MONTHLY

Energy UPDATE

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ENERGY CRISIS

Institutional Failure in Pakistan

Shady deal to cost $5 billion a year

K Electric facing a possible fine of Rs8 billion for serious violations

Another deal struck by Malik Riaz

Exclusive Interviews:

Dr. Song Jong-hwan, Korean Ambassador

Shah M. Saad Husain, GM PARCO

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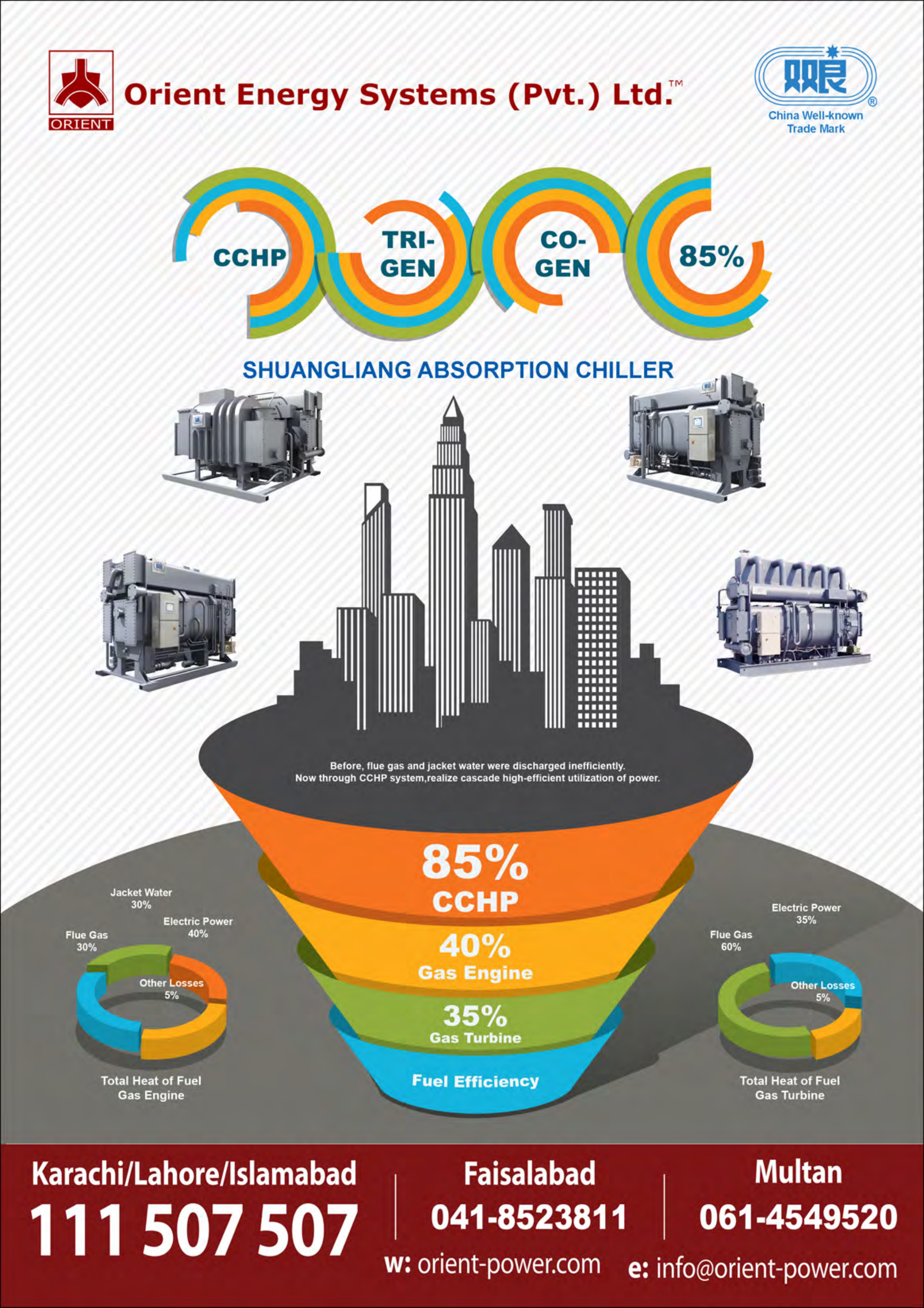
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EXCLUSIVE INTERVIEWs

H.E. Dr. Song Jong-hwan

Ambassador Republic of Korea

Shah M. Saad Husain

GM Corporate Affairs, Pak-Arab Refinery Limited

Downward oil price spiral almost over

From the editor's desk...

LNG import in disarray

The present government even after two years governance and all types of tall claims, miserably failed to resolve any public issue particularly the chronic energy crisis prevailing almost aver a decade. People knew well that PPP government had no intention to resolve any public issue but the PML-N leaders had won the elections by virtue of their campaign to resolve all public issues particularly the ongoing energy crisis.

But whatever has been done by the present government contrary to the claims was hotchpotch, PML-N rulers are more interested in importing (liquefied natural gas) LNG as they expect more and more commissions and kickbacks in every LNG deal whether in public or private sector. But it seems that even the LNG import and setting up LNG terminals is in disarray.

The fact that the country's first consignment of LNG is now weeks away from landing should have been cause for cheer, had it not been for the many little glitches that still remain. The LNG project has been almost a decade in the works - far too long considering it is a very basic technology. Equally basic, unfortunately, are the issues that still mire prospects for the arrival of the first cargo. The construction of the terminal and its smooth operation are not in doubt.

A long-term arrangement for the supply of LNG also appears to be taking shape, although it is not as yet a reality. In the meantime, there are a few rather basic questions, such as who will pay for the first consignment that will have to be ordered soon. One would think such an elementary matter would have been sorted out by now. After all, the government had been going on about the project for months while construction of the terminal was hustled along its timeline.

But all that trumpeting of the project, it turns out, was more air and less music. Construction of the terminal was never part of the government's portfolio of responsibilities. Perhaps that is why it has proceeded smoothly.

The government's job was to put in place the policy framework under which parties, public and private, could contract cargoes and have them transmitted up to the point of consumption. Very little of that work has been done.

Today, we have a situation where PSO is not keen to pay for the first consignment of imported LNG. The buck, therefore, passed to the two distribution companies - SSGCL and SNGPL - both of which are also reluctant to pick up the tab.

Further, no agreement exists on the profits each of these three parties will be allowed to make for their part in the chain, with implications for end-user pricing.

Meanwhile, without a proper third-party framework for use of the transmission companies' pipeline infrastructure, private parties, such as the CNG sector, are also unable to import their own cargoes.

Power plants that are interested in importing LNG are discovering that there is no agreement on what mechanism will govern the payments they receive from the finance ministry to pay for these imports.

We believe that the petroleum ministry has not worked through much of the policy software required for making LNG imports work. Either they are too busy, or are living up to the reputation of ineptitude they acquired during the recent petrol crisis. ctivities.

Naeem Qureshi

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Energy Crisis- Institutional Failure in Pakistan

Nepra is nothing but a repository for the statues of cronies and retired bureaucrats

By Arshad H Abbasi

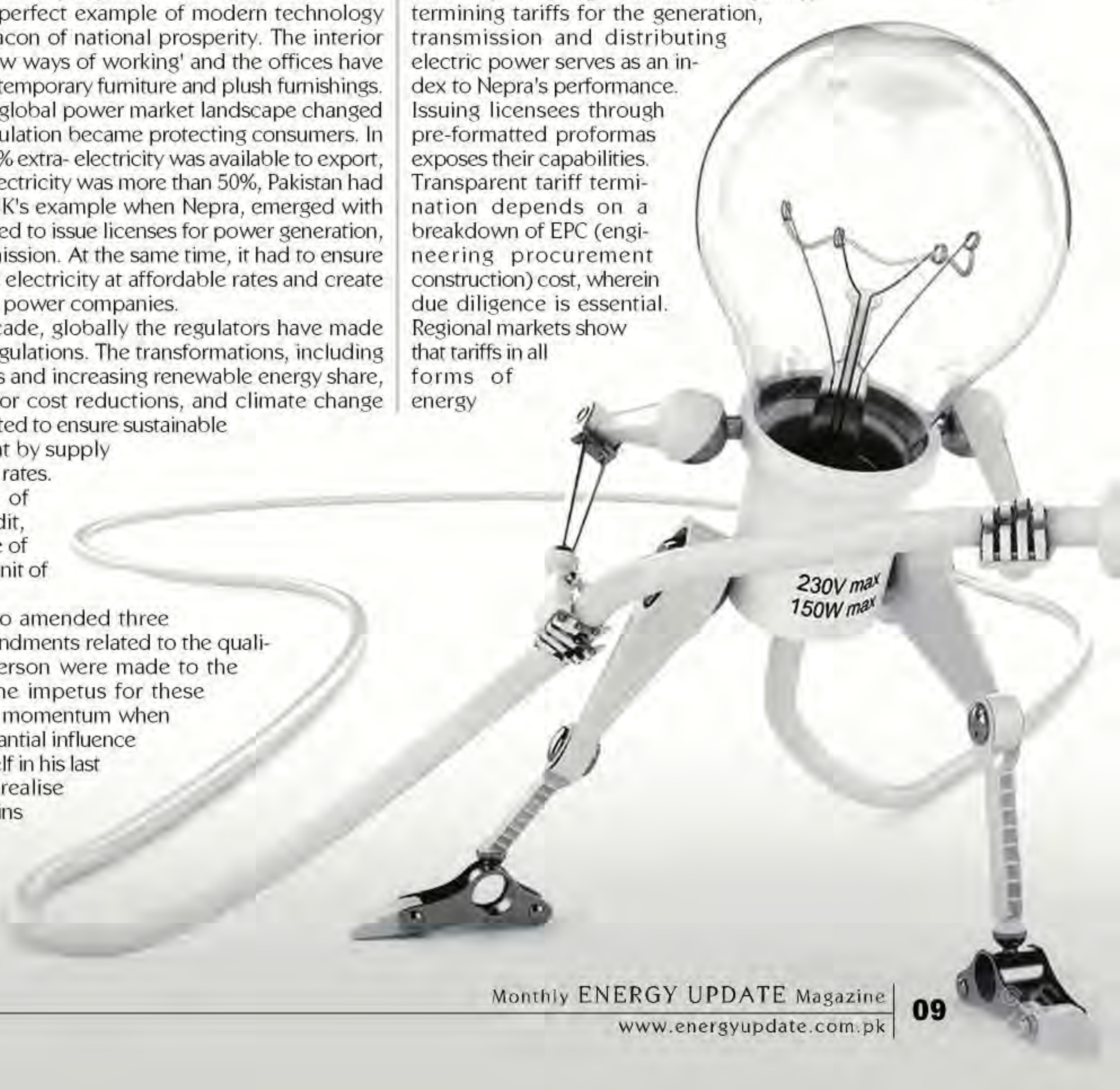
At the famous Madame Tussaud's wax museum in London, sculptures representing renowned individuals from history, politics and popular culture stand in silent vigil, eerily lifelike but transfixed in inaction. This silent house of waxworks is strongly reminiscent of the new building of the national power regulator NEPRA, located in the heart of the capital yet like Madame Tussaud's serving little purpose except to entertain the beholder. In truth, this edifice stands as further testament to the waste of public money. Indeed, its only importance seems to derive from its tall proportions, a perfect example of modern technology standing as a false beacon of national prosperity. The interior environment offers 'new ways of working' and the offices have a lavish decor with contemporary furniture and plush furnishings.

