207TH PRIVATISATION COMISSION BOARD MEETING HELD

207th meeting of the Privatisation Commission (PC) Board was held today; Federal Minister/ Chairman Privatisation Mr. Abid Hussain Bhayo chaired the meeting. Federal Secretary Privatisation Dr. Iram A. Khan, and senior officials of the ministry were also present.

The Board was briefed about the implementation status of different directions issued by the Board in its different meetings. The Board showed its appreciation for the status update and directed the management to resolve the pending issues besetting privatisation. It also advised that other government divisions should be approached to help Privatisation Commission in its work.

The Board discussed various matters of importance including the pending issues relating to litigations in different courts. The approval of the PC Board was also solicited for the special audit report on receivables as on 30-6-2022 of PC's proceeds including the statement of aforementioned receivables. The Board proposed to form a sub-committee of its members to come up with viable solution of the matter including to ascertain the due amounts receivable from other parties. The board also approved the proposal to present before court the fresh audit report to decide the exact number of outstanding dues to be paid.

The PC Board also approved the terms of reference for the hiring of Financial Advisor for Roosevelt Hotel. The Board was apprised that the hotel is not being sold. Rather it will be developed into a mixed use high rise tower as a joint venture project through the best suited mode of privatisation as delineated in the Privatisation Commission Ordinance, 2000. The Board was also briefed about the progress in other ongoing transactions including Pakistan Steel Mills, HBFCL, First Women Bank Limited.

Times 26-1-2023

PRIVATISATION REPORT FAILS TO MENTION $800M IN DUES FROM ETISALAT: UAE COMPANY HAS NOT TRANSFERRED $799.3M, HOLDS 407.8 MILLION SHARES

ISLAMABAD:The Board of Privatisation Commission (PC), on Wednesday, endorsed a report that showed that receivables from privatisation stand at merely Rs5.2 billion – the special report, however, did not mention the Rs163 billion in receivables from the Etisalat.

The board endorsed the report, which was prepared by Crowe Hussain Chaudhury & Co Chartered Accountants firm as external auditors for the audit of the Privatisation Commission's receivables as on June 30, 2022.

The outstanding dues speak poorly of the performance of the commission that already faces existential questions after the government enacted the new Inter-governmental Commercial Transactions Act 2022 deemed to carry out the sale of government assets on fast-track.

As per the report, about Rs5.2 billion were outstanding from 13 parties as on June 30, 2022, the PC Board was informed on Wednesday. Of the Rs5.2 billion, the maximum amount of Rs4 billion was outstanding against the Schon Group on account of privatising two entities decades ago. These include a principal amount of Rs494.4 million.

The report, however, does not mention the outstanding dues of $799.3 million on PTCL's privatisation, which was surprising. PTCL's outstanding dues against Etisalat had been mentioned in a previous receivable report, prepared during the tenure of the Pakistan Tehreek-i-Insaaf (PTI). When contacted, Iram Khan, Secretary Privatisation did not respond to a request for comments.

An official of the commission said that PTCL's receivables will be mentioned in the audited financial accounts of the Privatisation Commission. This, however, does not absolve the commission for excluding the single largest liability from the receivable amount.

In July 2005, Pakistan had sold 26% of its holding in PTCL to Etisalat at a price of $1.96 per share. About 1.326 billion shares were sold at a total price of $2.6 billion. Since the past 12 years to date, however, Etisalat has not transferred $799.3 million and is holding 407.8 million shares without making due payments.

Since its privatisation in July 2005, PTCL has been declaring dividends and also claiming technical service agreement fees.

Etisalat is holding the $799.3 million due to the non-transfer of 31 properties. In 2019, Etisalat International valued the non-listing properties at Rs31 billion, but instead of taking the forex rate of Rs140 prevailing in 2019, it converted the amount of Rs31 billion at Rs62.75 per dollar rate of 2008, which came to $499 million.

The PTI era's Receivable Committee had recommended placing the names of defaulters in the list of the Credit Information Bureau (CIB) and sending their cases to an anti-corruption watchdog. But nothing moved afterwards.

The privatisation programme started in 1991 and 142 entities have either been sold or had their shares divested in return of Rs649 billion. About 25% of the proceeds, however, remain outstanding. At the end of June 2022's exchange rate, Etisalat owes Pakistan a whopping Rs163 billion.

