



GWADAR NEWS UPDATE FOR 2010

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Dated 25th August, 2010

TAPI gas pipeline project: Turkmenistan and Pakistan meet today

ISLAMABAD (August 25 2010): Pakistan and Turkmenistan are scheduled to meet today to resume talks on United States (US)-backed Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline project, costing over \$7.5 billion, Business Recorder has learnt. **The offer to use Gwadar port as an export point for Turkmenistan gas is also under consideration.**

The two countries will focus on resolving issues related to the TAPI gas pipeline, including its price, route and certification of gas reserves. The Federal Minister for Petroleum and Natural Resources, Syed Naveed Qamar will hold a meeting with a delegation from Turkmenistan, headed by the Deputy Premier/Foreign Minister of Turkmenistan.

In April 2008 during 10th Steering Committee (SC) meeting, Pakistan and India had jointly offered a gas price of \$200 per million cubic meters (MCM) \$5.7 per mmbtu) but Turkmenistan rejected the offered price insisting on a price not less than \$11.4 per million British thermal unit. Due to Taliban insurgency in Afghanistan, Pakistan has proposed an alternative route to Turkmenistan - from Iran to Pakistan with entry point through Balochistan. **"The TAPI pipeline will pass near Rakho Diq copper mines project in Balochistan Chaghi area and onward to Gwadar port," sources said.**

Pakistan has conveyed to Turkmenistan that more than 72 percent insurgency-related cases by the extremists' elements are taking place on a weekly basis on the earlier proposed TAPI gas pipeline route - from Herat to Kandahar. Sources said that "If the proposed alternative western route is acceptable to all countries the length of gas pipeline will be reduced to 1490-kilometre from 1680-kilometre on Herat-Kandahar route".

Though Turkmenistan has said that it has gas reserves of 8 trillion cubic meters yet Pakistan and India want certification of gas reserves before taking any further steps on the TAPI gas pipeline project. Under the proposed project, Turkmenistan will supply 3.2 bcf/d gas to Pakistan, Afghanistan and India.

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Dated 9th July, 2010

43,400MT of urea arrives at Gwadar

KARACHI (July 09 2010): Ship MV 'NIRMAL GAUTAM' carrying 43,400 MT Urea has arrived at Gwadar Port and discharging has started immediately. The above shipment has arrived in response to a tender awarded to M/s Gavilon Fertiliser, LLC on 07-06-2010 for import of 200,000 MT of Urea. Urea is being imported by TCP on the directions of the ECC of the Cabinet to provide urea to farmers at lower price.



Business Recorder
Dated 28th May, 2010

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Afghan Transit Trade Agreement: all ATTA imports should be handled from Gwadar seaport: FPCCI

KARACHI (May 28 2010): Federation of Pakistan Chamber of Commerce and Industry (FPCCI) has urged government to allow all imports, under Afghan Transit Trade Agreement (ATTA), to be handled from Gwadar seaport where complete internal control mechanism should be installed and all transactions monitored effectively.

In suggestions sent to the federal government for consideration, FPCCI said: (1) Afghanistan has imposed tariff at the rate of 110 percent on all Pakistani products for Central Asian Republics (CARs) passing through Afghanistan which is collected as security deposit and is refundable once goods gets clearance from their borders.

(2) Afghanistan communicates that many goods imported in their country under ATTA are exported to CARs . These goods should be treated under separate terms and conditions in line with their policies for Pakistani products passing form their territory for CARs. All items under ATTA should be classified as 'Consumer products' and 'Industrial Products'.

(3) Quota allocation may be done in case of consumer products on the basis of consumption by their local population and industrial products on the basis of industrial units installed and operating in Afghanistan. (4) Terms of new agreement of ATTA should be in line with similar agreement signed by India with Nepal. There are 58 land locked countries and Pakistan should refer them for more information.

(5) Once the Afghan government starts functioning fully, then all industrial products should only have access to such industrial units which have local General Sales Tax (GST) and Income Tax registration numbers and their consumption of inputs should be in line with their operations. (6) All Afghanistan imports and exports should be registered with Afghan tax authorities, and their relevant identifications should be used in all documentation.

(7) All import and export by Afghan companies should be done thorough letters of credit (LC) with either Afghan or Pakistan banks. This practice was followed in 1960s and in 1970s, FPCCI pointed. (8) Government of Pakistan should collect all duties in line with local tariff and forward the same to government of Afghanistan. (9) Nominee of FPCCI should be included in the committee for private sector rather than selection of individuals by federal government.

(10) The federation of chambers highlighted statistics of 2008, according to which Afghanistan's transit trade through Pakistan was over 750 million dollars. (11) Karachi Port is the most obvious choice for trade with Afghanistan, however Iran also offers Chabahar/ Bandar Abbas port as well, suggested FPCCI.

(12) Furthermore it said that the federation of chamber understands Iran's attractive offer to Afghanistan for using their seaport and urged government of Pakistan to take this factor into consideration.

