s point of view it would provide opportunities for Central Asian states such as Tajikistan, to boost exports,” the ambassador said and added that both the countries have signed about 20 agreements, protocols and memorandums of understanding (MoU’s) to extend cooperation in energy, communications, insurance, investments and industry, air transport, banking and financial, agricultural and food industry, transport and constructions of roads, science and technology, education, health, tourism, culture on the basis of mutual equality and to increase the current level of trade.

Cherishing brotherly relations between the two nations the Federal Minister took pride in the fact that Pakistan was one of the first countries, which recognised the independence of Tajikistan and established diplomatic ties.



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Dated 20th June, 2009

Withdrawal of 16 percent FED on imports sought: minister gives ports 30 days to cut charges.

KARACHI: The Ministry of Ports and Shipping is asking federal government to withdraw, or reduce, the proposed 16 percent federal excise duty (FED) on imports at the country's ports and air terminals. The Ministry has also set a 30-day deadline for all the three ports--Karachi, Port Qasim and Gwadar--to submit proposals for 'maximum reduction' in port charges.

Despite global financial downturn, the private sector investment in Karachi Port and PQA stands at \$4 billion. This was stated by Federal Minister for Ports and Shipping Babar Ghauri at a press conference after presiding over a "port program" meeting. The meeting, held at KPT headquarters on Friday, was attended, among others, by chairpersons of Karachi Port Trust, Port Qasim Authority, Pakistan National Shipping Corporation.

The Minister was flanked by KPT Chairperson Nasreen Haque and PQA Chairman Vice Admiral Muhammad Asad Qureshi. Ghauri, who apologised to media persons for his late arrival at the briefing by about two hours, said that at least two new oil tankers would be inducted in PNSC's present 11-vessel fleet by September 15 this year.

According to the minister, his side had also raised voice in the Cabinet against the 16 percent proposed FED on imports at ports and container terminals on account of services as, if brought into effect, the levy would hit hard the common man, in terms of inflation.

"We would try for its complete withdrawal, or at least maximum decrease, but if it could not happen we would try to compensate this by making possible maximum decrease in port charges," he declared. He said the traders and chambers of commerce had shown strong reservations over the duty proposed in the 2009-10 budget.

Highlighting various achievements of the government, Ghauri showed disappointment over Gwadar Port which, he said, was not fulfilling its real purpose, viz handling of transshipment cargo. Attributing lack of hinterland connectivity to Gwadar Port's failure to handle transshipment cargo he said that National Highway Authority (NHA) had pledged to complete work on railroad link in Gwadar by 2011.

About whether Rs 30 million allocation for the Rs 3 billion plus Gwadar-Ratodero Road project was enough to ensure timely completion of the key project, he said that the Prime Minister was taking personal interest in Gwadar Port, and any shortage of funds would be met by the Ministry of Communication.

About the possible level of reduction in port charges, which the traders expect should initially be cut by at least 30 percent, the Minister said that it would be made to "possible maximum extent". He said while the volume of cargo handling world-wide was shrinking, KPT during the current year had handled 38.5 million tons cargo against last year's 37.5 million tons, marking an increase of one million tons.

He expressed hope that PQA though marked a slump of 0.5 million tons by handling 25.5 million tons cargo this year



against 26 million tons of corresponding period of last year, was moving towards improvement. The minister also underlined various developing and "almost" developed projects of KPT and PQA.

The projects included Karachi Deep Water Container Port, Shopping District and Port Tower of KPT and \$20 million Liquid Cargo Terminal, \$300 million DP World's QICT-II, \$130 million Grain and Fertiliser Terminal, \$173 million Coal and Clinker Terminal and Rs 1.8 billion industrial area development project of PQA. He said that he had instructed all concerned officials to go for "fast track" completion of the projects in their respective jurisdiction. Asked if he was satisfied with Rs 800 million, plus, allocation for his ministry in the new budget to cater needs of the investment-intensive ports and shipping sector, Ghauri said that in the backdrop of present crisis-like time "we would manage it".

DAWN
Dated 27th May, 2009

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Gilani asked to hold PPP meeting on Balochistan

ISLAMABAD: President Asif Ali Zardari advised Prime Minister Yousuf Raza Gilani on Tuesday to convene a meeting of the Pakistan People's Party to firm up recommendations for resolving outstanding issues of Balochistan.

Briefing newsmen about the meeting between the president and the prime minister, spokesman Farhatullah Babar said Mr Gilani would convene the meeting in his capacity as vice chairman of the PPP.

'The meeting will serve as a prelude to the All Parties Conference on the issue of Balochistan to be convened by the prime minister,' he said.

Talking to the prime minister, the president said the Balochistan issue could no longer be ignored and it was essential that a broad-based national consensus was hammered out for healing the wounds of the people of province.

Mr Zardari said he had also advised the Balochistan assembly to adopt unanimous resolutions and forward the same to the parliament, which in turn would endorse them to create a broad-based political ownership for whatever measures were to be taken.

The president has already assured the Baloch people of resolution of their problems to bring them into the mainstream and eliminate the sense of deprivation and increasing militancy in Balochistan.

A source close to the president hinted that the government wanted to mitigate the grievances of all groups in the province and it was ready to accept their just demands like recovery of the missing people and removal of security check posts.

The president referred to his recent visit to Quetta and deplored the killing of three Baloch leaders in Turbat.

'The government will not only ensure that the culprits are brought to book but also that such incidents do not recur,' Mr Babar quoted the president as saying.



Mr Zardari said the government had taken special measures to address the financial problems of Balochistan by announcing a development package of Rs47 billion for the province.

'The completion of Gwadar project has advanced our strategic interests, created jobs and generated economic activity in the remote areas of Balochistan,' he said.

Referring to the issue of internally displaced persons, Mr Zardari said the government was trying to create an enabling environment to facilitate the return and rehabilitation of displaced persons in Balochistan.

DAWN

Dated 22nd May, 2009

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Iran to provide Gwadar Port 100MW free of cost

ISLAMABAD: Iran has allocated a separate budget for supplying 100 megawatt electricity free of cost to Gwadar Port in Pakistan in order to ease the growing power crisis there.

All the groundwork in this connection has been completed and the power supply would start as soon as Pakistan finalized work on transmission lines, said the Ambassador of Iran to Pakistan Mashaallah Shakeri in a meeting with the Federal Minister for Communications Dr Arbab Alamgir Khan here Thursday.