The PC has extended favours to certain buyers by first adjusting their payments against the principal, which was contrary to general accounting and banking practice, and in other cases adjusted receipts against overdue mark-up. The Sale Purchase Agreements (SPAs), however, did not provide for any adjustment procedure.

The PC Board was informed that the government sold the National Fibres Limited to M/s Schon Group for Rs756.6 million. As on June 30, 2022, the receivable balance outstanding was Rs932 million, including the principal amount of Rs306.4 million.

The government had also sold Pak China fertiliser to M/S Schon Group for Rs457 million. As of June, last year, over Rs3 billion, including the principal amount of Rs188.2 million and interest computed at the rate of 14% on the outstanding principal amount, along with a further mark-up of Rs107 million on the outstanding mark-up amount was remaining. By June last year, an amount of Rs182 million was outstanding against Pak PvC Limited including a principal amount of Rs38.1 million. Similarly, the outstanding balance from Sindh Alkalis Limited was Rs141 million. The receivables from National Motors Limited stood at Rs82.3 million, Rs356 million from Balochistan Wheels Limited and Rs204 million from Dandot works of National Cement Limited.

The Haripur Vegetable oil industry owed Rs48.7 million and Crescent Factories Vegetable Ghee owed Rs106.5 million. The Siranwali Rice Mills is yet to pay Rs3.5 million and Quaidabad Wollen Mills Limited's pending payment is Rs62.7 million.

TR 26-1-2023

ROOSEVELT HOTEL: PC BOARD APPROVES TOR FOR HIRING FA

ISLAMABAD: The Privatisation Commission (PC) Board that met Wednesday approved the terms of reference for the hiring of financial advisor for the Roosevelt Hotel. The board was apprised that the hotel is not being sold. Rather it will be developed into a mixed use high-rise tower as a joint venture project through the best-suited mode of privatisation as delineated in the Privatisation Commission Ordinance, 2000. The board was also briefed about the progress in other ongoing transactions including Pakistan Steel Mills, HBFCL, and the First Women Bank Limited.

Federal Minister/Chairman Privatisation Abid Hussain Bhayo chaired the meeting. Federal Secretary Privatisation Dr Iram A Khan and senior officials of the ministry were also present.

The board was briefed about the implementation status of different directions issued by the board in its different meetings. The board showed its appreciation for the status update and directed the management to resolve the pending issues besetting privatisation. It also advised that other government divisions should be approached to help the Privatisation Commission in its work.

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R 26-1-2023

GOVT RAISES RS852BN AT 17.9PC VIA T-BILL AUCTION

KARACHI: The government increased the cut-off yields to raise Rs852 billion through auctions of treasury bills on Wednesday against the target of Rs650bn.

The State Bank reported that the three-month cut-off yield was increased by 94 basis points to 17.937 per cent. All the bids for six-month and 12-month tenors were rejected. The central bank received a total of Rs1,593bn bids suggesting that the banks were willing to park their maximum liquidity in government papers. This was the first auction after SBP raised its policy rate by 100bps 25-year high of 17pc. The government has been borrowing costly money and will have to pay back huge sums in interest payments which will further reduce development spending.

Dawn 26-1-2023

PETROLEUM MINISTRY SIGNS OIL REFINING POLICY; ECC NOD PENDING

KARACHI: Prime Minister Shehbaz Sharif, who also holds the portfolio of Federal Minister Petroleum has signed the Pakistan Oil Refining Policy, The News learnt on Wednesday. Sources revealed that the policy has been sent to different ministries and relevant government departments to seek their comments to fine tune it before it is presented to the Economic Coordination Committee (ECC) for approval.

Sources said that the signing of the policy was another step forward for its final approval to attract new investment in the refining sector, most likely from Saudi Arabia.

According to the draft of the oil refining policy, all existing refineries are encouraged to upgrade/modernise/expand (upgrade) to produce environment friendly fuels as per Euro-V specifications and to maximise production of motor gasoline and diesel by minimising furnace oil (FO).