FPCCI emphasised that the current agreement was signed way back in the year 1965 and a new agreement, which is being negotiated, is likely to be signed soon. This new agreement will remain in force for next 2 to 3 decades, therefore it is imperative that it must be discussed with all stakeholders to ascertain its impact on domestic economy especially in the light of development which will take place in the region during next 5 to 10 years.



The News

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Dated 16th April, 2010

Singapore firm to build terminal at Gwadar

KARACHI: The government has given a green light to the Port of Singapore Authority (PSA) to construct a Multipurpose Terminal for ore and coal berths at the Gwadar Port, with an estimated cost of \$130 million, it is learnt.

The authority has started work on the project, as officials of the authority are preparing results for channel testing being done recently. Soil survey and testing will likely to be completed in around two months.

The design and construction of the berths, likely to take two-three years, will be undertaken once the initial work is completed, sources said. These berths will boost minerals export and help generate more revenue for the country. It will also help develop Balochistan, which has large mineral reserves. Gwadar will serve as the most feasible port for exports, as compared to other ports of the country due to its strategic location and the lack of traffic congestion.

Earlier, Tethyan Copper Company was awarded exploration licence of the Reko Dig copper mine and once these projects start their operations, not only the port will get a boost, but the people of the area will get employment, said an official.

Experts are of the opinion that the fate of Gwadar Port will dwindle until or unless major issues, such as connectivity of the Gwadar Port to other parts of the country, release of land under the possession of Pakistan Navy and coast guards, construction of roads and infrastructure are not resolved.

“Sixty per cent work on the Gwadar-Ratodero road has been completed, but structural work is still in progress. Work on other link roads are also under progress, including Link road N-85 that connects Gwadar to Panjgur, said National Highway Authority official. Poor law and order in the province remains the main reason for delay in linking the port with other parts of the country, sources said, adding that the highway authority has diverted funds to other projects. It seems that the Gwadar-Ratodero project will not complete even during the current year.

Last month, National Assembly and Senate’s standing committees on ports and shipping held a joint session in Gwadar to resolve the issues pertaining to the port operations, said the official.

Under a concession agreement signed with the Port of Singapore in February 2007, the official said, the government had to hand over 923 hectares of land on lease to the Singaporean firm by June 2008 for the development of a free zone, but transfer of land under the possession of Pakistan Navy and the Coast Guards, needed to develop free zone for the facilities at East Bay of Gwadar, has still not been done.

“Without acquisition of this land, the Singaporean firm will be unable to develop offices, residential facilities, etc,” the official said.

However, an official of the Ports and Shipping Ministry said that negotiations are underway with the officials of the Defence Ministry for resolution of the issue and, in this regard, the government has also offered an alternative land to the Navy in Pishukan.



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Dated 8th April, 2010

Gwadar Airport being built at cost of Rs 7.6 billion in next three years: Senate told

ISLAMABAD (April 08 2010): The Senate was informed on Wednesday that new Gwadar International Airport is being constructed at a cost of Rs 7.6 billion and would be completed within next three years. Defence Minister Chaudhry Ahmed Mukhtar told the house that federal government has allocated seven hundred and fifty million rupees for the project.

In a written reply, defence minister Chaudhry Ahmad Mukhtar informed the house that Pakistan has, so far, concluded air services agreements with 95 countries. He said that currently PIA is operating with a total of 182 flights to 27 countries, while 23 airlines of the world are operating to Pakistan.

The countries with whom Pakistan has concluded air services agreement, included Afghanistan, Albania, Algeria, Australia, Austria, Azerbaijan, Bahrain, Bangladesh, Belgium, Bosnia, Botswana, Brunei, Bulgaria, Canada, Chad, China, Cyprus, Czech, Denmark, Egypt, Eritrea, Ethiopia, France, Georgia, Germany, Ghana, Greece, Hong Kong, Hungary, India, Indonesia, Iran, Iraq, Italy, Ivory Coast, Japan, Jordan, Kazakhstan, Kenya, Korea Democratic, Kuwait, Kyrgyzstan, Lebanon, Liberia, Libya, Luxembourg, Macau, Malaysia, Maldives, Malta, Mauritania, Mauritius, Morocco, Myanmar, Nepal, Netherlands, Niger, Nigeria, Norway, Oman, Philippines, Poland, Portugal, Qatar, Republic of Yemen, Romania, Russian Federation, Saudi Arabia, Seychelles, Sieraleone, Singapore, Slovakia, Somalia, South Africa, South Korea, Spain, Sri Lanka, Sudan, Sweden, Switzerland, Syrian Arab Republic, Tajikistan, Tanzania, Thailand, Tunisia, Turkey, Turkmenistan, UAE, Uganda, Ukraine, UK, US, Uzbekistan, Yugoslavia, Zimbabwe.

Interior Minister Rehman Malik told the house that DNA database is being established in the country to facilitate the law enforcing agencies to conduct investigations against persons involved in terrorist activities. Railways Minister Haji Ghulam Ahmad Bilour informed the house in a written reply that project for the procurement of 1300 high capacity wagons was approved by executive committee of National Economic Council in 2003 at an estimated cost of Rs 5870 million, including Foreign Exchange Component (FEC) of Rs 3607.2 million.