In the Eighties, the global power market landscape changed and the purpose of regulation became protecting consumers. In 1997, at a time when 25% extra- electricity was available to export, share of cheap hydroelectricity was more than 50%, Pakistan had the chance to follow UK's example when Nepra, emerged with an 18-page Act mandated to issue licenses for power generation, distribution and transmission. At the same time, it had to ensure provision of consistent electricity at affordable rates and create a level playing field for power companies.

During the last decade, globally the regulators have made dramatic changes in regulations. The transformations, including technological advances and increasing renewable energy share, increasing efficiency for cost reductions, and climate change concerns are incorporated to ensure sustainable economic development by supply electricity at affordable rates. One of the key roles of regulators is energy audit, to ensure minimum use of fuel to generate single unit of electricity.

Nepra Act was also amended three times, when three amendments related to the qualification of the chairperson were made to the original legislation. The impetus for these amendments gathered momentum when a bureaucrat with substantial influence and clout exerted himself in his last days of retirement to realise his desire to take the reins of Nepra in 2008. This was at a time when the power sector was already being crippled. Within a few years, the gap between supply and demand widened to accommodate provision for only one-third of the total demand leaving the economy in tatters. After his departure, the Act was again changed to accommodate another crony, who looked after the interests of the ruling regime for years. Such needless changes through amendments provide ample evidence of the rampant nepotism that has plagued Nepra through the decades.

A closer look at the core functions of NEPRA, namely issuing licenses, enforcing standards for quality, determining tariffs for the generation, transmission and distributing electric power serves as an index to Nepra's performance. Issuing licensees through pre-formatted proformas exposes their capabilities. Transparent tariff termination depends on a breakdown of EPC (engineering procurement construction) cost, wherein due diligence is essential. Regional markets show that tariffs in all forms of energy



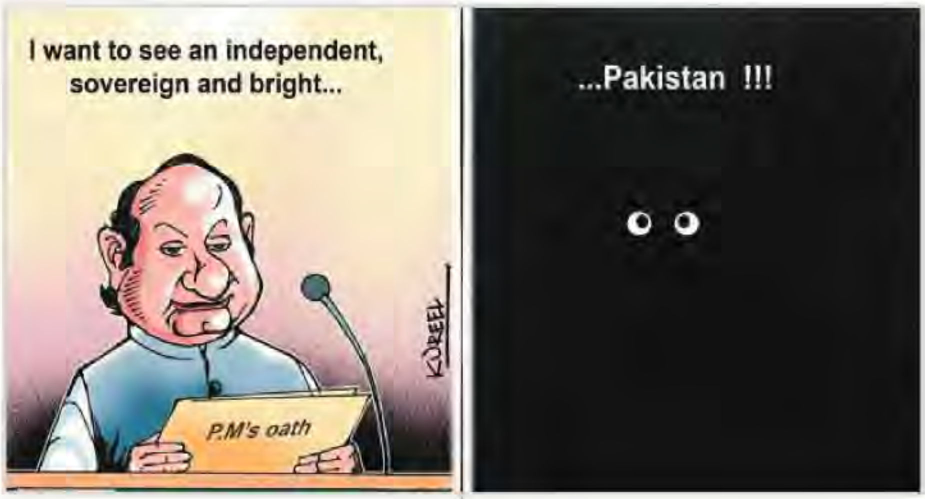
granted with an abnormally-inflated rate are reflective of 'the power' of proponents.

In fact, the ultimate victim of the stagnant nature of the Nepra Act is Pakistan's power sector itself. Energy efficiency is one of the cherished mantras of the modern world, but it seems that it is one, which has escaped the attention of Nepra. If Nepra had concentrated on improving the heat-rate (measure of efficiency) of its thermal power generation plants, it would have been able to avoid the payment of PKR 1,900 billion subsidies. This amount, if effectively used for hydropower development, would relieve Pakistan of its grave energy crisis. Low efficiency, and high carbon emissions through coal power generation mark NEPRA as prominently against the preservation of the environment. This should be alarming for all actors aiming to curb climate change.

Another catastrophic blunder of Nepra is the negligible enforcement of Section 37 of Act in which Nepra was responsible for the review of public sector projects. However, Nepra has failed in its mandate by ignoring hydropower projects of Power Policy2002. There were 22 projects, having a capacity of 8,100 MW scheduled for completion in 2012. Yet, over this period of 13 years, only 7% progress has been made on these. If these had been completed on target date, the PKR 1900 billion subsidy accrued could have been saved.

Moreover, if Nepra had shown any interest in the Neelum-Jhelum Project, Pakistan would have won the Kishanganga case in the International Court of Arbitration. Conversely, members and chairperson of Nepra visited under construction thermal power plants by IPPs on a regular basis to monitor progress for early completion. Nepra's passion for expensive thermal power generation betrays its lack of integrity, professionalism, and loyalty towards the very nation it is mandated to serve.

The Nepra Act had also developed performance standard for safe and reliable supply of electric power and embedded the strictest penalties in case of non-compliance. However, voltage fluctuation has remained a major issue in Pakistan causing short-circuiting and leading to the deaths of 289 workers in a garment factory and more recently to the timber market incidents in Karachi and Lahore Anarkali. Yet, the culprits remain unpunished by Nepra.



The main cause of fire was short-circuiting due to voltage fluctuations. The question here arises whether NEPRA is going to penalize the distribution companies responsible for these incidents. Furthermore, the performance standards used by NEPRA are nothing but a duplicate of India's power sector standards, showing NEPRA's level of competency.

In addition to that, privatization of KESC has not been beneficial as was envisioned previously, as the endemic load shedding in Karachi has still not been removed. as load shedding is still endemic to Karachi. According to section 28 of the Act, NEPRA should take action against KESC and remove the existing inefficiency, however, except for imposing a fine of PKR. 200,000, the regulatory body has taken no other measures. I feel that if the authority appointed a competent administrator, as allowed under section 28(2) c, the consumers of Karachi would face immense relief.

It would appear that most of the time Nepra is involved with hearings on fuel adjustment charges or tariff determination. Both tasks can better be performed by an energy tariff calculator, which is available online, and can even help to calculate the annual fuel consumption and CO2 emissions. Yet these tasks have to be accomplished by Nepra. In my experience, the hearings are moot because the final outcomes are largely dictated by the Ministry. As the main objective of Nepra is protection of consumer interests, this represents a big disconnect between the mandate and the practice. As a case in point, in the last fiscal year, the ratio of number of complaints to total electricity consumers was 0.0147 percent showing great mistrust of Nepra on the part of the public.

Nepra is fully aware of the grave energy crisis that country is facing but it seems that the organisation's mind is struck on importing electricity from India, which they think is a panacea for the energy crisis. In my considered opinion, such strategies will only serve to further shackle Pakistan into dependence on other countries.

In conclusion, it is safe to say that Nepra, supposedly a regulatory body, is nothing but a repository for the statues of cronies and retired bureaucrats. However, there is one vital difference between the statues of NEPRA and the statues of Madame Tussaud's. The waxworks at the museum at least generate significant annual revenue. On the other hand, Nepra is parasite, spending money on hearings held in luxurious five-star hotels, so much so that Nepra has helped, inadvertently, to effectively prop up the hotel industry in ailing economy.

In epilogue, it must be understood that steadfast commitment to generating employment opportunities in the energy sector will help curb terrorism. If the citizens of this great country are productively employed, they are more likely to desist from engaging in terrorism. This can only be done when the political regime addresses energy issues, which have paralysed industries across the country creating more and more unemployment and disaffection. This milestone cannot be achieved unless the right person is selected for the right job, cutting out deadwood irrespective of kinship and family relations with the higher ups. This is the simplest formula to revamp national power regulator. Nepra, is a case study of institutional failure. To implement sustainable energy policies for economic growth is a cause of concern for the entire international community.■

By Farhat Ali

Local natural gas - immediate solution to power crisis

PAKISTAN'S energy crisis and its viable solutions have been extensively debated in the recent past. Two factors that must be kept in mind when discussing any solution are affordability (cost and pricing) and availability (net thermal efficiency/usage) of fuel and electricity. There are no quick fixes to this problem, but some options exist to accelerate the resolution of the issues.

Given the size of the deficit in the power sector, alternate energy solutions can be supplemental at best. The mainstream fuel requirements will continue to come from coal, natural gas and hydro, as possibly the most viable options for large-scale baseline power generation.

However, in the short- to medium-term, contrary to the popular belief about coal, it is natural gas that is the most viable fuel to address the large power deficit in the quickest possible way, at the most affordable cost. Here is why I believe natural gas remains the preferred option over coal.

The data provided in this essay is from internal industry documents that take a detailed look at the pricing and gestation periods of various fuel and power projects. The studies themselves cannot be cited, but here is what the data suggests.

The typical lead time for setting up coal-based power plants is 4-5 years and building medium-sized dams is 7-10 years, whilst a gas-based power project could be converted into 9-12 months, or even earlier, on an already producing field. The conversion of existing residual fuel oil (RFO) based power plants to coal is perhaps the fastest solution with a 15-18-month gestation period, but it has a glass ceiling of 3000-3500MW.

On the other hand, given the estimated over 66 trillion cubic feet of explored and unexplored gas reserves in Pakistan, the availability of natural gas for power can easily address the current deficit. With better allocation of the existing resources and improved exploration and production (E&P) activities, natural gas can actually emerge as the most superior option for meeting baseline power generation requirements in the immediate future.

E&P activities have been lacklustre in the last few years largely due to security concerns in the oil and gas rich territories, as well as unattractive well-head prices. Additional domestic gas production is surely a way to reduce the deficit and the cost of power generation. The (indicative) supply curve for domestic gas in Pakistan shows that 85pc of domestic gas costs the country less than $5/mmbtu.