The selection of equipment, technology, or process would be on project-to-project basis by the concerned refineries to ensure that the final finished products meet the notified Euro-V specification, while minimising FO. This upgrade could include addition or integration of petrochemical production, whether individually or jointly by the existing refineries.

The fiscal regime of the policy explained that there would be a custom duty of at-least 10 percent for six years on motor gasoline and diesel of all grades as well as imports of any other white product (finished products) used for fuel for any kind of motor or engine, effective from January 1, 2023 to December 31, 2028. To give protection to the local refineries against the said products, they would be allowed to charge the prevalent custom duty in the prices of their products. Also, exemption has been granted from levy of customs duties/levies, surcharges, withholding taxes, general sales tax, any other ad valorem tax or any other levies/duties on import of any equipment to be installed, or material to be used in the refinery without any precondition for certification by Engineering Development Board. Federal Government shall facilitate for similar exemption of provincial and local taxes.

The objectives of this policy are to provide an enabling environment for long-term sustainability of the existing refineries and attract foreign investment in new refinery projects. This should help achieve energy security through gradual increase in self-reliance in petroleum refining capacity of the country and reduce dependence on imports of refined products by incentivising investment in upgradation and modernisation of existing refineries. It would also provide a framework of fiscal and regulatory regime, as well as future visibility of policy structure to allow for investment in new deep conversion refineries, petrochemical and oil import terminals

The policy also provides an enabling environment for attracting huge investments in a highly capital intensive industry and enforce production and marketing of high quality and environmentally friendly fuels to end consumers at competitive prices.

TN 26-1-2023

ENI UNABLE TO DELIVER FEB LNG CARGO TO PAKISTAN, DECLARES FORCE MAJEURE

KUALA LUMPUR: Eni said on Wednesday that the delivery of a liquefied natural gas (LNG) cargo to Pakistan LNG Limited that was scheduled for February has been disrupted due to an event of force majeure. The Italian major has a 15-year deal to supply Pakistan LNG with one cargo a month from 2017 to 2032. “February LNG delivery disruption is beyond the reasonable control of ENI and due to an event of force majeure. “ENI does not benefit in any way from the situation,” said the company in a statement to *Reuters*. “All the previous disruptions in LNG delivery suffered by ENI have been caused by the LNG supplier who didn’t fulfill the agreed obligations. “Also in these cases, ENI did not take advantage or benefit in any way from these defaults and applied all contractual provisions to manage such disruptions.”

Pakistan has struggled to procure spot cargoes of LNG amid elevated global gas prices, which spiked to record highs last year following Russia’s invasion of Ukraine. LNG shipments to Pakistan under long-term deals are insufficient to match the country’s rising fuel demand. Pakistan LNG, a government subsidiary that procures LNG from the international market, did not immediately respond to a request for comment. Pakistan imported 9 billion cubic metres (bcm) of LNG last year, according to Refinitiv data, down nearly 20% from 11.2 bcm in 2021.

NEPRA FAILS TO RESOLVE ‘OVERCHARGING’ DISPUTE

ISLAMABAD: The National Electric Power Regulatory Authority (Nepra) on Wednesday failed to resolve a dispute on overcharging of Rs 4 per unit by Bahria Town to its electricity consumers as the Authority members were divided on the matter which is already in court.

The Authority comprising Chairman Tauseef H Farooqi, Member Sindh, Rafique Ahmad Shaikh, Member KP, Maqsood Anwar Khan and Member Balochistan, Mathar Niaz Rana officiated the public hearing on charging of excessive tariff by Bahria Town.

The representatives of Bahria Town acknowledged that they have charged Rs 4 per unit more from its consumers than other consumers of Islamabad Electric Supply Company (Iesco), claiming that they are making a loss of Rs 7 per unit of which Rs 4 per unit was charged to the consumers.

The Nepra had directed Bahria Town to refund Rs 4 billion to its overcharged consumers but the matter is in the court where the latter has directed the Authority to resolve it. During the hearing, the consumers complained that Bahria Town is charging excessive tariff and in case they refuse to pay, punitive actions are taken against them. The distribution licence of Bahria Town has already expired. The representative of Islamabad Electric Supply Company informed the Authority that the power utility company had opposed handing over its jurisdictional area to Bahria Town but is not ready to take it back as Bahria Town's infrastructure is obsolete. He, however, offered to accept the proposal of taking Bahria Town electricity network against Rs 10 billion.