He further said that funds to the tune of Rs 62.2 million, including FEC Rs 2.7 million have been allocated for the year 2009-10. Rupees 2.429 million have been spent, so far, while the remaining amount of Rs 59.771 million is for the book adjustment only for the works etc already carried out against supplier credit in the past.

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Dated 1st April, 2010

Chinese government asked to finance rail link projects worth \$6 billion

ISLAMABAD (April 01 2010): Pakistan has requested China to finance Pakistan Railways projects, costing over \$6 billion, to develop rail link with Iran, Central Asian States, and European countries in a bid to enhance trade with neighbouring countries, *Business Recorder* has learnt.



A list of projects, obtained from Railway Ministry, shows that Pakistan is currently negotiating with Chinese government to finance the project 'Construction of new Rail link from Havelian to Khunjrab' costing \$3 billion designed to connect China with Europe (EU) through Pakistan, Iran and Turkey. Sources said that the pre-feasibility study had been finalised and submitted to Chinese government for financing. Total track length is 662 km.

Pakistan is also seeking Chinese assistance for 'Construction of Rail link from Gwadar Port to Mastung (Quetta)' costing \$1.783 billion for rail link with Central Asian Republics (CAR) through Afghanistan. The other project is 'Upgradation of Spezand-Taftan Rail link' (608 km) worth \$529.4 million for rail traffic with Europe through Iran and Turkey.

A trial container train is already in operation from Islamabad to Istanbul (Turkey) via Iran with transshipment at Iran border due to change of gauge of rolling stock. Construction of Rail link from Peshawar to Jalalabad would cost \$155 million and funding request for this project has also been tabled before the Chinese government. Replacement of obsolete signal system from Lodhran to Kotri is also being discussed with Chinese government. It would cost \$284 million.

Pakistan Railways has a fleet of 69 Chinese locomotives and the government of Pakistan has placed an order with Chinese suppliers for procurement of 75 more locomotives. "Chinese government may provide technical and financial assistance along with transfer of technology for manufacture of locomotives in future," sources noted.

They said that Pakistan Railway is in dire need of modern high capacity wagons to replace obsolete 4 wheeler wagons. Pakistan Railways is preparing PC-1 for projects for procurement of 2500 high capacity wagons costing \$264.7 million, and 1000 high capacity tank wagons worth \$140 million. "These wagons are urgently needed for transportation of containers and oil traffic and the government of Pakistan has sought technical and financial assistance along with transfer of technology for manufacture of wagons from China," sources added.

The development of rail through private sector funding, under public private partnership (PPP) mode is being considered a major opportunity for rehabilitation of the rail system in Pakistan which requires investment. "Pakistan has urged China for PPP mode to invest in railway sector as the potential scope for PPP with China in Pakistan Railways is very large," sources added. PPP mode is also possible in non-core activities such as locomotives, coach sleeper manufacturing factories and other sub-sectors like maintenance of track. Pakistan has requested the Chinese government to urge Chinese firms to take part in various projects under PPP mode as they would be provided necessary support and incentives," sources said.

Business Recorder
DATED: 30th March, 2010

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Pakistan to welcome Chinese involvement in Gwadar projects: Prime Minister

ISLAMABAD (March 30 2010): Prime Minister Syed Yousuf Raza Gilani said that Pakistan attaches high significance to the revival of Chinese presence and its role in Gwadar in the regional context and would welcome Chinese involvement in Gwadar on short, medium and long term projects basis. The Prime Minister said that his government wanted expeditious completion of Gwadar port and development of its hinterland by putting in place the road, rail and air services related infrastructure. Pakistan, he said, also wants establishment of an economic zone and development of tourist resorts in Gwadar on priority basis.



The Prime Minister was talking to Xu Zuyuan, Vice Minister of Transport of China who along with his delegation called on him on Monday. Prime Minister Syed Yousuf Raza Gilani said that Pakistan would, henceforth, welcome engagement of the Chinese government and invited Chinese companies to invest in the Gwadar port and its infrastructure development related projects. He appreciated the contribution of Chinese Company "China Harbour" in construction of the first phase of Gwadar Port and its present involvement in construction of Quay Wall and Break Water (Marine Protection Works) to develop Deep Water Container Terminal in Karachi. This project is scheduled to be inaugurated on March 30th during Chinese Vice Minister's visit.

The Prime Minister also hoped that both countries would fast track the on-going negotiations for undertaking of projects like up-gradation of Karakoram Highway, establishment of transportation linkages between Pakistan and Afghanistan, up-gradation of Rail link between Pakistan and Turkey and Chinese participation in Iran - Pakistan (IP) and Turkmenistan - Afghanistan - Pakistan (TAP) gas pipelines. The Prime Minister while dilating upon the excellent relations between Pakistan and China, matured over the decades into a comprehensive Strategic Partnership, stated that Pakistan would never allow any extraneous factor to affect these exemplary ties. He applauded the valuable contributions of the Chinese entrepreneurs and workers for the economic development of Pakistan.