The Federal Minister told the ambassador that practical steps should be taken to implement the agreement signed between Pakistan and Iran last year to start bus service between Quetta and Mashad.

The Minister said that Pakistan and Iran shared a long history of friendly relations and underscored the need to enhance mutual cooperation in various sectors of economy. He said that Pakistan was working to develop new communication links with Iran in order to increase its share of trade with the latter.

He informed the Ambassador that a new road connection with Iran through Makran Coastal Highway will be opened soon which he hoped will go a long way in bringing the people of the two countries closer together. He said the opening of the new route will link Gwadar Port with the Iranian Port in Chabahar which he said could bring enormous economic benefits to the two countries. He also hoped that Iran would facilitate Pakistan as a transit to export its commodities to Turkey and offered the government's full cooperation to the Iranian traders in their efforts to get access to the Chinese markets.

The Ambassador said that his country shared Pakistan's desire to increase bilateral cooperation in various sectors. He said that Iran wanted to import citrus fruit and vegetables from Pakistan.

He also informed that Iran would soon start a special train service between Zahidan and Mashad for passengers coming from Pakistan. He said that his government was ready to offer Pakistan a soft loan for the construction of Nushki-Dalbandin section on Quetta-Taftan highway. He also proposed for the creation of a joint Pak-Iran shipping company.



The Minister said Pakistan would welcome Iran investment in its road sector and assured him about government's support in this regard. He also appreciated Ambassador's proposal for a joint shipping company and said that such a step would benefit the shipping industry in both the countries.

They also agreed on the need for a meeting between the Communication Ministers of the two countries in the near future in order to make progress on these issues. The Minister informed the Ambassador that a formal invitation in this regard would soon be extended to his country.

Secretary Communications Sharif Ahmed, Member Finance Zafar Iqbal Gondal, Member Planning Raja Nowsherwan and other high officials from National Highway Authority were also present on the occasion.

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Dated 21st May, 2009

EPZ over 46,000 acres to be set up at Gwadar, says Wattoo

ISLAMABAD: Federal Minister for Industries and Production, Manzoor Wattoo said on Wednesday that Gwadar Port has been declared as tax-free zone for 10 years, aimed at boosting exports besides promoting trade and industrial sectors of the country.

Addressing a press conference here, Wattoo said the government has decided to declare Gwadar Port as tax holiday zone for 10 years and establishing an export industry at the port. **"An state-of-the-art export processing zone over 46,000 acres of land would also be established there to promote the export and zero rating of sales tax on construction material will also be exempted from stamp duty," he added.**

He said that it will help improve the life standard of the people of Balochistan and would also create job opportunities in the province. He said that the country has achieved a bumper crop of wheat this year due to the prudent policies of the government and surpassed the procurement target of 6.5 million tons and reached 8 million tons.

He said that rice crop would be cultivated over 7.240 million hectares, cotton 7.044 million hectares, sugarcane 2.558 million hectares while maize would be cultivated over 2.440 million hectares this year. About 19,246,000 acres of land would be put under Kharif crop for which about 3 million tons of fertilisers would be required, he said.

About 2.55 million tons of fertilisers are manufactured locally, as there was a gap of 0.45 million tons in demand and supply of the commodity. This gap would be filled by the import of the commodity, out of which 164,000 tons has been imported and tender for the import of 255,000 has been called.

The government would ensure the import of 255,000 tons by the end of current month to ensure smooth supply of the input to growers adding that the ECC has approved the import of 0.2 million tons of fertilisers. The government is providing around Rs 6.50 billion subsidy on imported fertilisers at the rate of Rs 500 per bag of urea and besides, the subsidy of Rs 282 per bag for local manufacturers is being given which amounts to Rs 14 billion.



The minister said that the government was providing Rs 20.88 billion subsidy for Kharif crop to make the country self-sufficient in food grains. A proper strategy has also been devised to root out hoarding and black-marketing of fertilisers, he said, adding that farmers should purchase the commodity according to their needs and avoid storing the commodity for next crop.

DAWN

Dated 15th May, 2009

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The Balochistan government is likely to declare Gwadar as the winter capital of the province.

QUETTA: A decision has been taken in principle and the plan is likely to be approved with the next provincial budget,' sources told Dawn, adding that officials concerned were working on details of the proposal.

The decision will have a far-reaching impact on the economy of Balochistan, particularly of Makran,' the sources said.

Balochistan Assembly Speaker Mohammad Aslam Bhootani confirmed that the proposal was being actively considered. 'If the government takes a final decision to make Gwadar the winter capital of the province, economic activities in the port city will get a big boost,' he said.

The sources said a bench of the Balochistan High Court would also be set up in Gwadar. They said that Chief Minister Nawab Mohammad Aslam Raisani, Speaker Aslam Bhootani, the chief secretary and provincial ministers had held several meetings in Islamabad in this regard.

JANG

Dated 29th April, 2009

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Turkmenistan to supply gas from Yasrak field

Step to materialise Turkmenistan-Afghanistan-Pakistan-India gas pipeline project

By Khalid Mustafa

ISLAMABAD: Turkmenistan has provided to Pakistan much-awaited gas reserves certification of new Yasrak gas field from where gas will be supplied to Pakistan and India through Afghanistan under TAPI pipeline project, a senior official told The News.

Pakistan's five-member delegation, headed by the Adviser to Prime Minister on Petroleum and Natural Resources Dr Asim Hussain, attended the Ministerial Conference on Energy, Risk and Security held in Turkmenistan and took the opportunity to hold general discussion on TAPI with Turkmenistan's leadership on the sidelines of the conference.

Deputy Prime Minister of Turkmenistan held a meeting with Dr Asim Hussain, and apprised him that Pakistan will be



provided gas from the Yasrak gas field instead of Daultabad gas field and the Japanese firm has provided the gas reserve certification of the Yasark gas field.

When contacted, Secretary Petroleum GA Sabri who was elevated to grade 22 on Monday as Special Secretary confirmed that Pakistan has been given the gas certification of Yasrak gas field. The said field has the potential reserve of four to 14 trillion cubic feet of gas, which is enough for Pakistan to meet the future needs.

However, the official also divulged that Pakistan during the recent visit to Turkmenistan has also suggested a new route for import of gas to Pakistan under Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline project.