Member Balochistan Mathar Niaz Rana proposed that a middle way be sought to settle the issue as Bahria Town is accepting that it is charging extra tariff of Rs 4 per unit. During the hearing, the Nepra's technical team noted that Bahria Town has provided ten-year data but it's incomplete. A proposal was also floated that audit of data be conducted through external auditors to find out how much extra money has been charged by Bahria Town to its consumers.

Member Sindh, Rafiqfue Ahmad Shaikh argued that since the licence of Bahria Town has already expired, the consumers should approach Islamabad Electric Supply Company which is the first owner of this jurisdiction. On this point, differences were witnessed between the chairman and member Sindh. One of the consumers proposed that the Iesco should take over electricity system of Bahria Town and tariff issue would be resolved. He offered to pay extra Rs 5 per unit if Iesco takes over Bahria distribution system. After hearing of arguments and counter arguments, the Authority wrapped up the hearing without indicating when the determination will be issued.

R 26-1-2023

GWADAR TO START RECEIVING 100MW ELECTRICITY FROM IRAN IN MARCH

GWADAR: Gwadar will have 100 MW additional electricity from March 1 from Iran, according to Director General Gwadar Development Authority (GDA) Mujeeb-ur-Rehman Qambarani. “InshaAllah Gwadar will have 24/7 power supply, this will boost industry, tourism and real estate business in Gwadar,” Qambarani wrote on his Twitter. To fulfil the electricity needs of Gwadar, the governments of Pakistan and Iran signed an agreement for the supply of an additional 100 megawatts of electricity in June 2022. Prime Minister Shehbaz Sharif, during his visit to Gwadar last year, directed authorities concerned to complete the project in a short period of time.

Moreover, the Central Development Working Party (CDWP), last June, approved a 132kV transmission line from Jiwani to Gwadar. The construction of 94-km 132kV transmission line will be completed for Rs2,322.940 million. Gwadar relies on imported electricity from Iran and with the construction of the 132kV line, the port city will be connected to the National Grid for the first time.

TN 26-1-2023

NPGCL GETS SEPARATE GENERATION LICENCE

ISLAMABAD: National Electric Power Regulatory Authority (Nepra) has granted a separate generation licence to Northern Power Generation Company Limited (NPGCL) for its 565.65 MW Combined Cycle Power Plant at Nandipur.

The Nandipur Power Plant was made part of the Generation Licence of NPGCL on October 31, 2014. However, pursuant to the decision of the Government of Pakistan regarding privatisation of Nandipur Power Plant, the Ministry of Energy (Power Division) directed NPGCL to obtain a separate generation licence for the plant.
Accordingly, the Authority, after receiving the application for grant of generation licence from NPGCL, approved the grant of a separate generation licence for Nandipur Power Plant in the interest of privatisation of the power plant.

SECP PROPOSES AMENDMENTS TO CRCS RULES, 2019

ISLAMABAD: The Securities and Exchange Commission of Pakistan (SECP) has decided to simplify process of rehabilitating distressed entities by providing greater flexibility for Corporate Restructuring Companies (CRCs).

In this regard, the SECP on Wednesday proposed amendments to the Corporate Restructuring Companies Rules, 2019. In a bid to streamline investment processes for Corporate Restructuring Companies (CRCs) and provide greater flexibility for restructuring operations, the Securities and Exchange Commission of Pakistan (SECP) has proposed amendments to the Corporate Restructuring Companies Rules, 2019.

The draft amendments have been placed on SECP's website for public consultation.

Key proposed changes include procedures for raising funds and extending financing for acquisition, trust liquidation, composition and governance of the Corporate Restructuring Board (CRB) and its functions and budgetary allocations.

The proposed amendments will simplify the process of rehabilitating distressed entities by providing greater flexibility for CRCs to undertake agency functions for recovery and restructuring. They will also streamline the process of getting regulatory approvals for Scheme of Arrangement from the CRB.

The amendments prescribe procedures for the composition, appointment, and governance of the CRB, including a Code of Conduct for its members and staff etc. These measures are aimed at ensuring a diverse representation of experts from relevant fields, transparency and accountability in the decision-making process.