His government, he said, was according highest priority to the security of Chinese nationals facilitating their safe and secure stay in the country in order to complete their projects smoothly and without hindrance. He also reiterated Pakistan's strict adherence to one China policy whereby Pakistan considered Taiwan a province of China and Tibet as its inalienable part. He also reaffirmed his government's fullest co-operation with China in countering and defeating the threat of terrorism, being faced by both the countries. Xu Zuyuan, Vice Minister of Transport of China conveyed Chinese Premier's best wishes to the Prime Minister and commended government of Pakistan's assistance to the Chinese companies by provision of adequate security to their personnel undertaking about 120 ongoing projects in various fields.

He lauded Prime Minister's vision for the development of infrastructure in Pakistan and agreed that the infrastructure was the lifeline for economic development of any country. He assured the Prime Minister that he would convey Prime Minister's proposals in this regard to the Chinese leadership.

Xu Zuyuan said that development of Gwadar port and the related infrastructure will be the second landmark project between the two countries after the construction of Karakoram Highway. He added that his side would positively consider participation in the development plan for Gwadar as well as the Railways, Road and Air connectivity vision of Pakistan with China - Afghanistan and Turkey via Iran.

Business Recorder
DATED: 20th March, 2010

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Gwadar Port Authority Bill tabled in National Assembly

ISLAMABAD (March 20 2010): The PPP-Government on Friday tabled "The Gwadar Port Authority Bill, 2010" in the National Assembly. Federal Minister for Law, Justice and Parliamentary Affairs Babar Awan moved the bill and Speaker Dr Fehmida Mirza referred it to the concerned standing committee of the House for further deliberation.



According to the bill there shall be established an authority to be known as Gwadar Port Authority having perpetual succession and a common seal, with power, subject to the provisions of this Act, to acquire, hold and dispose of property, both movable and immovable, and shall by its name sue and be sued.

THE AUTHORITY SHALL FRAME: A scale of tools, dues, rates and charges, annual or other, to be paid by the owners of vessels plying whether for hire or not and whether regularly or occasionally, within or party within and party without the limits of the port areas, in respect of such vessels and to persons whether in charge of, or on board, such vessels, and also in respect of the licensing, registration and regulation of such vessels and persons: Provided that no such tolls, dues, rates and charges shall be chargeable in respect of vessels which are liable to port dues under schedule I to Ports Act, 1908(XV of 1908).

A scale of tolls, dues, rates and charges:

(i) for the landing and shipment of goods from and in sea-going vessels, and not being sea-going vessels, respectively, at such docks, wharves, quays, stages, moorings, jetties, piers and anchorages as belong to the Authority, or any other agency authorised by the Authority to construct such facilities;

(ii) for the storing and keeping of any goods stored in any premises belonging to the Authority;

(iii) for the removal of goods; and

(iv) for use of any moorings.

TOLLS AND CHARGES MAY BE REMITTED IN SPECIAL CASES The Board may, in special cases, remit the whole or any portion of a toll, due, rate or charge leviable according to any scale for the time being in force under section 6:

GOODS MAY BE REMOVED TO WAREHOUSE

(1) Whenever goods which have been landed and, without any default on the part of the Authority, have been left for five clear days on or in any wharf or shed belonging to the Authority, the Authority may cause such goods to be removed either to any warehouse belonging to it or, with the consent of the Collector of Customs, to a public warehouse and the removal to, and detention in, any warehouse shall be at the risk and expense of the owner of the said goods.

RIGHT OF AUTHORITY TO MAINTAIN PILOTS

(1) The Authority and concessionaire shall have the right of maintaining pilots for the navigation of vessels at the Gwadar Port and shall be bound to provide a sufficient number of 'pilots for that purpose, and all fees for pilotage shall be paid to the Authority:

CONSTITUTION OF THE BOARD

(1) The Board shall consist of fifteen members, including the Chairman, to be appointed by the Federal Government, as follows:-



Eight members from the Public and Private sectors both; and Seven members, including the Chairman from province of Balochistan, to be appointed on the recommendations of Government of Balochistan: Provided that the Chief Minister of Balochistan shall be the Chairman of the Board: The meetings of the Board shall be held at least once in three months.

CHIEF EXECUTIVE OFFICER:

(1) There shall be a Chief Executive Officer of the Authority who shall be appointed with the approval of the Federal Government. The tenure of the Chief Executive Officer shall be three years extendable by the Federal Government. The Chief Executive Officer shall hold office during the pleasure of the Federal Government.

GWADAR PORT AUTHORITY FUND

(1) There shall be formed a non-lapsable fund to be known as the "Gwadar Port Authority Fund" which shall vest in the Authority and shall be utilised by the Authority to meet the charges in connection with its functions under this Act including the payment of salaries and other remuneration to the non-executive Chairman, members, Chief Executive Officer, officers, servants, experts and consultants of the Authority.