In the short- to medium-term, contrary to the popular belief about coal, it is natural gas that is the most viable fuel to address the large power deficit in the quickest possible way at the most affordable cost

On the other hand, the cost of RFO and LNG is about three times this level. The weighted average cost of gas (WACOG) for domestic gas is in the range of $3.2/mmbtu, which is why Pakistan is able to have such low retail prices of gas. The WACOG level indicates how low domestic gas prices are in Pakistan, where not all of the gas potential has been realised as yet. Therefore, it is critical that Pakistan gives higher priority to further domestic gas production.

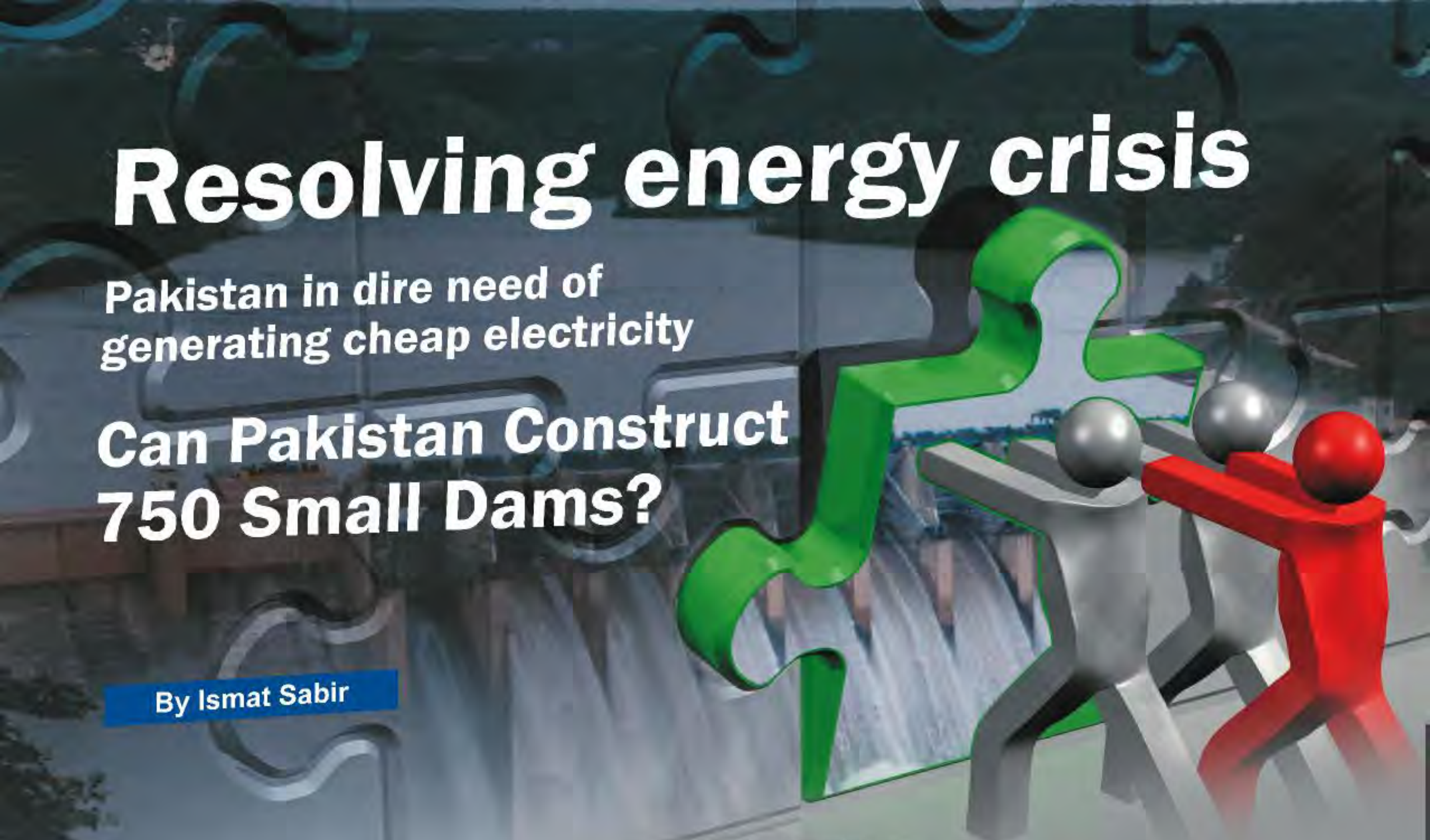
The Petroleum Policy 2012 offers prices which are considered adequate by many in the E&P industry, and also allow E&P companies to apply for conversion of their existing fields to the 2012 policy prices. This can bring fresh investment to the upstream gas sector, and, if guided carefully, more gas can be brought into the system in the coming 12 to 36 months.

Even if further domestic gas comes in at the $6/mmbtu offered under the 2012 policy, it will be much cheaper than any imported fuel, which is actually $20/mmbtu. This would mean that the power to the eventual consumers will be available at an estimated cost of $0.08/Rs8 per KwH, which is more than half the current tariff level.

Hence, this becomes the most viable solution to the problem, both in terms of affordability and availability, in the shortest possible time. This may require the laying of distribution infrastructure for connectivity of these power plants to the grid, which could be achieved within 24-36 months and must be pursued simultaneously.

Stated above is a solution to address the immediate power shortages for which the estimated timeline is 1-3 years. For the medium-term (4-6 years), coal, particularly locally mined, would be the best fuel option. The long term (seven years and beyond) solution lies in hydropower projects. To achieve a proper fuel mix, alternate fuels - to the extent of say one quarter of the total - is an absolute essential from the long-term energy security perspective. This can be achieved at the lowest possible costs, which should not cross single digits ever.■

(The writer is a founding partner of Burj Capital, an energy sector private equity and advisory company)



Resolving energy crisis

Pakistan in dire need of generating cheap electricity

Can Pakistan Construct 750 Small Dams?

By Ismat Sabir

Pakistan is in dire need to get rid of energy crisis but for this purpose the government has to construct about 750 small dams disclosed former Wapda chairman Shamsul Mulk. He said that coal LNG, solar, wind and even small hydel dams are no alternative to mega dams to overcome energy crises. Pakistan needs three to four large dams like Kalabagh or Tarbela dams. On the other hand, the country does not have so many sites for small dams, neither fund to tackle the water and energy crisis and ensure food security. Pakistan already has 68 small dams with an average capacity to irrigate 8,500 acres of land but none of these dams produces electricity. Moreover, there are no sites for these dams in KP, Sindh and south Punjab. A few dams could be built in northern Punjab though they would not meet water needs of agricultural sector of the country and would not produce a single unit of electricity.

Pakistan is the fifth largest catchment area in the world and has capability to build many large dams which could solve the energy and water problems. But has not given due importance to large dams therefore the situation is being complicated day by day. Abdul Basit, from the LCCI, said that the cheapest energy could be generated through hydel resources. Construction of Kalabagh Dam was crucial for Pakistan's energy need. He said Kalabgah Dam will add water of rains to the Indus River instead of reducing its water flow while the reservoir will store only rain water instead of accumulating Indus water. The water of 1 million acre feet generates revenue of about $1.5 billion per annum. Hence, the KBD can provide the benefit of up to $18 to 19 billion annually through its water storage.

Former Wapda Chief Engineer Syed Khalid Sajjad said that high electricity tariff is due to corruption, incompetence and poor political leadership. He said successive governments intentionally pushed the country for thermal power generation. He said if previous Nawaz government started Kalabagh Dam instead of motorways and metro buses the country would have been benefited more, Khalid Sajjad said. Pakistan is far behind to generate cheap energy and if electricity tariff continued to grow with present pace it would be out of the reach of a common man.

There are a number of projects that can be completed within two to three years, which was required sincerity and commitment of the rulers. Expansion of Tarbela to 1200MW capacity, Kohala with 1400MW capacity, Munda Dam 700MW capacity and KBD 3000MW can be built within the tenure of present rulers, if sufficient funds are provided.

The real issue is financial crunch, but the government wasted Rs59 billion on Nandi power projects which will produce power through thermal sources and if just Rs40 billion was provided to Neelum Jehlum it could be completed by 2016. But rulers' priorities are not eliminating the menace of load shedding, because their priorities are totally different, he blamed.

The Nespak and Descon engineers completed many projects in different countries but why they cannot accomplish the task of hydel, wind and solar projects, he questioned.

Former PEPCO Chief Tahir Basharat Cheema said when IPPs were planned the oil prices were very low and there was no big difference in cost of hydel and thermal electricity generation. With the passage of time oil price continuously has gone up, escalating cost of power through thermal as compared to hydal source. Presently, the LNG cost is being considered at Rs8.5 per unit but there is no surety of stability in cost of this fuel. Hence, LNG can never be the alternative of hydel source of electricity generation, another expert said.

The foundation of costly energy generation was laid down in 1994 by focusing thermal power generation. The country was facing 5,000 to 6,000 megawatt shortfall while generating only 6,000 megawatt hydel generation and this shortfall was to reach 24,000 megawatt by 2025, if it is not managed.

The other quest is will the government

There are a number of projects that can be completed within two to three years, which was required sincerity and commitment of the rulers. Expansion of Tarbela to 1200MW capacity, Kohala with 1400MW capacity, Munda Dam 700MW capacity and KBD 3000MW can be built within the tenure of present rulers, if sufficient funds are provided.

be able to reduce load shedding after shelving more than 15 coal power projects having capacity of over 13,000MW, which were to be set up with Chinese collaboration? Energy experts say that the country's existing installed capacity is almost double the present demand and all energy requirements can be met by just using the idle capacity. The total installed capacity of power production is over 23,000MW while maximum demand in peak hours is 15,000MW.

On January 17, the government had announced to abandon its 6,600MW Gadani Coal Power project as little or no interest was shown by potential investors. According to details, Prime Minister Nawaz Sharif approved to abandon 10 projects of 660MW each, which were to be based on imported coal with a cumulative capacity of 6,600MW (10x660) at Gadani.

After abandoning Gaddani coal power project, work on five coal power projects of Punjab province has also been stopped. The Punjab government has announced to set up six coal based power projects, having a capacity of about 8000MW, in Sheikhupura, Rahim Yar Khan, Muzaffargarh, Jhang, and Kasoor districts which were now dumped mainly due to the reservations raised by the international investors. Similarly, fate of 1,320 MW coal power project at Sahiwal, which was inaugurated by Prime Minister Nawaz Sharif in May2014 last year, was also in doldrums.