Under the new route the pipeline will pass through the small portion of Afghanistan's territory and enter Balochistan to Gawadar. Pakistan has floated this new route to minimize the security threat in war-torn Afghanistan.

"We have asked Turkmenistan to carry out the study on the new route for implementing the project within next four to six weeks."

Sabri also confirmed the floating of new route by Pakistan for implementing the project. To a question he said that Pakistan and Turkmenistan would initiate formal dialogue to materialize the much-delayed project under new strategy.

To a question as to whether Pakistan during the visit also discussed the option to import Turkmenistan gas via Iran, he said that it was a general meeting. But when both the countries still start formal talks, this option will also be brought under discussion.

Under the TAPI project, the official source said, Turkmenistan is to provide 3.2 billion cubic feet gas to Afghanistan and Pakistan and India. If the work on this project kicks off very soon which seems impossible, then Afghanistan will be having \$1 per MMBTU as transit fee.

APP

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Dated 26th April, 2009

Gwadar port can open immense opportunities for import, export of petroleum products: Dr Asim

ISLAMABAD: Adviser to Prime Minister on Petroleum and Natural Resources Dr Asim Hussain said on Friday that Pakistan offers shortest access to Central Asian countries to the warm waters of Arabian sea and has successfully developed a modern deep sea port at Gwadar at the mouth of Persian gulf.

During his address to the conference titled "Reliable Transit of Energy and its Role in Stable Economic Development and International Cooperation", in Ashghabat he said that the Gwadar port can open immense opportunities for the import and export of petroleum and other products which will bring prosperity and the land locked countries, by opening the world markets to them.



He said that "Pakistan is willing to offer opportunities and transit facilities for the import of goods and products, at internationally competitive terms."

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Dated 25th April, 2009

Pakistan offers Turkmenistan safe transit of gas

ISLAMABAD: Pakistan has offered Turkmenistan safe transit of gas to neighbouring countries. Pakistan is also willing to provide safe transit through ships from warm waters to the countries of South East Asia, Advisor to Prime Minister on Petroleum and Natural Resources Dr Asim Hussain said this while addressing a conference "Reliable Transit on Energy and its Role in Stable Economic Development and International Co-operation," in Ashgabat on Friday. According to a message received here, the Petroleum Advisor also offered the shortest access to Central Asian countries to the warm waters of Arabian Sea, as Pakistan has successfully developed a modern deep-sea port of Gwadar, at the mouth of the Persian Gulf.

"The Gwadar Port can open immense opportunities for the import and export of petroleum and other products, which will bring prosperity to the landlocked countries, by opening the world markets to them, Dr Asim said, adding that we wish to convert this into hydro-carbon trading center for the entire region linked both by rail road and highways.

He said that Pakistan is willing to offer opportunities and transit facilities for the import and export of goods and products, at internationally competitive terms. "There is especially an immense potential of setting up Liquefied Natural Gas (LNG) plants and petrochemical projects and Pakistan can join hands not only with Turkmenistan but other countries both as joint ventures or any other terms, he said adding that we are ready to consider any proposal of mutual benefit.

He noted that Pakistan has developed a vast gas transmission network of nearly 10,000 kms, which is ideally suited to economically transport large volumes of local and imported natural gas to load centers. Pakistan' demand for natural gas is rising rapidly, and it is expected that it will increase to around 129 BCM per year by 2025, thus offering a huge market to potential gas suppliers including LNG, he added. Pakistan is strategically located south-east of Turkmenistan, providing the shortest route to the high consumption energy markets in Pakistan and India.

He maintained that the Turkmenistan-Afghanistan-Pakistan-India gas pipeline project provides an excellent commercial link on top of the historical links that already exist among the regional states. The project envisages the construction of a 33 BCM per year pipeline, traversing through Afghanistan to reach Pakistan and onwards to India. The ADB has conducted a feasibility study, and found the project to be commercially and economically viable.

"I am pleased to note that recently there have been some useful discussions on commercial terms, paving the way for conclusion of agreements. With the recent discovery of huge gas reserves in Turkmenistan, it is expected that the



issue of availability and dedication of exploitable gas reserves for the project would also be sorted out and the project will become a reality in the foreseeable future, the advisor added.

Pakistani oil and gas companies are looking for international investment opportunities, and would be happy to explore investment opportunities in Turkmenistan, especially in the newly discovered gas fields. Such an investment will also improve the viability of the Tapi project. "We have already acquired an exploration block in Yemen and exploring possibilities in other countries, he said. Pakistan has recently issued its petroleum exploration and production policy in March 2009. The new policy is investor-centric and offers opportunities to investors in Pakistan's E&P sector. The policy is aimed at ensuring higher rate of return to exploration and production companies.

Lucrative incentives have been offered to attract foreign investment at commercially competitive terms. Pakistan offers an established investment climate backed by a sound institutional and legal system. He invited the investors participating in conference to explore Pakistan's E&P sector also. He said that no doubt there is a major threat to the security of energy resources. Now transport of energy also faces growing menace of terrorism, as energy seems a scare resource. "We have unfortunately been a battleground for others' wars. We are being engulfed by terrorism. This war has no boundaries and can also extend beyond our frontiers, he said, adding that Pakistan however condemns terrorism in all forms and has unshakable commitment to fight it.

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Dated 24th April, 2009

Pakistan may bring LNG and LPG from Turkmenistan

ISLAMABAD: Pakistan is likely to bring Liquefied Natural Gas (LNG) and Liquefied Petroleum Gas (LPG) from Turkmenistan to meet its energy requirements besides **offering Turkmenistan a facility at Gwadar Port for processing gas and export to other markets of the region.**

Sources told *Business Recorder* that Advisor to Prime Minister on Petroleum and Natural Resources, Dr Asim Hussain during his forthcoming visit may offer Turkmenistan this proposition. The Petroleum Advisor is also expected to explore the possibility of importing LPG from Turkmenistan.

Pakistan's energy requirements are increasing with the passage of time and the country is currently working on two proposed gas pipeline projects including Iran-Pakistan-India (IPI) gas pipeline and Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline to import gas to fulfil its energy needs.



DAILY TIMES

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Dated 19th April, 2009

[Pak-Uzbek agreement for economic ties](#)

ISLAMABAD: Pakistan and Uzbekistan on Saturday signed a protocol to cooperate in **water, power, agriculture, leather, textile, tourism and pharmaceutical sectors** to enhance bilateral trade between the two countries.