The Gwadar Port Authority Fund shall be kept in a schedule bank and Procedure for its operation shall be devised through regulation by the Authority, in consultation with the Controller General of Accounts, Auditor-General of Pakistan and Ministry of Finance.

Minister of State for Law, Justice and Parliamentary Affairs Mehreen Anwar Raja also laid two ordinances before the National Assembly on Thursday as required by the Constitution. The ordinances laid before the House include, "The National Vocational and Technical Education Commission Ordinance, 2009" and "The National Database and Registration Authority (Amendment) Ordinance 2009."

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DATED: 26th February, 2010

Cost of Gwadar deep sea water project estimated at Rs 17,268 million, Senate told: deepening of channel included

ISLAMABAD (February 26 2010): The Upper House of the Parliament was informed that the estimated cost of Gwadar Deep Sea Water Project Phase-I was Rs 17,268 million, which includes deepening of the channel. Federal Minister for Ports and Shipping, Baber Khan Ghauri was responding to questions in the Senate on Thursday with Chairman Senate Farooq H Naek in the chair.

Ghauri informed the House that the government has allocated Rs 81 million under Public Sector Development Programme (PSDP) for the project. He said that out of the PSDP allocations worth Rs 81 million, Rs 24.3 million have been released so far, out of which Rs 20.58 million were spent on the project.

Replying another question, the minister said that the cost of the Gwadar Port Civic Center construction project is Rs 199.73 million, while Rs 89 million have been allocated in the PSDP of 2009-10. Ghauri informed the House that in spite of permission for release of Rs 26.7 million for the project under PSDP allocation from Finance Division, the



AGPR Quetta office did not release the amount. He said that this has resulted in delay in the construction of the project.

Minister for Education, Sardar Aseff Ahmed informed the House that the government has allocated Rs 6.521 billion to eleven public sector engineering universities and degree awarding institutions in Pakistan during 2008-09. The minister also informed the House that the government has also allocated Rs 6.521 billion to the universities and institutions which included Rs 2.243 billion for annual recurring grant and Rs 4.278 billion for annual development grant. He said that the appointment on the vacant posts in these educational institutions is in the purview of the respective universities and the Ministry has nothing to do with it. He informed the House that there are 19 Federal government universities and degree awarding institutions and 30 colleges round the country.

In response to another question, the minister said that the approved cost of the project "Capacity Building of Teachers Training Institutions and Training of Elementary Schools Teachers in Sindh is Rs 1.262 billion. The 2009-10 PSDP allocation for the project is Rs 225 million, out of which Rs 45 million have been released during (July-September 2009) while remaining Rs 180 million were released in February 2010.

He said that Rs 21.697 million have so far been utilised and the remaining amount will be utilised before June 2010. Minister for Labour and Manpower Khursheed Shah informed the House that the European Union (EU) and the International Labour Organisation (ILO) have not provided Pakistan any funds for elimination of Child Labour during last six months. The ILO has spent \$285,216.06 during the last six months from the funds already provided by the EU to the ILO for elimination of child labour in Pakistan, the minister informed the House in reply to a question.

Shah informed the House that the amount was spent for strengthening Child Labour Units in the provinces of Sindh and Balochistan, through provision of office equipment, establishing services for non-formal education and vocational training to child labour along with social protection and family empowerment families resorting to child labour. He said over 7,000 children were imparted technical training under a programme funded by Pakistan Baitul Maal, similarly 10,000 child labourers got training from ILO.

Minister for Labour and Manpower also informed the House that about 3.3 million children are victims of bonded labour in the country. Poverty and unemployment were the two main reasons of bounded labour and due to lack of incentives the parents could not be punished for child labour. He said that his ministry is planning a project for self registration of labours across the country, so that schemes could be initiated for their welfare and well-being. The project would be one of a big project in Asia, he added.

The House was informed by Minister for Local Government that 233 development schemes were launched in Haripur district of NWFP during last five years. He said that out of total 233 development schemes 100 have been completed while the remaining schemes are at various stages of completion. He said that government has released Rs 119.72 million for these schemes out of which Rs 102.88 million were spent by executing agencies.



Business Recorder

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DATED: 22nd January, 2010

Ecneec approves 28 projects worth Rs 265.4 billion

ISLAMABAD (January 22 2010): The Executive Committee of the National Economic Council (Ecneec) on Thursday approved 28 projects costing Rs 265.4 billion with foreign exchange component (FEC) of Rs 37.72 billion. Ecneec met under the chairmanship of Federal Minister for Finance, Shaukat Tarin at the Prime Minister's Secretariat. The meeting was attended by the federal ministers and secretaries of the economic ministries and provincial representatives.