As the coal plants have been shelved by the government, the energy experts have once again demanding to generate power through hydel source by constructing large water dams, having multi dimensional benefits of cheaper electricity, and availability of water for irrigation also. The sharp fall in oil prices to $40 per barrel from $150 have reduced the cost of power production from thermal, to Rs12 per unit from earlier rate of Rs28 per unit when the cost of oil was at its peak.

The National Electric Power Regulatory Authority (Nepra) has projected a gap of over 5,500MW, between supply and demand, and forecasted that the situation is likely to remain up to 2019-20. The Nepra State of Industry report recommended more gas to the power sector is diverted, whereas gas supplies to those industrial units, which are also generating and selling power inefficiently, be curtailed so that uneconomic use and wastage of a scarce commodity of the country can be controlled. The government injected around Rs480 billion in the sector could not bring improvement due to the basic issues such as shortage of funds, distribution companies' inability to control their losses and their failure to improve the low recovery ratios. Similarly, the consumer protesting about overbilling persisted, the report indicated. The circular deb also accumulated to around $300 to $350 million. Regarding LNG project, tall claims of government to end the problem of power load shedding till 2017 is not correct because the whole infrastructure will take atleast three years but by that time the demand of electricity will be further added to 5000MW. The government is also planning to import LNG. The regulatory authority has advised the price of LNG be set after thorough analysis of the available alternatives. The private sector investors sought policy clarifications before entering long term investments for LNG based power plants and pressed for allowing smaller plants to facilitate putting together fresh investments. Nepra said the government intends to set up 3,600MW of LNG power plants in Punjab in the first phase to end load shedding by 2017. However, some of the investors expressed their inability to initiate 800MW LNG power plants in Punjab. They also said it would be difficult to undertake LNG power plants without gas supply.

Majority of the investors also urged Nepra to review per megawatt cost, internal rate of return (IRR), and interest rate during construction, operation and maintenance cost, encourage small power plants and ensure guaranteed fuel supply.

Raziuddin, Chief Executive of KP Oil and Gas Development Company, said that the setting up of LNG power plants should not be for a specific province. The entire Pakistan is opened for investors to set up LNG power plants. The pricing, guarantees and who will import LNG in Pakistan was not indicated.

Former Member Energy Planning Commission, Shahid Sattar said that no LNG power plants would work unless circular debt issue is resolved. The assumed price of LNG at $12 per million British Thermal Unit (mmbtu) was higher against existing delivered price of $7 per mmbtu in other countries. The power market should be opened and signing 30 years contracts would be against open market concept. A representative of General Electric (GE) said that the regulator should announce three separate tariffs for 250MW, 400MW and 800MW LNG plants. The efficiency rate of 250MW combined cycle plant was 52 to 53 percent, 400MW 56pc and 800MW operated at 58pc efficiency, the alternative fuel for LNG plants is diesel. A spokes man of PakGen Power, Farhan Lodhi said that the government should announce upfront tariff for small power plants with 250MW capacity. It would take six months for financial close and would be implemented in 12 months. He also said the 800MW power plant projects were too big to implement as few parties in Pakistan would be interested in such big projects. Majority of the investors said the proposed per megawatt cost at $1.1 million and 15pc rate of return were at lower side. For encouraging investors to install 3,600MW power plants in load centres of Punjab the rate of return shouldbe setat17pc. Nepra will decide whether the $12 per mmbtu LNG price and the cost of Escrow account are justified. It will also assess 15pc internal rate of return and 1.35pc insurance cost of the engineering, procurement and construction (EPC) contract. The petition for up front tariff was filed by Private Power Infrastructure Board (PPIB) for setting up of proposed 3,600MW LNG power projects near load centers, near Bhiki (Sheikhupura), Balloki (Kasur) and Haveli Bahadar Shah (Jhang).■

Nepra alleged for supporting K Electric

K Electric facing a possible fine of Rs8 billion for serious violations

By Sajid Aziz

The power sector's regulator - National Electric Power Regulatory Authority (Nepra) is despite knowing all facts and figures, is reluctant to issue verdict against K Electric, the one power supply company to Karachi that transformed from Karachi Electric Supply Corporation (KESC) for allegedly many serious violations and extortion of its consumers. last month's hearing held in Marriott Hotel was extremely disrupted as several consumers, their represenattives and affectees had openly challenged the bious attitude of Nepra's officials for extending out of way support to the K Electric's violations. The hearing was suspended for sometime and then put off until next month. The Nepra officials came to Karachi again in early March and held hearing but to no avail as they remained unmoved and there was no verdict against K Electric's violations and high handedness against its consumers. The complainants once again shouted in the hearing that Nepra has never punished K Electric for any of the violation and harassing the consumers.

One of the company's former general managers, Shoaib Siddiqui, confessed that he issued directions to field formations to carry out excessive billing and issue detection bills. Detection bills are issued when a consumer's meter cannot be read properly or has malfunctioned.

The Nepra investigations spanned 18 months of inquiries and hearings into six separate complaints, including some referred to it by the Supreme Court. Nepra obtained certain emails from K-Electric officials, ordering additional billing of consumers. One of the company's former general managers, Shoaib Siddiqui, confessed that he issued directions to field formations to carry out excessive billing and issue detection bills. Detection bills are issued when a consumer's meter cannot be read properly or has malfunctioned. An estimated bill is generated in such cases.

Shoib Siddiqui resigned after the inquiry but was given a job in Byco - a sister

organization of K-Electric. He was made a scapegoat to protect the KESC management and was accommodated in an Abraaj Group concern. Another executive, Arshad Iftikhar, Siddiqui's supervisor, was issued a warning and later on, promoted," the inquiry held. Some of the complainants referred to orders for 10 million units of excessive billing in September 2012, but Siddiqui confirmed that two million units were billed through 11 cycle days.

Nepra said the over-billing that was supposed to be carried out did not actually take place because certain emails were leaked and exposed in the print media. It said the orders for extra billing of 11 cycle days, an increase of 50 units for all consumers and the issuance of unjustified detection bills were issued by the former KESC chief executive officer on September 18, 2012.

Nepra said K-Electric did hold an inquiry into the matter once the emails became public, but tried to cover up the issue. It said K-Electric did not record some emails that were provided to it during inquiry "which is sufficient to prove the involvement of senior management". The regulator said that on inquiry by Nepra, the KESC concealed the facts and reported that the top management was not involved in issuing these directions. The record, however, suggests that it was clear that the power company's management was involved. "Concealing the facts from Nepra constitutes violation of the provisions of section 44 of the (Nepra) Act, Rule 20 of Nepra Licensing (Distribution) Rules 1999 and Article 15 of KESC's distribution license". It said that from the emails it was clear that the KE has been issuing such directions to field formations on a regular basis. It was also clear that these bills were being issued without observing the code laid down in the consumer service manual.

The National Electric Power Regulatory Authority (Nepra) decided to issue a show-cause notice to the KE for not fully utilizing its power generation capacity and instead drawing 650MW of cheaper electricity from the national grid. The decision was taken at a meeting convened to consider the KESC's request for a 45-paisa per unit increase in its tariff for all consumers under the monthly fuel adjustment formula for October last. The meeting, presided over by Nepra's acting chairman Khwaja Mohammad Naeem, rejected the KESC's plea for increase in tariff.

Naeem noted that the utility company had violated its power procurement agreement with the National Transmission and Dispatch Company (NTDC) which required the KE to fully utilize its own capacity and that of the private power plants in its jurisdiction before seeking electricity from the national grid to meet its additional requirements.

He said that two independent power plants in the KESC's territory were not brought into full use because of their comparatively higher generation cost and instead 650MW was procured from the NTDC. "This is violation of the (power procurement) agreement (with the NTDC) and we have decided to take action," he remarked. "The K Electric formerly KE has been violating rules and regulations by not operating its own power plants at full capacity which implies that the utility is trying to create a national crisis. This situation is not acceptable."

Naeem said the plant factor of Gul Ahmad Energy remained at 55.81 per cent while that of Tapal plant it peaked at 87.94 per cent. This meant that Gul Ahmad and Tapal were utilized to the extent of 46 per cent, or 12 per cent less than capacity even though the plants were available for use.

He directed the KE representative to submit within a week a detailed report of the past six months giving figures of how many gigawatt hours of electricity were not produced from its own sources despite availability of in-house (KESC's own plants plus Karachi-based IPPs) capacity. The report would establish how much loadshedding could have been reduced in the rest of the country in case of full utilization of the capacity.

He said that on the basis of its own record, the regulator had decided to issue a formal show-cause notice to the KE for violating the power procurement agreement with NTDC once the KESC's report was available to complete legal requirements. The KE officials who attended the hearing to plead their case for tariff increase did not challenge these observations and said they would provide a report as required by Nepra and then look into the legal questions at an appropriate time and forum. However, a KE official privately said that if there been a violation why had the NTDC not taken any action under relevant clauses of the agreement. The KE in its petition for tariff increase had claimed that it had produced 1.4 billion units in October resulting in an additional generation cost of Rs637 million which should be recovered from consumers through a 45-paisa per unit increase in tariff. But it is highly surprising that KE has so far earned Rs6 billion in just six months of the current fiscal year and did not pay a single penny as tax since the day it transformed into K Electric. It so far has earned net profit to the tune of Rs26 billion since 2013 and there was no authority who dared to ask K Electric to pay taxes. The known consumer rights' activist Anil Mumtaz claimed that K Electric is facing a penalty of Rs8 billion on various violations particularly issuing advance bills to the consumers, meter stopping, sending its personnel to the residences without accompanying certified engineer, etc. ■

Fancy world of LNG

Will the LNG bring windfall profits to the investors?

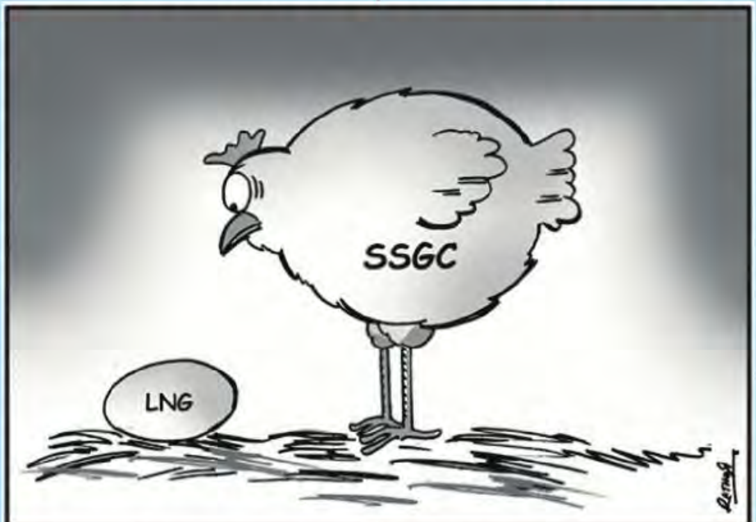
By Khaleeq Kiani

A LNG vessel. Engro invested $150m in the project. In addition, the cost of the re-gasification ship is also around $150m. The government took some policy decisions last month to facilitate the commercial viability of imported LNG - due in a few days - initially for the CNG sector and subsequently for the power sector.