The session discussed various proposals to enhance bilateral trade and economic cooperation and stressed the need for joint strategy in this regard. Ashraf also called on the Uzbek prime minister and delivered a special message of good wishes of the PM Yousuf Raza Gilani to him. The minister urged for opening of a branch of National Bank of Pakistan in Tashkent. He said the government of Pakistan was considering a request of Uzbekistan for provision of transport facilities at **Gwadar Port** and Port Qasim. staff report

DAILY TIMES

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Dated 16th April, 2009

[Govt finalises 9-year investment plan for infrastructure development](#)

By Sajid Chaudhry

ISLAMABAD: Government has finalised a \$3.11 billion 9-year investment plan for reduction in cost of doing business and to enhance competitiveness of the economy of the country, official sources told Daily Times on Wednesday.

To ensure required financing for the projects included in this plan the government has decided to place before the Friends of Democratic Pakistan as well donors at Tokyo meeting scheduled on April 17.

The investment plan seeks to upgrade Pakistan's highways to neighboring countries with an estimated investment of \$975 million, Railways net work expansion to neighboring countries with an estimated investment of \$1.780 billion and up-gradation of ports and shipping as well as Pakistan National Shipping Corporation with an investment of \$355 million, the official added.

The details of the plan available with Daily Times are

Roads: The plans seek to invest \$125 million in two years on Lawari Rail Tunnel. To link **Gawadar** with China and Afghanistan, the investment required is estimated at \$594 million for the next five years. Similarly, up gradation of Kara Kurrum Highway from Mansehra to Sazin some 258 kilometers has been estimated with an investment of \$256 million in next 7 years.

Road sector plans seeks an investment of \$212 million in first year, \$148 million in second year, \$143 million in third year, \$225 million in fourth year, \$216 million in fifth, \$16 million in sixth and \$15 million in seventh year.



Railways: This plan seeks up gradation of Quetta-Koh-I-Taftan section to link rail net worth with Iran with an estimated cost of 438 million in next four years. A new rail link for connecting **Gawadar Port** with Mastung and Quetta in 9 years time frame has been finalized with an estimated cost of \$1.342 billion.

Ports and Shipping: This plan seeks to support for private sector to make investment in shipping sector with \$100 million, developing capacity for capital and maintenance dredging (upgrading port handling capacity) with estimated cost of \$50 million and \$50 million for Pakistan National Shipping Corporation. This plan also seeks to invest \$155 million in mineral development.

Reducing the cost of doing business: Improvement and modernisation of the transport system is important to Pakistan's economy and its competitiveness. Through infrastructure improvements, including transport, the country aims to greatly reduce the cost of doing business. Transport contributes about 10 percent of GDP. Road transport accounts for 90 percent of national passenger traffic and 95 percent of freight traffic.

DAILY TIMES

Dated 9th April, 2009

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Int'l Road Transport Agreement ratified by Federal cabinet

By Sajid Chaudhry

ISLAMABAD: Federal Cabinet has ratified International Road Transport Agreement signed between Iran and Pakistan under which traffic /trucks from Pakistan and Turkey would be able to ply through Iran while Iran will also have an access to China via Pakistan.

Besides boosting economic opportunities, the access to other Central Asian Republics and Europe through Iran and Turkey would be an added advantage to Pakistan.

Federal Cabinet met here on Wednesday under the chairmanship of Prime Minister Syed Yousaf Raza Gilani. According to the decisions, Federal Cabinet has also ratified agreement on cooperation in the field of transportation and transit of goods to provide Uzbekistan an access for the transshipment of their trade cargo to / from Gwadar port.

The cabinet approved ratification of agreement on cooperation in the field of transportation and transit of goods between the Government of Pakistan and Government of the Islamic Republic of Uzbekistan. The agreement envisages free traffic in transit to the carriers of contracting parties through multi model transport system (land, rail, sea) in accordance with their existing national laws and regulations. The main objective is to provide Uzbekistan an access for the transshipment of their trade cargo to / from Gwadar port.



In pursuance of the International Road Transport Agreement signed between the Governments of the Islamic Republic of Iran and Pakistan in June 2008, cabinet gave its approval for instrument of ratification concerning the agreement. This will facilitate the international transport by road of passengers and goods between the two countries and in transit through their respective territories. By signing this Agreement, traffic /trucks from Pakistan and Turkey would be able to ply through Iran while Iran will also have an access to China via Pakistan. Besides boosting economic opportunities, the access to other Central Asian Republics and Europe through Iran and Turkey would be an added advantage to Pakistan.

DAWN

Dated 9th April, 2009

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ISLAMABAD: The cabinet cleared the way on Wednesday for the gas pipeline project with Iran by accepting price purchase formula offered by Tehran.

A cabinet meeting accepted Iran's offer to export one billion cubic feet per day of gas at 80 per cent of the crude oil price in the international market. A sale-purchase agreement is likely to be signed this year.

Briefing newsmen after the meeting, Minister for Information and Broadcasting Qamar Zaman Kaira said Pakistan had decided to go ahead with the gas pipeline project in accordance with its needs without caring about 'US pressure, that forced India to pull out of it'. The cabinet decided that the government would own responsibility of paying Rs31 billion outstanding against the Karachi Electric Supply Company to help its management invest the promised amount of Rs28 billion on development projects to increase power generation.

It approved ratification of an agreement on cooperation in the field of transportation and transit of goods between Pakistan and Uzbekistan with the objective to provide the latter an access for transshipment of its trade cargo to and from Gwadar port.

The cabinet decided to set up a four-member committee to oversee Gwadar port operations. It would also propose incentives for the proposed export processing zone.

It ratified the Sarso accord as Pakistan is a signatory to the agreement on the establishment of South Asian Regional Standards Organisation (Sarso) which has a mandate to remove technical barriers to trade and to facilitate flow of goods and services in the Saarc region. The cabinet decided to review the Pak-Afghan transit trade agreement to safeguard the country's interests while facilitating the Afghan trade. It decided to levy 25 per cent regulatory tax on export of molasses because its production had dropped after a decline in sugarcane production. In pursuance of the International Road Transport Agreement signed with Iran in June last year, the cabinet gave its approval for instrument of ratification concerning the deal. The cabinet decided to defer approval of a new national education policy after a couple of provinces expressed reservations. The meeting approved negotiations on draft agreement on defence cooperation with Hungary.