However, sources said, the Ecneec referred two main projects of energy sector including 747 MW Combined Cycle Power Plant at Guddu costing Rs 60.871 billion and National Compact Fluorescent worth Rs 7.030 billion to the Cabinet for approval. Talking to *Business Recorder*, Secretary Water and Power Shahid Rafi said the Ecneec had cleared these two projects subject to the approval of the Cabinet. He said these two projects were of national importance and therefore, were referred to federal cabinet for approval. He said that government would distribute 30 million compact fluorescent lamps (CFL)/energy savers free of cost to the consumers with the assistance of Asian Development Bank (ADB). According to a statement issued here, under the energy sector, the Ecneec approved following three other projects: (i) Extension/Augmentation of existing 500 and 220 kV G/stations of NTDC system by installation of additional transformers costing Rs 1,934.24 million with the FEC of Rs 1,373.66 million. This project will cover various districts in Punjab, Sindh and NWFP; (ii) Up-gradation of Transmission Lines & Grid System Network of Hesco costing Rs 5,859.97 million with FEC of Rs 1,699.5 million; (iii) Nuclear Fuel Enrichment Plant (NFEP) Project at the cost of Rs 14,247.64 million including FEC of Rs 5,571.41 million. The project is located in Mianwali District. Under the Physical Planning and Housing Sector, the Ecneec gave approval to the following six projects: (i) Re-construction of District Complexes at (i) Rawlakot Azad Kashmir and (ii) Bagh, Azad Kashmir with a cost of Rs 1318.52 million and Rs 1459.512 million respectively.

The projects are part of an umbrella project of ERRA for reconstruction and rehabilitation of earthquake affected areas of AJ&K; (ii) construction of New Supreme Court Building at Islamabad (2nd Revised PC-1) at a cost of Rs 1055.334 million; (iii) Construction of additional family suites for members of the parliament including servant quarters blocks at Sector G-5/2, Islamabad costing Rs 2908.369 million; (iv) Gravity Flow Water Supply Scheme in Abbottabad with a cost of Rs 4280.105milliion. The entire cost of the local component of the project will be met by the Government of NWFP from its own resources. (Approved subject to Cabinet policy in the light of NFC); (v) Extension of water resources for Faisalabad city - Phase-I at a cost of Rs 5133.96 million including FEC of Rs 3794.56 million; (vi) Quetta Water Supply and Environmental Improvement Project (QWSIP)Revised costing Rs 17,092.60 million. For the transport and communication sector, the Ecneec approved the 18 projects that include; (i) Private-Public Partnership Based Environment Friendly Public Transport System for major urban centers of Pakistan with the cost of Rs 5,000.0 million. The project is meant for Karachi, Lahore, Quetta, Peshawar, Faisalabad, Multan, Rawalpindi/Islamabad, Hyderabad, Gujranwala and Sukkur. (ii) Construction and Remodelling of Southern By-Pass detouring Hayatabad, Peshawar. The project will cost Rs 3,030.0 million. The project envisages improvement and widening of existing 25 km long and 7.3 m wide dual carriageway to three lane dual carriageway including construction of 12 ft wide service roads (on both sides), along with the allied facilities; (iii) Bridge over River Indus connecting Larkana and Khairpur Districts with the cost of Rs 9,225.338 million.



The project covers construction of a 1,222 meters long, 4-lane concrete bridge over river Indus along with 55.63 km long, approach roads with 7.3 m wide standard 2-lane single carriageway along with allied facilities; (iv) Construction of Bridge Across River Indus linking Kandhkot located on the National Highway N-55 with Ghotki located on the National Highway N-5 at a cost of Rs 5,742.422 million; (v) Improvement of Multan Inner Ring Road including six interchanges with improvement of at Grade Intersections Enroute with the cost of Rs 6,191.26 million; (vi) Karachi-Hyderabad Motorway M-9 (134.5 km) which will cost Rs 13,439.467 million; (vii) Construction of 103 km long Khanewal-Lodhran (Bahawalpur) Access Controlled Expressway (E-5A) costing Rs 24,584.24 million with FEC Rs 8,371.15 million;(viii) Bridge over River Indus linking N-5 with N-55 near Nishtar Ghat with the cost of Rs 5,459.329 million;(ix) widening and improvement of Bosan Road, Multan (from Chungi No 9 to Bahauddin Zakariya University) including construction of 2-lane flyovers for right turns at Chungi No 6 and Golbagh Chowk & two lanes flyover from Chungi No 6 to Northern Bypass Chowk with the cost of Rs 4,570.022 million;

(x) Amri - Qazi Ahmed Bridge over River Indus (between Hyderabad Bypass and Dadu Mordo Bridge) connecting N-5 with N-55 costing Rs 3,683.0 million; (xi) Construction of Bridge across River Chenab linking Shorkot and Garh Mahraja which will cost Rs 1,602.878 million; (xii) National Highway Development Sector Project Improvement and Rehabilitation of nine (9) sections of the National Highways (Revised) with the cost of Rs 49,954.78 million (FEC: Rs 38,268.74 million); **(xiii) Construction of New Gwadar International Airport and allied facilities costing Rs 7,675.00, including Omani grant of US \$17.50 million;** (xiv) Procurement/manufacture of 300 New Design High Speed Bogie Wagons (Revised) at the revised cost of Rs 3,238.00 million with FEC of Rs 1,768.970 million; (xv) Complete Track Renewal by Replacing Metal Sleepers in connection with Signalling project on Lodhran-Shahdara Section costing Rs 2,216.0 million (with FEC: Rs 1,274.886 million); (xvi) Sustainable livelihood for Barani Areas Project (Punjab) costing Rs 4002.90 million with FEC of Rs 100.00 million.