Under the revised procedure, the trust may be liquidated by occurrence of any of the specified events subject to approval of three-fourth majority of beneficiaries of the trust. They shall be made out and submitted to the Corporate Restructuring Board, along with the scheme, a solemnly affirmed statement as to the affairs of the principal obligor which shall contain the minimum particulars.

R 26-1-2023

SHC ALLOWS PLEA TO MERGE SPI INSURANCE WITH UNITED INSURANCE

KARACHI: The Sindh High Court (SHC) has allowed an application for the merger and amalgamation of the SPI Insurance Company with the United Insurance Company of Pakistan. SPI Insurance had filed an application for merging with United Insurance with the scheme of merger. The applicant's counsel said that under the merger scheme, the entire undertaking and business, including assets, rights, properties, benefits, powers, privileges, contracts, liabilities, encumbrances, obligations and dues of SPI Insurance will be transferred to, vested in and assumed by United Insurance.

According to the merger deal, United Insurance will issue the company's shares to SPI Insurance's shareholders on the effective date as per the computed share swap ratio based on the breakup value, whereby a 0.9 share of United Insurance will be issued for every one share of SPI Insurance.

The court was informed that United Insurance will act accordingly, while SPI Insurance will cease to exist without winding up, and the members, creditors and shareholders of both companies will remain duly secured to the same extent as at present, without affecting the security interests and other rights of the members or creditors of SPI Insurance. After perusing the annual reports and the scheme of merger, a single SHC bench headed by Justice Mohammad Shafi Siddiqui said that both applicants are unanimous in their view that to improve the businesses of both applicants, it would be advantageous if SPI Insurance merges with United Insurance. The bench said that it appears that the applicants completed all necessary legal formalities, including the holding of separate meetings of shareholders and board of directors, and the requisite publication and issuance of notices to the Securities & Exchange Commission of Pakistan.

TN 26-1-2023

GOVT TO LAUNCH CRACKDOWN VIA CCP ON GHEE MANUFACTURERS

ISLAMABAD: The government is likely to launch crackdown on ghee manufacturers for not passing on the impact of lower prices to local level, well informed sources told *Business Recorder*. Taking serious notice of no reduction in prices of edible oil/ghee in the country despite substantial variation in prices in the international market, the prime minister has directed the Competition Commission of Pakistan (CPP) to probe the matter and submit a report to the Prime Minister Office by February 3, 2023, the sources added.

These directions were issued on January 20, 2023 during a meeting on Strategic Roadmap - agriculture sector when the issue of exorbitant prices of edible oil/ ghee came under discussion.

The meeting, sources said, was informed that prices of edible oil/ghee in the international market dropped significantly but local industry has not passed on the impact in the country. "Oil/ghee prices remain same in the country despite significant drop in international markets, therefore, the Competition Commission of Pakistan is to probe the matter and submit to the Prime Minister Office (PMO) a report (correlating movement in international prices and highlighting factors behind variance) along with set of recommendations by February 3, 2023," the sources added.

The Ministry of National Food Security and Research is to constitute a “Committee of Experts” including relevant stakeholders to prepare policy framework required for the local production of edible oil in Pakistan. The sources said Ministry of Industries and Production and Ministry of National Food Security and Research in coordination with the chief secretaries will prepare a report on availability of urea, diesel and seeds at the prescribed price. Furthermore, the MNFS&R in coordination with MoI&P is to prepare and share weekly progress report on the availability of fertiliser, diesel and seeds.

The Ministry of National Food Security and Research is to share timelines for the rollout and implementation of Seed Traceability Action Plan by January 27, 2023. According to sources, Secretaries of Finance Division, Ministry of National Food Security and Research and Power Division have been directed to finalise the financial proposal about solarisation of agri tube wells as an alternative to existing demand of farmers to allow subsidised electricity tariff under PMs Kissan Package by January 27, 2023. Once the proposal is approved, Minister for National Food Security and Research, Tariq Bashir Cheema will take the representatives of farmers on board for its implementation.