The decisions included a major policy shift to impose a 5pc tax on the import of furnace oil so that the imported LNG remains cheaper. It has been a longstanding stance of successive governments to exempt furnace oil from tax to facilitate cheaper power generation; all other petroleum products are subject to petroleum levy and GST.

Secondly, the treasury benches used their majority to approve through a National Assembly Standing Committee the Gas Infrastructure Development Cess Ordinance 2014, which was earlier struck down by the superior judiciary on technical grounds. This was deemed necessary to collect the targeted Rs145bn in the budget 2014-15.

The government said the GIDC would finance a number of projects, like the Iran-Pakistan pipeline, Tapi pipeline, a number of LNG import projects and the LPG supply enhancement project.



The IP project, involving 750MMCFD gas and a 781km pipeline to Nawabshah, is estimated to cost $1.8-2bn. The Tapi project involves 1.325BCFD gas and a 1,680km pipeline to Multan and is estimated to cost $7.8bn. In addition, LNG projects in both public and private sector and LPG supply enhancement through increased local production and imports are also in the pipeline.

The government believes the infrastructure required for the above projects could not be developed with the GIDC and the nation will have to depend on the import of liquid fuels, which are costlier when compared to gas.

Thirdly, the government is reported to have made up its mind to initially go for spot purchases from Qatar given the lower LNG market, and then subsequently enter medium- to long-term contracts. Other sources, like Malaysia, Singapore and others, would be explored in the meantime. Once a couple of ships arrive and the gas is consumed, the government believed things would fall in place.

Existing IPPs have yet to agree on LNG-based power production. For new plants, even after financial close, will take a minimum of 24 months to reach trial production. However, technical and procedural difficulties still remain as far as LNG consumption is concerned. After having lost almost a decade to controversies and scandals, the government decided afresh in September 2012 to dedicate the first round of imports for IPPs and other bulk industrial consumers. However, a delay in finalising agreements with IPPs has forced the government to divert imported LNG to the CNG sector.

Meanwhile, Qatar wanted Pakistan to set up an unloading and re-gasification terminal first to show its seriousness. The tender for building the LNG terminal was floated by SSGC and Engro Elengy won it with the guarantee that after completion of the terminal, SSGC will pay Engro $272,000 per day if LNG is not imported by April 1. Based on the tolling fee, Engro set up the floating storage and re-gasification units at Port Qasim.

Pending issues on 'mechanical completion' with Port Qasim authorities, Engro has successfully completed the terminal within the committed deadline. This was reportedly facilitated by about 30pc returns in dollar terms provided by the government. Any project with even 18pc return is considered an excellent investment, so the recovery of the investment in 18 months, based on the guarantees, is even better.

Engro invested $150m in the project. In addition, the cost of the re-gasification ship is also around $150m According to one estimate, the rate agreed by SSGC will result in earnings of $100m per annum.

The rate at which LNG will be purchased from Qatar is officially not known yet. Even if it is formula-based, i.e. 14.5pc of Brent crude, it will be around $ 9-9.5/MMBTU. Tolling charges of about $3/MMBTU, terminal charges of 0.66 cents per unit, $1-2 in system losses and 5pc net profits being claimed by PSO, SSGCL and SNGPL will be on top of that.

The existing IPPs have yet to agree on LNG-based power production. For new plants, even after financial close, will take a minimum of 24 months to reach trial production. Therefore, the gap between the demand for electricity and the supply through LNG would not be bridged and the people will endure longer duration of load-shedding this season.

For the second LNG terminal, the government is asking for a similar technology in which a ship with installed equipment is used to convert LNG into gas (re-gasification unit).

The cost of such a ship is over $150m. The cost of re-gasification can be reduced by half by installing the equipment on land. Called foster wheeler technology, it is being used successfully in India. Terminal charges can also be halved when compared with Engro's 0.66 cents per MMBTU.■

Pak-Korea bilateral trade to jump to $3 billion after FTA

Present govt. should strengthen foreign investors' confidence - Dr Song

By Ijaz Iqbal

Regulators all around the world are now increasingly holding the corporate sector 'responsible' for its impact on society, the economy and the environment. This is being seen through increased regulatory behavior to guide companies in driving corporate social responsibility. Keeping with global best practices, the Securities and Exchange Commission of Pakistan has recently released 'Voluntary Guidelines for Social Responsibility'.

Pakistan is a dynamic country, having all seasons, sea ports, all types of fruits and huge workforce, however there is a need to improve law and order situation in the country to attract the foreign investment, these views were expressed by Ambassador Republic of Korea, H.E. Dr. Song Jong-hwan in an exclusive interview with Energy Update. He said that both Pakistan and Korea are enjoying cordial diplomatic and trade relations and there is a great scope to further strengthen the bilateral relations in the various fields. To further cementing the bilateral relations, in 2014 the Embassy observed the Korean Week from November 6-10, 2014 and various events such as; a seminar on 'The Journey to Peace and Co-Prosperity, Nanta (non-verbal Korean traditional Drum beating) cultural performance, a conference to promote Pak-Korea Economic relations, National Day reception and the Korea Traditional Cultural Performance' were conducted, he added. Pakistan has enormous business potential but due to security concerns the desire results have not been achieved yet. The Government of Pakistan has taken some security measures and the Republic of Korea supports its efforts to restore peace in the country. I suggest the civil society and general public of Pakistan should cooperate with the government in the war against terror. Security and energy crisis are two main issues in Pakistan at present. Sound political strategy followed by proper implementation is important for Pakistan's development. In his recent chat with Energy Update, he continued to say that........................

EU: What you will say about bilateral relation between Pakistan and South Korea?

SJH: Korea has deep affiliation with Pakistan trace back to 4th century due to presence of Indus and Buddhist civilizations on this Land. The formal diplomatic relations were established in 1983. Since then, 31 years of diplomatic ties between the two countries have considerably moved forward on both economic and political fronts. Especially, 2014 is being evaluated an important

year when Speaker of the National Assembly of Korea visited end of January and then Prime Minister of Korea visited Islamabad in mid-April. This is first time that such senior dignitaries from Korea visited Pakistan. Therefore, these visits are playing key role to turn the page and have given new momentum to our economic and trade relations as well as other walks of life like education, sports and culture etc.

EU: Are you satisfied with current level of bilateral trade and what is the status of the proposed Free Trade Agreement between the two countries?

SJH: Not at all. Korea has over 1 trillion dollars trade volume with the world in 2013. Among that Korea-Pakistan bilateral trade volume stands at $1.34 billion as compared to $1.6 billion in 2012. Korea's exports to Pakistan decreased about 3 percent while Pakistan's exports have declined by 33 percent in this period, which is a matter of concern for all of us.The present trade volume is far below the potential what we have or can have. The trade between the two sides is very narrow, which require special attention from all of us to broaden it. During our Prime Minister's visit to Pakistan in mid-April a MoU on Trade and Investment Cooperation was signed between Korean Ministry of Trade, Industry and Energy (MOTIE) & Ministry of Commerce Pakistan. Both sides also agreed to start a private level joint research for exploring the possibility of bilateral FTA. If FTA made between the two countries, it would enable both the countries to take the present trade volume to at least 3 billion dollars in next three years.

EU: Currently, 20 Korean companies are working in Pakistan, any new company or project plan to come to Pakistan?

SJH: Yes, the Korean companies are keen to enlarge their business in Pakistan and in last one year a number of Korean businessmen have visited Pakistan and impressed with huge potential of this country in the areas of agriculture, mine and mineral, hydro and other alternative energy. However, to attract the foreign investors' government of Pakistan has to reaffirm consistency in its economic policies because the success of present Korean business here would be considered as a role model for the new comers. Taking the opportunity, I would like to elaborate TSML/POSCO feedstock gas tariff issue which is not being fulfilled by the government as it was promised. Hence, the DRI plant built with over $340 million

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foreign investment is in shutdown mode since September 2013. Korean investors are seriously monitoring the whole situation and I am worried the TSML case failure would send a very negative message to foreign investors. Another famous company Lotte KP Chemical with $490 million, a single largest foreign direct investment to date in Pakistan's petrochemical industry, acquired PTA plant (Purified Terephthalic Acid) in Karachi in 2009. However, in 2010 the government of Pakistan slashed the PTA tariff rate to 3 % from 7.5 %. Since then, the company is struggling to revamp the tariff rate to at least 5-6 % in order to protect its investment in the PTA industry. "I hope the Prime Minister of Pakistan Nawaz Sharif government, which is generally known as business-oriented government, will take appropriate measures to secure these huge foreign investments and promote the foreign investors' confidence.

EU: Is there any investment Korea planning in energy sector of Pakistan?

SJH: Korea is one of leading power development partners of Pakistan with stakes in over 2,800 megawatt power projects amounted around 5-6 billion dollars. Korea has completed some projects in power sector, like 177 MW Fauji Foundation Combined Cycle Power Plant in Daharki, Sindh was completed by Doosan heavy Industries Korea in May 2011, 84 megawatt New Bong Hydropower project in AJK was completed by Sambu Construction Co in mid-2013, 404 megawatt UCH-II Combined Cycle Power Project-Balochistan is completed by Hyundai Engineering in April 2014. The ongoing projects in energy sectors are: 147 MW Patrind Hydropower project in AJK is scheduled to be completed by K-Water, Daewoo construction and Sambu Construction in end of January 2017, 104 MW Gul Pur Hydropower project in AJK construction is started by KOSEP,Daelim construction, and Lotte Construction in November 2014, 106 MW Golen Gol Hydropower Chitral-Khyber Pakhtunkhwa is scheduled to be completed by Sambu in end of 2015. Some other initiated projects are; 496 MW Lower Spat Gah Hydropower project KPK is being initiated by KOMIPO under Public Private Partnership (PPP) mode, 665 MW Lower Pallas Valley Hydropower project KPK is being initiated by K-Water under Public Private Partnership (PPP) mode, 650 MW Azad Patten Hydropower project AJK is being initiated by KOMIPO, Daelim construction and Lotte construction. On

power distribution and transmission sides some of them are: GEPCO - 7 Grid stations of 220 kv and one Lahore Ghazi road 220kv Grid station are being financed through Korea Exim Bank, and Gujrat Transmission Project is scheduled to be completed by Hyo Sung Heavy Machinery Co. Korea in September 2015. Furthermore, Korean companies are moving forward their expertise in line of the Government of Pakistan's new power policy of generating low cost thermal power especially from coal-fired power plant and solar parks.