The project will cover ten districts ie Rawalpindi, Jhelum, Chakwal, Gujrat, Sialkot, Narowal, Khushab, Mianwali, Bhakkar, Layyah; (xvii) Rehabilitation of assets damaged during the riots of 27th & 28th December, 2007 (Revised) at a cost of Rs 7,855.953 million with FEC of Rs 4710.0 million. The project is located at Karachi and Sukkur Divisions of the Pakistan Railways; (xviii) Peshawar Northern Bypass - 32.2 km (Revised) with the cost of Rs 9,002.75 million. The Ecneec also formed a committee under the chairmanship of the minister for agriculture to finalise recommendations on enhanced grain storage capacity in the country in one month. The Ecneec also gave approval of procedure for approval of development projects of Fata and allowed ACS (Dev) Fata to approve development schemes only to be financed from US funds up to Rs 1000 million for the next two years.

Navtec to construct technical, vocational training institute in Gwadar

KARACHI (January 22 2010): On the directives of the Prime Minister Syed Yousuf Raza Gilani, the National Vocational & Technical Education Commission (Navtec) has decided to construct a technical and vocational training institute in Gwadar. The Chairman of National Vocational and Technical Education Commission (Navtec), Prime Minister's Secretariat, Adnan A Khawaja while talking to *Business Recorder* here on Thursday said that the Prime Minister has also directed to establish a sub-office of Navtec at Gwadar.

He said that the Prime Minister has directed to focus the remote areas for technical and vocational training mainly in Sindh and Balochistan. "Initially we are focusing 'uncovered tehsils' the areas where no technical and vocational facility is available at present," he said. Adnan Khawaja along with education minister Balochistan will be visiting to



Gwadar to review the project. He said that Navtec is committed to train more young people of the country under the Prime Minister's Hunarmand Pakistan programme. He pointed out that the Navtec has planned to provide vocation and technical training to Pakistani students according to demand from abroad mainly from the Gulf countries.

"We want to export skilled workforce to earn more foreign exchange and to build the country's image abroad," he added. He said that the Navtec provides technical and vocational training of international standards. He asked the private sector to come forward in this sector and join hand with the government to build trained human resource in the country. He pointed out that besides technical and vocational training; Navtec gives stipend to the students. On the completion of the course, the students are given a tool kit so that they can start their work just after passing the course. He pointed out that there is a proposal that the students should be provided loans after the completion of their courses to enable them to start their work.

DAWN

DATED: 22nd January, 2010

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Ecneec approves 28 development projects

The Ecneec meeting, presided over by Finance Minister Shaukat Tarin, approved projects for construction of various roads, highways and bridges, a new Supreme Court building in Islamabad and construction of New Gwadar International Airport.

It approved construction of New Gwadar International Airport and allied facilities costing Rs7.67 billion, including Omani grant of \$17.50 million.

Daily Times

DATED: 15th January, 2010

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Govt likely to okay construction of Gwadar Int'l Airport

By Ijaz Kakakhel

ISLAMABAD: The Executive Committee of the National Economic Council (ECNEC) in its meeting on January 21 is likely to approve construction of new Gwadar International Airport (GIA) and allied facilities with initial cost of Rs 7.5 billion including Rs 1.312 billion as Foreign Exchange Component (FEC).

The scheme envisages construction of state of the art GIA, along with allied facilities over a piece of land already acquired measuring 4300 acres. 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 sources claimed that the NGIA would be the business gateway to Pakistan through the city of Gwadar. The government has already allocated Rs 750 million in the PSDP 2009-10 for its construction. Official sources claimed that the government attached high priority to the development of Gwadar Airport. They said that the new airport would be six times larger than the existing airport in Gwadar, which would be completed in three years after its initiation.



Master plan for the project, for which a PC-1 of Rs 7.5 billion has already been approved with an allocation of Rs 750 million in the current Public Sector Development Programme (PSDP), has been finalized and the survey completed. The passenger terminal for Gwadar International Airport is perceived to facilitate 350,000 per year passenger traffic by 2020.

The Prime Minister at Gwadar was informed that Oman, which had already contributed \$ 17.5 million for the project, is ready to provide another \$ 100 million after beginning construction of the airport.

The revised scheme envisages acquisition of around 4,300 acres of land for construction of GIA at Gurandani, 26 km east of Gwadar City. Sources said that the terminal building has a capacity of handling Fokker flights only.

The construction of New Gwadar International Airport forms an integral part of the overall objective of the transport sector in providing easy and efficient access to the southern region of Balochistan. The new airport would augment the airport facilities in Pakistan and as an advantage of its construction; a network of roads and other essential infrastructure would be developed.