It gave its approval in principle for negotiating an MoU between the National Defence University and Institute des Hautes Etudes de Defence National of France. The cabinet granted ex-post facto approval to initiation of negotiations for an MoU on political consultations with Libya to provide a forum to take stock of the trajectory of bilateral relations and share views on issues of mutual interest. Ex-post facto approval was also granted for entering into negotiations for an extradition treaty with Libya. Approval was also granted for an MoU for cooperation in the



field of employment generation. The cabinet also approved signing of agreements for abolition of visa for diplomatic and official/special passport-holders with Libya, Indonesia and Ireland. It approved in principle a draft bill for the establishment of National University of Law and Social Sciences at Islamabad with its campuses in provincial capitals. The cabinet also approved draft of Anti-Money Laundering (Amendment) Bill, 2009, to bring various provisions of Anti-Money Laundering Ordinance, 2007, in line with international standards.

It approved draft Anti-Money Laundering (Amendment) Bill, 2009. The proposed amendments are necessary to bring the various provisions of Anti-Money Laundering Ordinance, 2007, in line with international standards.

The cabinet approved Pakistan's accession to the International Convention for the Suppression of the Financing of Terrorism which requires parties to take steps to prevent and counteract the financing of terrorism whether direct or indirect through groups claiming to have charitable, social, or cultural goals or which engage in illicit activities.

It granted approval to the Draft Pakistan Marine Insurance Bill, 2009 and draft Law for Implementation of Convention of International Trade in Endangered Species of Wild Fauna and Flora Convention.

THE NEWS

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Dated 8th April, 2009

People of Balochistan would be given priority: Chairman TCP

He asked the TCP chairman not to divert any Gwadar-bound ship to another port and consider the local people for awarding contracts for transportation of goods offloading at Gwadar. He also asked the chairman to start exports from Gwadar.

The TCP chairman assured the chief minister that no Gwadar-bound ships would be diverted to other ports. He said he would look into the export potential from Gwadar.

Saeed informed the chief minister that two ships of wheat had reached Gwadar earlier that were offloaded and wheat was transported to other parts of the country. "The largest ship of the country's history, with 66,000 ton load, has also reached Gwadar that has been allotted berth and is being discharged," Saeed said.

He said ships carrying 260,000 ton urea would also reach Gwadar though the sugar-loaded ships would reach Karachi because of an earlier awarded tender. He requested the Balochistan chief minister to support the TCP for the extra-transportation charges incurring due to shipments at Gwadar.

Balochistan Chief Secretary Nasir Mahmood Khosa said that during the last three and a half months, 25 ships were handled at the Gwadar port in a timely and well-coordinated manner and there was no demurrage.

He, however, asked the TCP chairman to award transportation and other contracts to the people of Balochistan, as he stated that the Balochs were already involved in action, but the contractors were from other areas.

"Let the local people be also registered as contractors," he said. The chairman said that in the new enlistment, the people of Balochistan would be given priority and compensation in the registration security.



THE NEWS

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Dated 5th April, 2009

Pakistan Railway planning double track from Gwadar to Mastung

ISLAMABAD: The Pakistan Railways, which is already working on a double-track project connecting Multan, Raiwind, Khanewal and Lodharan, is planning to lay a **901-kilometre double track from Gwadar to Mastung to boost its revenues.**

Well-informed official sources told The News on Saturday that 50 per cent work on laying the double track connecting Multan with Raiwind, Khanewal and Lodharan had been completed.

The federal government has released 30 per cent funds for this project costing Rs8.436 billion.

“The completion of this project depends on the availability and the release of funds,” said the sources.

The Pakistan Railways has prepared an effective plan to lay the double track from Gwadar to Mastung. In this connection, consultants have prepared a feasibility study according to which the project is not viable and is capital intensive, requiring a huge capital outlay of Rs107.345 billion.

The internal rate of return of this project is 8.41 per cent and the financial internal rate of return is 6.90 per cent. According to the study, both are below the minimum required rate of 10 per cent.

However, the sources said the project looked viable and would boost the revenue of the Pakistan Railways. It would also create a large number of jobs, besides opening new avenues in the social sector.

While briefing the railways minister on the plan before the address of President Asif Zardari to the joint parliamentary session on March 28, the PR chairman said he had directed the consultant concerned to prepare the feasibility study again and find options, enabling the PR to launch the 901-kilometer double-track project.

The feasibility study will be completed in three months and its report will be submitted in the meeting of the PR Board of Directors for consideration, reviewing and approval. Later, it will be submitted to the Ecnec for final approval.

Praising the plan, the minister directed the officials concerned to chalk out effective and profitable schemes to cover the losses and clear dues worth billions of rupees.

The minister also directed the authorities concerned to improve the performance of the PR to restore the confidence of the people on this mode of transport, besides adopting all security measures to avert any incident of terrorism.

Spokesman for Railways Ministry Munawwar Shah said the ministry was working on this double-track project to link major parts of the country.

“The consultant concerned will prepare the feasibility study on the double track from Gwadar to Mastung on the directions of the minister,” the spokesman added.



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Dated 3rd April, 2009

Big ships at Gwadar Port: PSA to enhance discharging capacity to 10,000 metric tones

ISMAIL DILAWAR

KARACHI: The Port of Singapore Authority (PSA) will enhance its ship discharging capacity to 10,000 metric tones per day, as deeper-draft vessels carrying the largest ever quantity of bulk wheat have arrived off the port, *Business Recorder* learnt on Thursday.

According to official sources in PSA the newly operational Gwadar Port was all set to accommodate M/v Agios Raphael, carrying 66,000 metric tons of Russian wheat, within next five days. They said the ship, which had arrived off the port early on Thursday morning, would be a big vessel with 12.5-meter draft carrying the largest bulk quantity of wheat in the country's history.

They said the PSA, Gwadar Ports operator, would double its per day ship discharging capacity by 5,000 MT to 10,000 MT to cope with the fast-arriving heavily-loaded big vessels at port.

The standard discharge rate at local ports stood at 5,000 MT per day, they added. They said the deeper-draft ship would be directly berthed at the Balochistan-based port. The sources said another big vessel, M/v Panagiotios, was also awaiting wharfage at Gwadar Port with at least 64,000 MT imported wheat.