The Finance Division has been directed to release the funds for Government of Sindh from Account-1 for facilitation of flood affectees in Sindh. The meeting has also taken the following decisions:

(i) Minister for National Food Security & Research to coordinate with the provincial governments (Sindh and Punjab) to announce a coherent Minimum Support Price (MSP) of wheat crop for 2023. Furthermore, the MNFS&R to propose an independent mechanism for the determination of wheat MSP in future;

(ii) Ministry of National Food Security and Research to coordinate with the Finance Division and provinces (Sindh and Balochistan) to prepare a utilisation plan of Rs 3.4 billion (allocated by the federal government for the provision of subsidised seeds in the flood-hit areas);

(iii) The State Bank of Pakistan (SBP) has been directed to provide MNFS&R district-wise disbursements data of subsidisedagri loans being offered under PM’s Kissan Package;

(iv) Ministry of Industries and Production to share timelines and targets of new entrants under implementation of the import duty reduction SRO (No-2305 issued on December 28, 2022) for tractor manufacturers;

(v) Ministry of Information and Broadcasting (MoI&B) and Ministry of National Food Security and Research to coordinate to immediately launch a media campaign about Prime Minister’s Kissan Package;

(vi) The State Bank of Pakistan to instruct the participating banks to launch rigorous marketing campaign about various financing facilities being offered under the PM’s Kissan Package. Furthermore, MoI&B is to monitor the marketing campaign of banks and submit a regular progress report to the PM Office;

(vii) Secretary Power Division and secretary NFS&R have been directed to coordinate to organise a workshop of relevant stakeholders to finalise the implementation modalities (financing, regulatory and administrative) proposed on the “solarisation of agriculture tube wells”; and

(viii) Ministry of National Food Security and Research to invite potential foreign investors to deliberate and prepare a set of recommendation to enhance cotton crop production through GMO technology in Pakistan. The ministry will recommend participants’ names for establishing a committee to deliberate on policy decisions for setting an intervention price for oil seeds.

CROP INSURANCE NEEDED TO PROTECT FARMERS FROM LOSSES: ALVI

ISLAMABAD: President Dr Arif Alvi said that agriculture which used to be 50 percent of GDP had lost its value and now it was only 23 percent of GDP because of which, unfortunately, it was not attracting the attention of the policymakers as was needed. “There is need of insurance companies to develop credible, authentic and sustainable products to provide insurance to crops and agricultural products in consultation and coordination with each other which should be user-friendly, easy to execute and reachable for the farmers, especially with landholding less than 12.5 acre,” the president made these remarks while addressing a seminar titled, “Importance of Crop Insurance in the Modern Era”, organised by TPL Insurance in collaboration with a media group, at Aiwan-e-Sadr, on Wednesday. He said that the large landholding farmers also needed to be insured with greater emphasis on the farmers living at the minimum subsistence level to protect them against crop losses due to manmade and natural calamities and unpredictable weather systems.

The president noted that agriculture which used to be 50 percent of GDP had lost its value and now it was only 23 percent of GDP because of which, unfortunately, it was not attracting the attention of the policymakers as was needed. He said that agriculture was still the backbone of the economy and it was necessary that this sector should get patronage and support at the public and private levels for ensuring food security for the country which was only possible if the farmers were protected irrespective of their landholding sizes from the adverse impact and damages sustained by them due to man-made and natural calamities. He said that Pakistan had a very elaborate system of satellite imagery that produces relevant data continuously about various weather patterns but unfortunately it was not been properly analysed to predict weather patterns, and fluctuations in the weather system and to forewarn the farmers against unpredicted rain or other natural calamities. He emphasised that meaningful steps should be taken to analyse the satellite data and transform its findings productively and effectively at the grassroots level to help the farmers to decide on the nature and timing of the sowing of crops and to safeguard themselves against fluctuations in the weather system. He observed that besides crop insurance, other insurance products should also be developed for the subsidiary products such as animal husbandry, milk and dairy products, meat poultry, fish farming and vertical farming etc. to provide holistic and well-thought-out and tested insurance products. He noted that the crop insurance scheme developed by the Punjab government with the help of the World Bank had produced fruitful results to protect the farmers from losses due to climate change or other calamities. This model should be studied and the findings should be translated to the rest of the country, he added. He called upon the insurance companies to develop such credible products which gain immediate confidence and support from the farmer community and are readily adopted by them. He underscored the need to promote the insurance product on all platforms of media i.e. print, electronic, social, and cellular forms through PTA messaging to communicate the product and benefits associated with them at the grassroots level.