Gwadar, which is strategically located has an enormous trade potential, which could not only help alleviate poverty and boost the socio-economic uplift of Balochistan but can contribute in the national economy through transit trade.

Business Recorder

DATED: 13th January, 2010

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CAA directed to complete Gwadar Airport within three years

ISLAMABAD (January 13 2010): Prime Minister Yusuf Raza Gilani Tuesday directed the Civil Aviation Authority (CAA) to complete the new Gwadar International Airport within the stipulated period of three years. The Prime Minister issued these directives during a meeting with the delegation of Balochistan cabinet, led by Chief Minister Nawab Aslam Raisani, says a PM House press release issued here.

Business Recorder

DATED: 6th January, 2010

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What about a Prime Minister House at Gwadar?

ISLAMABAD (January 06 2010): The cash starved country is going to have another Prime Minister House at Gwadar Port as Balochistan government has allocated five acres of land to carry out the project, Business Recorder has learnt. Sources said that it was revealed to the federal cabinet that met on December 30, 2009 at Gwadar Port. "Chief Minister Balochistan has allocated five acres of land for Prime Minister House at Gwadar," the cabinet was told.

Sources said that cabinet was apprised that many steps had been taken for economic uplift of Balochistan province. It was noted that proposal for provision of gas to the gas producing districts had been agreed and 10 percent of the



net profits would be spent on development projects in the producing areas. The projects would also be opened to third party audit to ensure transparency.

"Proposals for imparting technical training to local youth for employment in Gwadar Port Authority (GPA), Gwadar Development Authority (GDA) and special economic zone were agreed and a PC-I was submitted to NAVTEC, the cabinet was apprised. It was also revealed that proposal for apportionment of Gwadar revenue for development of Balochistan was being processed by Ports and Shipping Division.

"Proposals for the construction of two jetties for fishermen and Fisheries Training Centre have been processed for which funds need to be released expeditiously," the cabinet noted. It was also briefed that proposal for Sui special development package had been submitted to the Planning Commission.

The Proposal for overseas employment against Balochistan quota had been taken up with Establishment and Labour & Manpower Divisions. The Federal Government has agreed that from its 50 percent shares in Saindak Project, 30 percent would be given to Balochistan and the project on completion would be owned by the province. "Proposals regarding special incentives for local tribes of Kohlu district to facilitate exploration in the area have been submitted and are under process with Ministries, of Interior and Petroleum and Natural Resources," the cabinet was informed.

Business Recorder

DATED: 3rd January, 2010

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Ship starts offloading urea at Gwadar: experts say Master responsible for grounding

KARACHI (January 03 2010): The Trading Corporation of Pakistan (TCP) has deposited at least \$0.5 million, out of \$1.5 million, on account of general average bond claimed by the owner of a Liberian flag ship which had run aground at Gwadar Port on December 8, *Business Recorder* learnt on Saturday.

According to sources, Gwadar Port authorities had berthed the ship, mv JPO Delphinus, on Friday and it started unloading 51,027.481 tons urea worth around \$16 million. They said the ship owner, Schiffahrtsgesellschaft OLTMANN mbH& Company KG, had claimed around \$1.5 million, which the experts believe is an "exorbitant" amount to be claimed for a nominal damage like the one suffered by the 'JPO Delphinus' at Gwadar.

"The real damages claimed by the ship owner under general average, if calculated scrupulously, may not go beyond 0.4 to 0.5 million dollars," viewed an expert. Another expert, Captain Zia Alam, told *Business Recorder* that under the relevant maritime laws the \$1.5 million general average would be divided on all those whose interests were involved on the ship, like the OLTMANN and TCP with their \$35 million and \$16 million share in the face of ship and cargo respectively.

Whereas the ship owner claims the huge amount of \$1.5 million as damages to be paid by the underwriters", Captain Zia said he saw no serious damage to the hull or/and machinery of the grounded vessel. "No damage has been caused to the ship," he said. He said the TCP's share in general average was around \$0.5 million, which was deposited as a guarantee bond till the court gives its final word.



GoldenPalms (Residential Estate, Gwadar)

GWADAR NEWS UPDATE 2010

About fixing responsibility for ship grounding, he said that according to relevant rules the port authority and its pilot could not be convicted for the mistake, as they were hired by the hirer. According to Zia, the ship had not followed the instructions of port authorities in terms of route and speed, which was noted at 5.7 knots at the time of grounding, against the advised 8.5 nautical mile.

Another expert, Muhammad Rajpar, a former chairman of Pakistan Ship's Agent Association, views that in such "argumental cases" Master of the vessel appears to be the ultimate mistaker, most probably. "The pilot on a ship works like an agent or advisor of the Master with a limited role. He is never there in a responsible position," he opined.

Sources said that the vessel had drifted because the Master had not followed the instructions of the pilot while transiting through a "little turning" at the approach channel. According to Rajpar, a two-member team, comprising an engineer and master mariner from the Mercantile Marine Department, had reached Gwadar to ascertain as to who was responsible for the grounding.