They said Gwadar Port, which has a 12.5-meter permissible draft at its disposal as a comparative advantage, had successfully handled another ship, M/v Popi S, with 12.7 meters deepest draft and 64,000 MT wheat on February 28. It would be pertinent to mention here that the permissible draft at Karachi Port and Port Qasim is 10.5 meters, two-meter less than Gwadar Port that was built in 2006 to cater to the future needs of mother vessels.

The safe handling of big ships, like M/v Agios Raphael and M/v Panagiotios, at Gwadar Port would augur well for the new port and its Singaporean operator, which had previously been under fire for declaring a "wrong draft" for M/v PS Glory. The deeper-draft vessel had, however, been unloaded by the PNSC ships through lighterage at the outer anchorage of Gwadar Port.

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Dated 2nd April, 2009

Law ministry for transfer of naval land to Gwadar Port Authority

ISLAMABAD: Law ministry has given a go ahead to Ports and Shipping ministry to transfer 584 acres of naval land at East Bay to Gwadar Port Authority (GPA) to establish Free Industrial Zone.



Ports and Shipping ministry will move a summary within few days to seek Prime Ministers approval for transfer of land to GPA in the light of the opinion given by Law ministry, well placed sources in the ministry of Ports and Shipping told Business Recorder here Wednesday.

Sources revealed that earlier Prime Minister had rejected the summary and the P&S ministry has now sought legal guidance from the Law ministry that has backed the transfer of land to GPA.

Law ministry has said that if the land is not transferred to GPA, it would be difficult for the Authority to follow the confessional agreement signed with Singapore Port Authority (SPA), sources maintained. "The ministry further said that denial of land transfer would lead to legal complications with the SPA" sources added. Ports and Shipping ministry had informed the Law ministry in its letter that land was transferred to Defence ministry that could be used for Pakistan navy.

The ministry in a letter addressed to the Law ministry said that Balochistan government had 9000 acres with sea access to 278 acres, which is available for the ministry of Defence to shift its infrastructure to safeguard the coastal belt of Gwadar, sources added.

On the other hand sources said P&S ministry in its letter opined that by not transferring the Free Zone land to the Port of Singapore Authority (PSA) in accordance with the terms of the agreement is tantamount to breach of the pact.

The concession Agreement also provides that the Free Zone Area will be custom free and grants may be established in the Zone. Under clause 5.3.3 of the concession Agreement, it is mutually agreed by both the parties that GPA shall acquire the land for the Free Zone Area on or before the following dates. In the letter, the P&S ministry has proposed that if the ministry desires transfer of Defence land to GPA on gratis basis, then PMs approval may be obtained for the transfer of the said land. Sources further added that the port was formally inaugurated on March 20, 2007 and is presently handling wheat and urea shipments successfully. The operation of the port has been assigned to the PSA, the operators of international repute, for a period of 40 years under a concession Agreement signed between GPA and the PSA on February 6, 2007. The scope of the concession agreement includes cargo/terminal operations at the existing facilities and development of additional berths on 4.2Km space, which is available for this purpose.

Sources said that Free Zone is key to meeting Gwadar ports primary objective of transshipment. There could be no Free Zone without transshipment. The purpose of the free zone is to augment and supplement port activities and to value-addition of cargo, thereby attracting more shipment into the port which is the real source of revenue generation, sources maintained. Realising the importance of the Free Zone Area, the then President and the Prime Minister directed on February 2, 2007 that 584 acres of land in the possession of Pakistan Navy at East Bay, Gwadar should be handed over to GPA, for the said purpose as soon as possible.

DAWN
Dated 30th March, 2009

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Proposals for Balochistan autonomy prepared

QUETTA: Parliamentary leaders of five political parties have finalised recommendations for provincial autonomy.



Mir Sadiq Umrani of the Pakistan People's Party, Maulana Abdul Wasey of Jamiat Ulema-i-Islam-F, Zamarak Khan Piralizai of Awami National Party, Syed Ehsan Shah of Balochistan National Party-Awami and Rubina Irfan of Pakistan Muslim League-Q met here on Sunday and approved recommendations which will be forwarded to the Balochistan chief minister and different political parties for opinion and suggestions.

During his recent visit to Quetta, President Asif Ali Zardari had asked political groups in the Balochistan assembly to prepare proposals for inclusion in a constitutional package for provincial autonomy.

The meeting recommended that the centre should transfer all subjects to provinces, except defence, currency and foreign affairs.

It said the NFC award should be based on poverty, backwardness, area and population and the opinion of a majority of National Finance Commission members should be accepted, instead of consensus.

It was suggested that 50 per cent revenue from the Gwadar port should be given to Balochistan, its chairman should be a local person and appointments from grade 1 to 18 should be reserved for local people. Outsiders should neither be given identity cards nor included in electoral lists.

The meeting proposed that 5 per cent revenue from the Uch power plant should be utilised for welfare of the people in Nasirabad and Jaffarabad districts.

THE NEWS

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Dated 26th March, 2009

Rs. 1.497 billion for acquisition of land for New Gwadar International Airport

The meeting will also approve the revised cost of Rs1.497 billion for acquisition of land for New Gwadar International Airport. Civil Aviation Authority had earlier purchased 4300 acres of land for the airport on the grounds that it is purchasing official land, but later it has come to know that it has harnessed 75 per cent of the land of civilians, which is why they were given market rates against their pieces of land. "So because of this very fact, the cost of total acquired land increased by Rs479 billion."

The meeting is to approve the revised cost. To a question, the official said that a Chinese company has started the construction of New Gwadar International Airport after acquiring the required land. The meeting is to also approve the most important project of Pakistan communication satellite system with a cost of Rs17.64 billion.



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Dated 21st March, 2009

[China Mobile offers to lay fibre optic cable from Karakoram to Gwadar.](#)

By Jawwad Rizvi

LAHORE: China Mobile Communication Corporation (CMCC) has offered to lay a fibre optic cable from Karakoram to Gwadar. The offer was made by a Chinese delegation which met Adviser to the PM on Interior Affairs Rehman Malik with a condition that it be provided conducive investment environment.

Sources privy to the meeting held in Islamabad told The News that the Chinese delegation was led by Co-Chairman CMCC Zhang Chunjiang and comprised other members and Chinese Ambassador to Pakistan Luo Zhaohui. Sources further revealed the head of the delegation took up the long-standing LDI (long-distance international) licence issue with the adviser.