The president observed that, unlike other countries, Pakistan had an excellent system of social insurance where the family members and close relatives come out generously to help other family members who had suffered losses due to different reasons. He called upon the insurance companies to study this outstanding social insurance system and develop products around this concept which, he said, being cost-effective and sustainable would likely be welcomed by the farmer community. He said the government was also duty bound to help and compensate the losses incurred by the farmers due to the crop losses by providing them financial assistance to help them to reemerge from the difficulties faced by them due to various reasons including climate change. He appreciated that the government, despite financial constraints, had compensated to some extent to the people in the flood-affected areas. He urged the government to develop policies and plan for optimal utilisation of allocated budget, loans and financial assistance obtained from foreign governments through deliberation and consensus with all the stakeholders as the products developed in isolation without incorporating inputs from the relevant stakeholders, especially the farmers, ended up in futility and wastage of precious national resource. He added that the success of any policy, planning and strategy was gauged from its effectiveness, user-friendliness and its ability to permeate effortlessly to the targeted population.

While addressing the seminar, Federal Insurance Mohtasib Dr Muhammad Khawar Jameel said that Pakistan had faced the worst climate-induced floods which wreaked losses in the agriculture sector also. While highlighting the importance of crop insurance, he said that crop insurance could reduce the financial losses of farmers and agriculturists. He said that such seminars were good for raising awareness about crop insurance.

Former Minister of Agriculture Punjab Syed Hussain Jahania Gardezi said that although the contribution of agriculture to GDP had reduced, despite that we needed to take steps for boosting the sector for food security and for improving the economy of the country. He said that the majority of farmers were living at the subsistence level so crop insurance could be the best way to safeguard their losses in case of natural calamities. He said that by adopting crop insurance, the agriculture sector could enhance its production. CEO TPL Insurance Muhammad Aminuddin said that agriculture was the core of Pakistan’s GDP and food security. Insurance provides protection to crops and the livelihood of people, he added.

TELECOM, DATA INFRASTRUCTURE: WORLD BANK ADVOCATES REGULATORY REFORMS, INVESTMENTS TO IMPROVE CLIMATE RESILIENCE

ISLAMABAD: Regulatory reforms and investments are needed to improve the climate resilience of telecom and data infrastructure in Pakistan, says the World Bank.

Official documents of the bank noted the 2022 monsoon floods have demonstrated vulnerabilities in the connectivity infrastructure in Pakistan. The seasonal recurrence of the monsoon presents a looming threat to the data and connectivity infrastructure. There is a need to improve the critical connectivity infrastructure and develop a framework for the telecom sector to improve its response in climate-induced disasters. Despite the presence of relatively strong national ID and payment systems the lack of interoperability frameworks and mechanisms has limited the capacity of the government (as well as non-government actors) to exchange data securely and seamlessly.

Some key registries that could provide useful information to fine-tune targeting are also not yet available digitally. Investments would unlock the power of data not just to strengthen the response to crises, but also to develop better quality and more innovative, efficient, and resilient services.

The Bank further stated that federal and provincial government agencies have started limited offering of digital services. These services vary in the degree of maturity and lack key elements such as interoperability, security by design, single sign-on, systematic integration with the identity database of NADRA, limited integration between federal and provincial IT systems and the absence of verifiable credentials means that transactions with the government remain costly and time-consuming for individuals and businesses.

The currently siloed approach to the digitalization of services means that different provinces, despite offering similar services, are currently developing parallel IT systems instead of sharing resources to achieve economies of scale and transfer knowledge of successful digitalization. A sustained whole-of-government approach is needed to support effective digitalization of public service delivery. Rules mandating technology and vendor neutrality, ensuring interoperability and common standards for digital government systems and infrastructure, and establishing clear institutional responsibilities, mandates, accountability, and enforcement powers, need to be established. This should include clear legal mandates to ensure that public services are provided in a consistent manner across government. Personal data should be collected in a transparent manner and only used for proportionate purposes to build trust and confidence.