EU: Any cooperation between Korea and Pakistan in engineering, environment and information technology?

SJH: As you may know Korea is famous worldwide due to its engineering and technology expertise. Therefore, Higher Education Commission of Pakistan is sending hundreds of Pakistani students for perusing their higher studies in Korean universities mainly in the area of engineering and technology. At government to government level, it is my pleasure to inform you Korea is establishing ICT Center of Excellence in Islamabad through its aid agency KOICA (Korea International Cooperation Agency). The center is expected to be operational in the current year with an estimated cost of 5 million dollars.

EU: Any plan to increase exchange of business delegation between the two countries?

SJH: A big delegation of Korean businessmen accompanied the Prime Minister Chung in his mid-April 2014 visited Pakistan. They were quite impressed with the great business potential of this country and PML-N led government business friendly policies. Pakistan Board of Investment organized 'Invest Pakistan' conference in end of October which was also attended by over 20 representatives of famous Korean companies. Likewise, a trade delegation from FPCCI also paid a visit to Korea in end of August 2014. In second half of 2014, I visited Karachi, Lahore, Islamabad, Rawalpindi, Faisalabad and Sialkot Chambers of Commerce & Industries to explore the new avenues to promote the bilateral trade.

I personally believe exchange of such delegates is necessary to promote the trade and business by sharing the market information and facilitating the each other business community.

EU: Pakistan has huge skilled labor force and can assist in Korea development, any plan in this regard?

SJH: Korea is already importing Pakistani semi-skilled workforce since 2006 under Employment Permit System (EPS). According to some estimates over 10,000 Pakistani are contributing into development of Korea. Korean companies value Pakistani workers skills. In recent few years Pakistani labour demand has increased and the companies are keen to employee them.

EU: Any current welfare, development and training projects from Korean companies or government for Pakistani people?

SJH: Pakistan is part of Korea's priority development partners' countries list and is receiving a substantial amount of our Official Development Assistance (ODA). Under ODA various projects are being assisted in areas of vocational skill development, education, health, water and sanitation along with mega projects in road and energy infrastructure. These projects are being directly contributing to the social welfare of Pakistan and performing an important role in exchange of technology, knowledge and cultural relations between the two friendly countries.

The government of Korea provides trainings to number of Pakistani officials and offers scholarships to Pakistani students every year. This number is rising with every passing year.

EU: Any cooperation between South Korea and Pakistan in construction industry?

SJH: The construction of motorway M-2 by famous Korean company Daewoo is hallmark in our business relations. It has transformed Pakistan road transportation from traditional mode to a value added services.

At present, Lowari Tunnel construction by Sambu is underway and we are financing over 78 million dollars under EDCF for Malakand Tunnel project. A feasibility study of a link road to these tunnels is also underway.By completing these projects, Pakistan will open to central Asian market and will become a trade corridor between Central and South Asia. ■

Air-conditioner that uses just 350 watts

Australian inventor, Professor James Trevelyan has engineered a revolutionary new ultra energy-efficient portable air conditioner called Close Comfort that uses less than 350 watts to operate. That's approximately 15% of the energy used by conventional air conditioners and approximately the same amount of energy used to power two ceiling fans. This remarkable invention was made possible by ground-breaking patented Australian innovation, which allows for effective cooling for up to 2 persons while using an extremely small amount of energy. It also means that Close Comfort can be used on a typical domestic UPS and even on alternate sources of electricity such as solar power or small generators.

Unlike conventional air-conditioners, Close Comfort does not waste energy trying to cool large spaces. Instead, it uses Smart Air Flow Technology to direct cool air only where it is needed keeping users cool and comfortable even on the hottest of days. The entire unit is compact, light-weight (17 kgs) and self-contained, meaning that it does not require an external unit or any sort of exhaust piping or plumbing of any kind and can be easily transported and positioned anywhere. It also does not require any additional consumables such as batteries, water or ice to operate and its ultra-efficient compressor doesn't require any gas refills.■

Political interference, corruption and insecurity hurt CSR projects in Pakisrtan

PARCO helped over 50,000 flood victims, IDPs in 4 years

says Shah M. Saad Husain, GM Corporate Affairs, Pak-Arab Refinery Limited (PARCO)

By Naeem Qureshi

EU: What is the main idea behind CSR activities by PARCO?

SMSH: At PARCO, we believe in creating Shared Value, which means: enhancing our business competitiveness while also simultaneously improving the economic and social conditions of the communities in which we operate. We focus on expanding the connections between our business and societal progress. We don't consider CSR as an expense or charity. CSR at PARCO is strategic, building long term relationships of our business with neighboring communities and stakeholders. Relationships that are mutually beneficial, enhance corporate reputation and respect for the company's business and products, provide competitive advantage and at the same time provide sustainable social benefits. We not only invest in our employees, make efforts for customer satisfaction, operate ethically, and profitably, but we also undertake a wide range of projects to benefit society in the areas of Education, Health, Environment, Sports, Culture, Women Skill Development, Community Development and Road Safety, while also responding to Natural Calamities.

EU: What is PARCO's CSR Policy and general strategy?

SMSH: Our CSR vision is to undertake sustainable, collaborative actions that uplift the living standards of our employees, neighboring communities, Society at large and the country. Our CSR initiatives are aligned with our CSR vision and contribute both towards the sompany's growth as well as for the growth of society.

We work with, and for the surrounding communities, and prioritize our initiatives as per their requirements. At the end of the day, it's not just providing what they are asking for, rather we look at a project's strategic value for our business as well as Value for the community in the short and the long term. For example, our Schools and Clinics support program has played a phenomenal role in uplifting the community's living standards and reducing child labor.

Since 2007, PARCO has supported 86 institutions which include 68 schools, 18 Basic and Rural Health Centers and has built and supported 3 schools with The Citizens Foundation. Our Schools Program is helping more than 34,000 children. These very children get further education, some seek employment at PARCO and at other companies, and go on to contribute to the Company's growth as well as the economy. As PARCO is a signatory to the United Nations Global Compact, and adheres to it's Universal Ten Principles, one of which seeks to abolish all sorts of Child Labor, our Schools and Clinics Support Program is instrumental in eliminating child labor and building educated communities.We are also aware of the growing technical expertise deficit in the Country, and hence are taking several steps towards developing technical human capital by supporting vocational training. PARCO, during the past few years, has supported 20 vocational training institutes in the Country, especially those located in rural areas near our plants, terminals and operating facilities.

EU: What are the challenges to implement CSR activities?

SMSH: There are tremendous social and economic gaps in the country which remain unfulfilled, and in fact, are growing over time. As a company, sometimes it becomes difficult for us to prioritize and focus, considering the magnitude, urgency and impact of different CSR options and available resources. Usually, communities are unaware of their real long term core problems and their solutions, and ask us for short term quick fixes. Sometimes relevant expertise and appropriate technology is lacking. During natural calamities, poor infrastructure and access is a hindrance. Political interference, feudal mindsets, corruption and insecurity also hurt CSR projects.

EU: How CSR can help your organization for its development, image building and promotions?

SMSH: We do not want any promotional or image building mileage out of our CSR efforts. Rather, our main purpose of undertaking CSR initiatives is to be good neighbors to our surrounding communities and a good corporate citizen to the nation at large while also adding strategic value for the company. Our corporate image is built not by self praise or promotion, but by the appreciation of others. PARCO has been honored to receive the following awards:

- FPCCI Gold Medal Achievement Award [2012, 2013]
- FPCCI Gold Medal for CSR [2012, 2013]
- UN Global Compact Business Excellence Award [2011,2013]
- Best CEO Award by Employers Federation of Pakistan [2012, 2013]
- First Prize in HR by Employers Federation of Pakistan [2012, 2013]
- Second Prize in Workplace Safety by EFP [2012, 2013]
- 16th Consecutive AAA/A1+ PACRA Rating
- CSR Excellence Award [2012,2013,2014]
- Environment Excellence Award [2006-2014]
- Fire and Safety Award [2012,2013]
- Horticultural Award [Last 10 years]

A good example of enhancing value both for society and the company is our Trainee Program which is also very helpful in meeting the shortage of technical staff in the company. At PARCO, we induct fresh technologists and engineers at the entry level from all over the country, who have completed their Diploma in Associate Engineering (DAE) or Bachelors in Technology (BTech) or Bachelor of Engineering (BEngg). The nationwide induction process is transparent and strictly merit based. Usually, we induct a batch of 50 trainees for a 2 year program. During the first 6 months, the trainees have intensive in-house classroom sessions and then 6 months practical training in our Training Center. During the second year, the trainees have on-the-job training in PARCO at various locations across the country where they are rotated and learn real operations.Upon completion of the 2 year training program, some successful trainees are inducted against vacant positions while the remaining find jobs in other companies. This very successful program, funded wholly by PARCO, is creating a pool of technically rich human capital for the company and Pakistan at the same time.

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EU:What are your focus areas of CSR efforts, please share with us top priority areas?

SMSH: As mentioned earlier, our areas of focus are education, health, environment, women skill development, sports, culture, community development, road safety, and responding to atural calamities. For PARCO, all these areas are important. However, when a natural disaster strikes, it becomes our top priority as it is unexpected, usually has devastating consequences, and requires immediate and focused response.Each CSR initiative's priority is evaluated on the cost-benefit, urgency, practicality matrix at that specific time.

EU: What is the total volume of CSR budget of PARCO? Is there a fixed percentage on CSR of spending out of profits?

SMSH: Our CSR budget is based on the specific projects, their prioritization and impact. Hence it is driven on need basis and varies from year to year. Our philosophy is that CSR does not depend on the size of the budget, it is the size of the idea! Several of our low budget CSR initiatives have had very high benefits. We are grateful to our Board of Directors and MD for their genuine and generous support to our CSR projects.

EU: How many people have been benefited from PARCO's CSR efforts so far?