Chunjiang pointed out that despite getting approval from the prime minister and the cabinet and clear directives from the ministry of information & technology, the PTA has refused to issue LDI licence to China Mobile. Such actions from the side of Pakistani authority of refusing could limit investment in this sector of the industry, they said. They further revealed that the delegation mentioned that due to non-issuance of LDI licence, Zong has been paying a huge amount for using other network for international roaming. CMCC Co-Chairman had also mentioned that one month back Federal Minister for Investment, Senator Waqar Ahmed Khan, also gave assurance for issuance of LDI licenses within two weeks but so far no action was made and the issue of getting LDI license remained unsolved.

The meeting has also informed about the China Mobile future plans to invest another \$500 million in the country's economy during 2009 in the areas of building new network capacity of more than 20 million customer base and other infrastructure. The delegation had pointed out that the company had so far invested \$1.66 billion in Pakistan and has generated more than 1,700 direct and over 40,000 indirect jobs in the country. Similarly, China mobile had paid \$106 million in direct taxation and paid another \$91.5 million under various heads to the government. The delegation asked the adviser for providing a level playing field to all the stakeholders of the cellular industry.

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Dated 9th March, 2009

[Pak maritime region a main artery of oil supply: CNS](#)

Admiral Bashir said that Pakistan's 97 per cent trade is carried through its maritime region, adding: "In the coming years the magnitude of our import and export will further increase manifold".

He said the Gwadar port, being a deep sea port near the Gulf region, would have to handle substantial cargo in the next few years. "With so much dependence on sea trade, Pakistan is one of the key maritime stakeholders in the region," he said.

Earlier in his concluding remarks, Bahria University Rector Vice Admiral (ret'd) Mohammad Haroon said that Pakistan needs to address the issues related to security, economy and environment as the pillars of maritime sector.



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Dated 1st March, 2009

Track linking Gwadar Port: Balochistan government seeks extra Rs 450 million from Railways ministry

ISLAMABAD: Balochistan government has demanded extra Rs 450 million from Railways Ministry to lay out railway track linking Gwadar port with other parts of the country, well-placed sources in the ministry of Ports and Shipping told Business Recorder here on Thursday.

The allocation for laying of railways track by Railway Ministry was Rs 450 million, while the Balochistan Government is now demanding Rs 900 million for the project, the sources said. They said that the Gwadar Port is being considered a big boost to country's economy, due to which people are attaching great importance to the development of road and rail links towards the Port.

But, they said that extra demand of funds by Balochistan Government situation has made the project slow down. They said that earlier Balochistan government had asked the Railways Ministry to provide Rs 450 million for land acquisition for laying the railways track, and the ministry had disbursed the amount to the provincial government.

They revealed that a meeting was held the other day (Wednesday) in the Ministry of Ports and Shipping to discuss the development works on the Gwadar Port. Additional Chief Secretary (ACS) of Balochistan in the meeting asked the Railways Ministry to provide additional amount of Rs 450 million for land acquisition for rail link, the sources said.

ACS told the meeting that due to developmental work in the area the land prices have been doubled during the last one year for which they need more money to acquire the land for the project, they added. Sources said the Railways Ministry sought explanation from the Balochistan government regarding the increase inland prices and it has slowed down the pace of work on the project. It is pertinent to note that a feasibility study was conducted for laying of 110-km long additional railway track linking Gwadar Port with the rest of the country.

National Highway Authority (NHA) had already provided road connectivity to the Gwadar Port and was constructing more roads to provide connectivity to this port not only with other parts of the country but also with Afghanistan, Central Asian states and China. A number of projects are adversely affected by non-availability of funds, which has not only intensified the problems of the commuters but also resulted in the price escalation.

The rail links would help in stimulating trade and commercial activities in the area besides making the port fully operational. After the completion of the construction the coastal city, Gwadar will become international business and trade hub with the commissioning of deep sea port next year and its proposed link up with main railway lines network with up-country would pave the way for cheap mode of transportation to Central Asia, Europe and Africa.



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Dated 26th February, 2009

Wheat ships only to be handled at Gwadar Port

ISMAIL DILAWAR

KARACHI: The federal government has decided that only wheat ships would be handled at Gwadar Port and urea would be handled in Karachi to avoid "bunching" of vessels at the newly-operational deep-sea port. The decision was taken by Advisor to Prime Minister on Finance Shaukat Tarin, while chairing a high level meeting of the ministry of Finance and ministry of Food in Islamabad on Wednesday.

According to sources at least 24 vessels, carrying 0.6 million tons of wheat and 0.25 million tons of urea are due at Gwadar Port by second half of next month. Gwadar at present has three berths only. They said Tarin had taken the decision after some port users had approached the ministry of Food, and expressed the that the Balochistan based small port was likely to face congestion if it faced an influx of wheat and urea vessels.

Another reason cited by the sources for government's decision was the current wheat shortage in the country, which they said, had also compelled the federal government to take such precautionary measures. They said that in view of the present emergency situation, Islamabad wanted to ensure a timely and swift supply of the essential food item (wheat) in the market.

They said after Wednesday's decision, the urea vessels, which were expected to arrive at Gwadar Port in March, would go to Port Qasim or Karachi Port for handling.

When contacted the port users, seeking anonymity welcomed the "timely" decision of the government, saying that it would help Trading Corporation of Pakistan avoid huge financial losses on account of ship demurrage during the recent congestion at ports of Karachi.

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Dated 17th February, 2009

Development of Gwadar Port road linkages NHA's top priority

ISLAMABAD: The National Highway Authority (NHA) was attaching top priority to development of road linkages to the Gwadar Port which can prove backbone of the country's economy in the near future.

A source in the NHA told APP on Monday that road connectivity with the Gwadar port was crucial for making it hub of transit trade between Pakistan, Afghanistan, Central Asian Republics and China.

He named the three road linkages being built for Gwadar port. These included Gawadar-Turbat-Hoshab-Panjgur-Nag-Basima-Surab (N-85) which links Gwadar to N-25 RCD Highway at Surab. The NHA has awarded contract for upgradation of this federalised road to Frontier Works Organisation (FWO).