Cybersecurity efforts should be mainstreamed to ensure that digital government systems and data are safeguarded through the lifecycle of all digital infrastructures. The Bank further stated that a comprehensive stock-taking activity for mapping the complete inventory of all Registrations, Licenses, Certifications, and Other Permits (RLCOs) at all levels of government is required for undertaking reforms to enable the digital delivery of services to businesses. The stock-take will enable finding the gaps and inconsistencies in the regulations for businesses and will enable the development of a roadmap for using information communication technologies to provide services to businesses more efficiently.

R 26-1-2023

PAKISTAN SOFTWARE HOUSES ASSOCIATION SEEKS SBP, FBR SUPPORT FOR IT EXPORTS GROWTH

LAHORE: Pakistan Software Houses Association (P@SHA) on Wednesday said the country could achieve an ideal growth in IT exports once relevant departments such as the State Bank of Pakistan (SBP) and the Federal Board of Revenue (SBP) support the industry with better policies and regulatory measures. “IT exporters are young, energetic, highly-skilled, and supremely-motivated professionals. Taxation authorities must not treat them with their usual arm-twisting tactics or must not entangle them in unnecessary regulatory hassles,” P@SHA chairman Zohaib Khan said.

Ensuring ease of doing business was the way forward for the growth of the industry, he added. P@SHA chief stated that Prime Minister Shehbaz Sharif himself was heading a high-level committee on the country’s digital economy, and had made the software houses association a part of it.

Criticising over the SBP, Zohaib Khan said the prime minister had advised the central bank to ensure commercial banks to allow 35 percent retention of foreign currency into special foreign currency accounts. The facility was made mandatory for the banks to remove any discretion exercised by the banks. “However, commercial banks have made the facility mandatory for the companies as well even if companies do not wish to retain forex,” he claimed, adding the situation had created a panic in the industry about an uncertainty of the policy and its implementation. He further said the SBP had mentioned a timeline of the facility by March 31, 2023. “It’s too short a time period for its implementation and adoption by the banks and exporters, let alone fair assessment and industry trust-building.” Zohaib Khan apprised that the PM had given a commitment to ensure implementation of corrective policy measures, however, there was hardly any compliance by the regulatory authorities, he lamented.

“FBR has started issuing notices to the IT companies on super tax that too on very short deadlines.” The timeline mentioned on the notices was not as per the law and thus created uncertainty and anxiety in the tech ecosystem, according to P@SHA chief. “If the target given by the prime minister has to be achieved, the policy measures recommended by P@SHA and the IT industry must be implemented in true letter and spirit.” He emphasised that Pakistan needed to manifest itself as a favourable tech destination but a consistent lack of support by relevant departments was hindering achieve the export growth target given by the prime minister.

“In an environment which lacks support and facilitation despite assurance by the highest authority, the export remittances are only going to decrease, let alone maintaining a status quo.” P@SHA chief stressed that IT and ITeS sector could help the country in efforts to bridge the current account deficit and stabilise the economy.

KWSB TO BRING KATCHI ABADIS UNDER ITS TAX NET TO PROVIDE BETTER SERVICES

The Karachi Water and Sewerage Board (KWSB) will take measures to bring the city's Katchi Abadis under its tax net to provide better services to them. The announcement to this effect was made by KWSB Chief Executive Officer (CEO) Engineer Salahuddin Ahmed as he held a meeting with all the executive engineers of the water board at his office on Wednesday. He said that the purpose of bringing the residents of shanty settlements under their tax net was provision of better water and sanitation services to them. The KWSB CEO also announced that a special mobile application would be launched for redress of the citizen's complaints in an effective manner.

It was the responsibility of the KWSB to provide uninterrupted water supply to the people of Karachi, he said, adding that issues pertaining to the water supply would be resolved on an immediate basis. He said that in order to provide water to the people of Karachi without any discrimination, the water board would improve its valve system. With the support of the World Bank, he added, the Sindh government was making efforts to improve the performance of KWSB.

The KWSB CEO stressed the need for making efforts to ensure uninterrupted water supply to citizens. He directed the executive engineers to inspect all the water lines of the city on an emergency basis, and repair old and faulty water lines, especially the leaking ones.

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