SMSH: It is difficult to quantify the number of people benefitting from our CSR program, but just to give you an idea:

Our Schools and Clinics Support Program provides assistance to 83 government schools and clinics of which 68 are schools where more than 34,000 children are directly benefiting from the program, 18 Basic and Rural Health Centers at 7 locations like Bubak, Shikarpur, Fazilpur, Mahmood Kot, Faisalabad, Karachi and Machike provide health care to thousands of families.We have built three schools with The Citizens Foundation of which two are primary campuses and one is a secondary campus, imparting quality education to 833 children. Our Community Welfare Clinic near PARCO's Mid-Country Refinery at Qasba Gujrat provides medical care to almost 3,000 patients annually. We support 20 Vocational Training Centers at nine locations, which provide professional skills to over three thousand rural boys and girls.Through our Adult Literacy Program at Qasba Gujrat near our refinery, we have taught 500 women of the area Reading, Writing and Basic Mathematics to uplift their living standards and to realize their children's need for education.Between 2010 and 2014, PARCO has helped more than 50,000 flood victims and IDPs through Medical Camps, distribution of dry ration, cooked food, quilts and tents, reconstruction of houses, schools, clinics, etc.■

Downward oil price spiral almost over

Crude markets are emitting some initial signs of a limited recovery. With the number of operating rigs in the US dropping to 1,140 - the ninth week of straight decline - and industry spending cuts deepening, markets reacted, rising above $60 a barrel on Friday - for the first time this year.

Stake-holders are taking the signals seriously. Royal Dutch Shell's chief executive conceded on Thursday; supply might not be able to keep up with growing demand as companies reduce budgets. In view of the developments, France's Total also announced trimming investment to $23-$24 billion, as against $26bn in 2014, and the budget for exploration reduced by 30 per cent to less than $1.9bn. Apache Corp, a top US shale oil producer, said it would cut capital spending and its rig count in 2015, keeping its output growth mostly flat. News of accelerating German economic growth during the fourth quarter also chipped in, impacting the overall market sentiment.

Markets appeared shedding gloom slowly. Crude will rebound in the second half of this year as low prices slow supply growth and stimulate demand, said JPMorgan Chase & Co. "Oil is starting to look beyond the glut," Phil Flynn, a senior market analyst told Bloomberg. "Against a backdrop of massive spending cuts and rig counts, oil could make a big comeback." Yet, positive news ends there. Recovery could still be months away, most agree, as factors impacting the markets adversely appeared still in play.

US output went up to 9.23 million bpd -- despite the cut in operating rigs. Inventories too expanded to a record 417.9m barrels. The Citigroup hence is forecasting that oil could even touch the "$20 for a while" before rising. The market is oversupplied, and storage tanks are topping out. A pullback in production isn't likely until the third quarter, Citigroup's Morse underlined.

With the US now donning the role of the virtual swing producer of the world, Goldman Sachs is of the view that a sharp drop in US oil rig counts has helped lift crude prices off their lows in recent weeks, but would not slow production or alleviate oversupply.

"The decline in the US rig count likely remains well short of the level required to slow US shale oil production to levels consistent with a balanced global market," Goldman said in a note. Crude oil's relentless downward spiral may soon be over, but its glory days appear to be in the past, JP Morgan too said. John Normand of JP Morgan warned that despite some recovery, "prices would remain near their lowest level in a decade and substantially below the $100 average of the past five years."

Oil prices are likely to fall further this year before they recover, with WTI possibly falling below $40 a barrel in the second quarter of the year, Tom Kloza, chief oil analyst at Oil Price Information Service, told CNBC adding that the "cycle has a long way to run out."

The International Energy Agency too is warning that a rebalancing of supply and demand "can take months, if not years, to be felt. Despite expectations of tightening balances by end-2015, downward market pressures may not have run their course just yet," the IEA warned. And it was apparently in this perspective that the Opec in its monthly market report, raised its forecast for 2015 demand for its own oil by 400,000 barrels a day to 29.2m b/d.

Opec now expects the US oil supply to increase in 2015 by only 820,000 bpd -- roughly half the increase recorded in 2014 -- taking the US output to 13.64m bpd, during the year. Total non-Opec supply was also forecast to grow by 850,000 bpd this year, representing a 420,000 b/d downward revision from the group's last monthly report. Markets are still oversupplied. The glut is still around. There will be an oversupply of about 2mbpd in the first half of 2015, Iranian Oil Minister Bijan Namdar Zanganeh said in a recent interview. And until this oversupply gets soaked, expectations of any real and sustainable market recovery seem immature.■

USED vs LOVED

While a man was polishing his new car, his 6 yr old son picked up a stone and scratched lines on the side of the car. In anger, the man took the child's hand and hit it many times; not realizing he was using a wrench. At the hospital, the child lost all his fingers due to multiple fractures. When the child saw his father.....with painful eyes he asked, 'Dad when will my fingers grow back?' The man was so hurt and speechless; he went back to his car and kicked it a lot of times. Devastated by his own actions.......sitting in front of that car he looked at the scratches; the child had written 'LOVE YOU DAD'.The next day that man committed suicide. . .Anger and Love have no limits; choose the latter to have a beautiful, lovely life..... Things are to be used and people are to be loved. But the problem in today's world is that, People are used and things are loved.... let's be careful to keep this thought in mind: Watch your thoughts; they become words. Watch your words; they become actions. Watch your actions; they become habits. Watch your habits they become character;Watch your character; it becomes your destiny. I'm glad a friend forwarded this to me as a reminder. God bless him.

Energy efficiency to the rescue

People want effluent to sacrifice first

By ENGINEER TAHIR BASHARAT CHEEMA

Pakistan is facing an energy crunch which knows no bounds. Successive governmental thrusts have come to a naught. The public is fed up and would want more drastic steps to be taken, but not those which seek even a semblance of sacrifice. They think that they have had enough and the ever increasing prices are already exacting a great price. Consequently, conservation as a tool to contain energy shortages, has been rejected as any preferred solution. This is extremely unfortunate and speaks of the general non-understanding of the issues by the people. However, one fact does absolve the public of any guilt. This would be the general apathy in governance seen in the country. Actually, the people wish to be led through example and would want the affluent to sacrifice first.

Coming over to the subject of conservation, we see that it is rightly in accordance with the injunctions of Islam and also what folk wisdom and common sense says. Meaning thereby, that indeed solution to a large part of the energy crisis is surely available through implementation of stringent conservation measures. The foremost of the steps would be disciplined use of energy sources. However, another

very important facet is hidden from the public eye and that is the issue of energy efficiency. This is a way of managing and restraining the growth in energy consumption. Something is more energy-efficient

if it delivers more services for the same energy input, or the same services for less energy input. For example, when a compact florescent light (CFL) bulb uses less energy (one-third to one-fifth) than an incandescent bulb to produce the same amount of light, the CFL is considered to be more energy-efficient. Consequently, as against the need to produce megawatts, energy efficiency leads to the production of nega-watts, which in turn would result in reduced demands with full utility of the equipment in use. In this case, we could consume energy at will and also keep on producing whatever is needed. On the other hand, conservation requires prudent use, least possible use, use in consonance with supplies and lastly use during times of availability and cuts otherwise. It is thus seen that conservation and energy efficiency are two different subjects and should be considered as such. And keeping both these issues apart and separate would result in more dividends and profit for those adopting any of these

A little insight into the equipment and machinery being used in Pakistan reveals that most of the contraptions are relics of the past, procured during the era where mass and heavy production was desired, when energy was cheap and abundant, when concepts of efficiency were low and overhauling and rehab was easy to conduct. A 2007 survey conducted by Pepco through its energy management and conservation division revealed that the machinery used by Pakistani industry was 23 years old on the average. The textile spinning industry was by far the most modern, while steel industry was a relic of the late 19th century. Going back in time by 23 years took us to the early 1980s, when only USA or Japan was trying to improve on the efficiency of machines as an aftermath to the 1973 Arab Oil Embargo, and while the issue elsewhere was just to somehow improve upon the then production capacities. And all this could only be done by using more power/energy and creating bigger production lines. Producing more from any particular facility was though to be prudent - this, however, led to spare capacities everywhere. In a country like Pakistan, the concept of energy efficiency or energy labelling was nowhere even mentioned in the text books. The Pepco survey was very clear to the fact that because of old and trite machinery, the industry in Pakistan was extremely inefficient and gas guzzling. The survey concluded that at least 50% more expenses were being made in comparison to the latest model and design of equipment.

Further forays led us to the shocking information that Pakistan had also become the dumping ground for energy-inefficient equipment, machines, domestic appliances and such like contraptions. This had happened because the world after 2000 had converted to the dictates of energy efficiency, while we remained oblivious to any such requirement. It was seen as an example that the newly popular split air conditioner was not what was said about it, other domestic appliances could also be labelled as such and that even the most sophisticated machines were all rotten. Actually, all claims to the contrary were false. The importers and assemblers got away with their claims because of absence of any laws and relevant entities that were simply ineffective and feckless. It was further seen that the vehicles being imported or manufactured in Pakistan had engines which were extremely inefficient and those that did not conform to any international standard. Actually, none in Pakistan knew about the scam and nor were worried about it. Necessary legislation prohibiting all this was simply not there.

Calculations revealed that as much as 50% was being lost in shape of extra electricity being consumed, more fuel being expended, huge btus being burnt and so on. If we just focus on the present power demand in the country, it could be concluded that out of the maximum summer demand of 28,700MW (for Pepco, K-E and captive plants), at least 4000-5000MW can be saved through an equal amount of nega-watts made available by adoption of energy efficiency measures. The financial cost of this inefficiency can be gauged from the fact that a princely sum of US $5-6 billion is needed just to set up plants able to generate 5000MW and a sum of Rs 350 billion is required annually to just provide oil for running the plants (even at the latest low oil prices). Here, it would be important to suggest that the developed world has already reaped the benefits. Prime example would be the stagnation in the energy demand in the USA, which is not due to any economic recession etc, but on account of the extremely enhanced efficiency in use of energy there.