Basima-Khuzdar-Ratodero will be another road to connect Gwadar to N-85 & N-25- RCD Highway at Khuzdar and N-55 Indus Highway at Ratodero. Third link road for the Gwadar port is Basima-Surab-Kalat- Mastung-Quetta-Chaman which linked Gwadar to Quetta and Chaman through N-25 RCD Highway.

The source said construction work would be started on Kallat-Quetta-Chaman road in few days while the roads from Khanozai to Qilla Saifullah and Gwadar to Jewani have been completed. He also said work on Gwadar-Gabd and Qilla Saifulah-Zhob is near completion, as the Federal Government has released funds. The road from Ratodero to Shahdadkot is also nearing completion and would be opened within one month.

Efficient road network of a country always play an important role in its development and the government is focusing to improve this network up to international standards. The source said the democratic government wanted to bring real development in Balochistan and make the Gwadar Port second largest port of the country which could play central role in the country's economy. He said in the present fiscal year, a huge amount has been allocated for the national highways programme with main thrust on the remaining work on Makran Coastal Road, Nutal-Sibi-Dhadar Section (N-65), Ratodero-Shahdadkot-Khuzdar Road, Qilla Saifullah- Loralai-Bewata Section of (N-70), Gwadar Ratodero Road (Khuzdar- Khor, Ratodero-Quba Saeed Khan & Gwadar- Turbat) and Hoshab- Panjgur-Nag-Baseema-Surab (450 km long section).

He said that under Phase-II, a new motorway corridor on the west of the Indus touching Balochistan would be developed as a long-term measure. It is envisaged to develop industrial clusters, oil storage facilities and oil and gas pipelines along the proposed motorway and expressway corridors.

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Dated 7th February, 2009

Japan urged to set up exclusive zones in Karachi and Gwadar

ISLAMABAD: Adviser to the Prime Minister on Finance Shaukat Tarin has said that Pakistan will not expect any monetary help from Japan, but will definitely appreciate economic assistance against a menu of projects, according to a message received here from Tokyo on Friday. Shaukat Tarin said this while briefing Japanese media after holding meeting with the Japanese Prime Minister.

Tarin said: "We have asked Japan to set up exclusive economic zones in Karachi and Gwadar." He said Pakistan was interested in developing its agriculture, manufacturing and energy sectors with the assistance of Japan, and added that strategic needs of Pakistan, such as development of water resources, roads, railways and poverty reduction were also discussed with the Japanese leaders.

He said Pakistan was a frontline state in war against terrorism, which had badly affected its economy. "I go back with the hope that Japan as a close friend of Pakistan will stand side by side with it in the war against terror," he said.



Responding to a query, the Finance Adviser said: "Our economy is stabilising after the shock of high oil and food prices. However, Pakistan is still in need of five billion-dollar aid per year approximately for the next three to five years."

Responding to another question, he said that Pakistan's total local and foreign loan was 46 billion-dollar. He said that efforts were being made to reduce current budget deficit and bring down inflation. Fiscal deficit was controlled to a great extent, he added. Tarin said that Pakistan's growth rate for current financial year would be 3.5 percent, but during the next financial year it could easily reach five per cent.

Responding to one question, he said there was consensus among all political parties on the important national issues. However, difference of opinion on many issues was part of the democratic system, he added. To another query, he said that Friends of Pakistan conference would probably take place in March 2009. "We welcome it if Japan holds the said conference in Tokyo," he said.-PR

DAWN
Dated 31st January, 2009

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Rs.4bn released for Balochistan highways

By Saleem Shahid

QUETTA: The federal government has released Rs4 billion for resumption of work on under-construction roads and highways in Balochistan.

The work was suspended some time ago when Islamabad stopped funds for the projects.

"With the release of funds, work on the highways has been resumed," a senior official of the provincial government told Dawn on Friday. The Frontier Works Organisation has stepped up work on the Loralai-Makhter road while construction of the Gwadar-Hoshab road would also be resumed soon.

Sources said that funds were released on special instructions of President Asif Zardari and Prime Minister Gilani who had assured Chief Minister Nawab Aslam Raisani and coalition partners of all possible help and cooperation for the development of Balochistan.



DAWN

Dated 29th January, 2009

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Hassan Abdal expressway to be linked with Gwadar

By Bakhtawar Mian

ISLAMABAD: The government is planning to link the Hassan Abdal-Mansehra Expressway with Gwadar and also with China and Central Asian republics at a cost of Rs20 billion to boost economic activities in the region.

The Asian Development Bank will provide Rs18 billion for the project while the government would provide Rs2 billion for land acquisition, communications ministry spokesman Javed Chaudhary told Dawn on Wednesday.

He said that spadework had been completed and the project was expected to be formally launched in a few months.

The project was discussed at a meeting held on Wednesday at the ministry of communications.

Federal Minister for Communications Dr Arbab Alamgir Khan, members of National Assembly from Hazara Sardar Shahzehan Yousaf, Faiz Muhammad Khan, Muhammad Nawaz Alai and Mehboobullah Jan and officials of the ministry and the National Highway Authority attended the meeting.

The expressway, he said, would boost commercial activities in the area. Dr Arbab Alamgir said that construction work would start soon after acquisition of land.

He said the road would be connected to M-1 at the Burhan Interchange. The minister said that the road was also essential for the Bhasha dam project because it would be used for transporting heavy machinery to the site.

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Dated 2nd January, 2009

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Oman helps establish museum at Gwadar

ISLAMABAD: The Ambassador of Oman Mohmed Al-Lawati, who called on Secretary Culture here on Thursday, handed over artifacts which include gun, sword shield, dagger, necklace, anklets and bracelet to the Department of Archaeology, government of Pakistan for their display in the Gwadar Fort Museum.

The Ambassador also handed over a cheque of US \$20,000/- for revamping the museum at Gwadar Fort. It may be mentioned that the Government of Pakistan has also planned to display the material of archaeological significance of Shahi Tump, Miri Qalat and other sites of the area presently lying in the Department of Archaeology's Exploration branch, Karachi together with ethnological material of Makran in the museum at Gwadar Fort.

The museum will get added significance in view of the Gwadar city developing as a hub of commercial activities in



GoldenPalms (Residential Estate, Gwadar)

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the future when the port will become fully operational. The museum is expected to be inaugurated in three months time which will provide an opportunity to the people to know heritage of the region source of inspiration and education to the general public, including students and visitors from all walks of life.