How can all this be corrected? This can be done through the formulation of an integrated national policy to attain highest standards of energy efficiency in a set period. Then would be the formulation of a detailed road map. There would be no need to draft efficiency standards anew - rather, such standards already implemented in comparative economies would be adopted for implementation. These, thereafter, can be changed, upgraded, added upon or simply replaced on the need basis. However, adoption of some good standards would act as the initial building block for attaining energy efficiency in the country. Some imperative departments/organisations already operating in Pakistan would be required to take ownership of the programme and then implement the same till full realisation is achieved. These would be the various ministries, PSQCA, ENERCON, EDB, NPO, PCSIR, and PSF, all gas and power utilities, associations representing various manufacturing sectors, CCIs, the FPCCI and so on. These organisations would ensure that no contraption is produced in Pakistan which does not conform to international standards, that no import contravenes the law and that under a phased programme the existing production facilities get upgraded. Here, a 10-year programme is suggested to be undertaken through one of the ministries of the GoP acting as the national co-co-ordinator. A financial support programme would further bolster the attainment of energy efficiency in the Country. Additionally, the achievable road map with time lines too would be implemented. The issue and need of energy efficiency has to be hammered in the national psyche through being made a part of the existing curriculum and syllabi. Actually, the requirement has to be taught right from the start. The most important facet of any effort to achieve energy efficiency in the Country would be to set up and then sustain ESCOs (Energy Service Companies). These would amongst other duties conduct energy audit which examines the condition of energy consumption in facilities. It "identifies energy consumption that is in excess of what is needed to adequately serve the facility". Usually, the results of energy audits are presented in a formal report, showing findings on potential energy efficiency improvement, estimated energy and cost savings, as well as anticipated costs of implementation. This is also one of the pillars of the recommendations made by various experts and the proposed Energy Conservation and Efficiency Act of 2012, (pending for want of approval of the lower house of the parliament at present). Once the Act gets promulgated, the requisite ESCOs can take up energy audit - which is extremely important to gauge the present position of waste and inefficiency of operations. And after the requisite ESCOs are put in place and start operating, the energy users would get to know about the actual data of usage and the savings that could positively accrue through introduction of Energy Management Systems, replacement of unwarranted equipment and the BMR needed to assure maximum benefits etc.

It will be extremely important to refer to the present efforts by the Asian Development Bank (ADB) to convince Pakistanis to adopt energy efficiency as a national goal to be achieved in the next 10 years. They have crafted a nearly USD 0.85 billion loan portfolio for this job. The loan papers are very comprehensive and encompassing all possible facets of the issue. In case, the programme is implemented, surely Pakistan can achieve energy efficiency and thus join the ranks of the developed world. We can prune our use to a great extent, while improving upon the present productivity level. This would be in addition to other supply and demand side measures along with adoption of conservation as a national duty. In fact, our salvation lies in implementing energy efficiency modules in the country. The Mega-watts out there as low-hanging fruit should come to our rescue otherwise the energy crises would simply engulf us and shut the works.■

Five undeniable Facts of Life

1. Don't educate your children to be rich. Educate them to be Happy. So when they grow up they will know the value of things not the price

2. Eat your food as your medicines. Otherwise you have to eat medicines as your food

3. The One who loves you will never leave you because even if there are 100 reasons to give up he will find one reason to hold on

4. There is a lot of difference between human being and being human. A Few understand it.

5. You are loved when you are born. You will be loved when you die. In between You have to manage...!

Nice line

If u want to Walk Fast,
Walk Alone..!
But if u want to Walk Far,
Walk Together..!!

Naeem Qureshi presenting first copy of CSR Update to Commissioner Karachi Shoib Siddiqui. Ruqiya Naeem, Engr. Nadeem Ashraf, Salahuddin Haider, Fareed Yousuf and Ghulam Mohammad are also seen in the picture

Quarterly news letter CSR Update Launched

Over 200,000 saplings to be planted in Karachi - Shoib Siddiqui

As many as 200,000 sapplings would be planted in Karachi with the help of National Forum for Enviroments and Health (NFEH) during Clean and Gren Sindh Campaign Campaign, this was announced by the Commissioner Karachi Shoib Ahmed Siddiqui on the occasion NFEH's newsletter CSR Update launch in Karachi recently.

Commissioner said that oher NGOs, corporate sector, industries and civil society would also be included in this campaign.NFEH's President, Naeem Qureshi, Vice President, Nadeem Ashraf, Secretary, Ruqiyya Naeem, Secretary Information, Ghulam Kibria, MUstafa Tahir, Yousufzai Foundation's President, Farid Khan Yousufzai, Haji Ghulam Huhammad, K Electric, Fauji Fertilizers, Bin Qasim, Port Qasim, Century Club, D.P World, Patel Hospital and representatives of a number of organizations were present on the occasion. Commissioner said that in oredr to turn this mega city into a green and clean one, we all should strive hard. He praised the efforts of NFEH in this regard.

He welcomed the publication of CSR Update and said that it would play a vital role in brigding the gap between CSR world and the general public. Naeem Qureshi presented the performance, activities and efforts in CSR by various organizations and spelled out the aims and objectives of bringing out this newsletter. CSR update will promote development , welfare & fine arts activities of corporate sector, government & NGO,s he added. CSR update will also available on line on website www.nfeh.org.pk■

A group photo of Commissioner Karachi Shoib Siddiqui with guests & Team NFEH

7th International Corporate Social Responsibility Summit & Awards 2015

CSR gets relief to the suffering!

NFEH plays active role in CSR awareness in Pakistan: Khurram Dastagir

A seventh international Corporate Social Responsibility (CSR) 2015 summit and CSR awards ceremony was held at Hotel Serena Islamabad.

Addressing the participants of the summit, organized by National Forum for Environment and Health (NFEH), Minister for Commerce Engineer Khurram Dastagir said that besides private sector, several public sector organizations have also realized the importance of CSR and now contributing a lot for well-being of country's deserving people.

He said that both local and international enterprises are paying great attentions on CSR in the country and have developed their CSR departments for effectively implementation of CSR policy by providing shelters, medical aids, food and clothing to the displaced and needy people.

He said that it is not only the responsibility of the government but private sector should also come forward and play due role in economic progress of the country.

He said that the country is facing various challenges including energy crises and law and order situation, adding, the present government is working to overcome these problems.

He said "We should have firm believe on democracy and also on that democracy is the only way for moving the country on right direction." He urged corporate sector to play due role to contribute minimizing the suffering of people.

He said that it is a high time that private companies should adopt CSR policy and start CSR activities. He added the federal government is trying its level best to provide relief to the needy citizen of the country.

He expressed the hope that the summit will provide an opportunity to review strategies while developing CSR initiatives and build experts CSR response team aligning with the federal, provincial or local government networks for timely reach and needed facilitation.

He appreciated the participating organizations and individuals for their contributive roles being played at the time of natural disasters like flood, earthquakes etc..

He appreciated the efforts of National Forum for Environment and Health for organizing such events for the betterment of trade professionals as well as for the industry.

He added these kinds of event are helpful to create more awareness about CSR in Pakistan.

Former Minister of State for Environment and central leader Pakistan Tehreek-e-Insaf Malik Amin Aslam said that PTI is the only political party that has included the issue of environment in its manifesto.

He said that besides corporate sector, political parties of the

Minister for Commerce Engr. Khurram Dastagir Khan & Asad Umar Vice President PTI , Muhammad Rafiq, Managing Director, Oil & Gas Development Company Ltd.; Ambreen Waheed, Director RBI; Peter Heyward, High Commissioner Australia; Malik Amin Aslam, Dr. Kaiser Waheed, Ali Ashar, Anees Younus, Shah M. Saad Hussain, PARCO, Dr. Song Jong-hwan, Ambassador of the Republic of Korea; Shahbaz Islam, DGM SSGC; M. Naeem Qureshi, Bashir Malik & Engr. Nadeem Ashraf addressing at CSR Summit 2015.

Team NFEH with Chief Guest

country should also be held responsible regarding CSR which is a basic component for making improvements in the society.

He said that a new project named green growth initiative is being launched in Khyber-Pakhtunkhwa in February this year with focus on protection of environment, forest and protected areas like national parks.

He added an amount of Rs 15 billion has been allocated for the project while Rs one billion has already used for the project in completion of related schemes in all districts of the KPK.

Managing Director and CEO of Oil and Gas Development Company Limited (OGDCL) Muhammad Rafi said that OGDCL is the largest exploration and production company in the country, which is listed in all three stock exchanges as well as on the London Stock Exchange.

He said that the company is responsible to plan, promote organize and implement programmes for the exploration and development of oil and gas resources.

He said that the passion and commitment of dedicated workforce of OGDCL has established its credibility in every sphere of its activities and has enabled to earn the goodwill of stakeholders.

He said that the company allocates sufficient amount with regard to corporate social responsibility. He added an estimated Rs one billion is being spent annually for completion of various development projects including health, environment and sanitation.

Chairman NFEH Kaiser Waheed, President NFEH M. Naeem Qureshi, Engr. Nadeem Ashraf, Australian High Commissioner Peter Hayward and Others also spoke on the occasion.

In the end, the minister also awarded CSR award to the winning companies included Agility Logistics Pvt Ltd, Adamjee Insurance Company Limited, Albario Enginering Pvt Ltd, Asian Foods Industries Ltd, Asli Punjab Pumps Pvt Ltd, Burger Paint Pakistan, Clariant Pakistan Ltd, Clipsal Pakistan Pvt Ltd, DP World,Dow University of health sciences, EFU General Insurance Ltd, EFU Life Assurance Ltd, Engro Powergen Qadirpur Ltd, Eco Bags, Fatima Fertilizer Company Ltd, Fauji Cement Company Ltd, Fauji Fertilizer Company Ltd. (FFCL), Fauji Fertilzier Bin Qasim Ltd, Foundation Hospital Rajana, GEII O&M Sapphire, Haier & Ruba Pakistan, Hum Network Ltd, Human Development Foundation, International Textile Ltd, JK Agriculture Farms, Kot Addu Power Company Ltd. (KAPCO), K. Electric, Lafarge Pakistan, Lucky Tex Pakistan Pvt Ltd, Lucky Tex Pakistan Pvt Ltd, Maple Leaf Cement Factory Ltd, Mughal Iron & Steel Industries Ltd, National Bank Ltd, National Foods Ltd, Nestle Pakistan Ltd, Nicon Group of Colleges, Oil & Gas Development Company Ltd, Packages Ltd, Pak-Arab Refinery Ltd. (Parco), Pakistan Tobacco Company Limited, Patel Hospital, Punjab Industrial Estates, Rafhan Maize Products Co. Ltd, Roots International Schools, Roots Millennium Schools, Roots School System, Shifa International Hospitals Ltd, Sui Northern Gas Pipelines Ltd, Sui Southern Gas Company and The Hub Power Company Ltd, United Marine Agencies Pvt Ltd And Unilever Pakistan Ltd.■

CSR Award Winners

- Agility Logistics Pvt Ltd
- Adamjee Insurance Company
- Albario Enginering Pvt Lyd
- Asian Foods Industries Ltd.
- Asli Punjab Pumps Pvt Ltd
- BERGER Paint PAKISTAN
- Clipsal Pakistan (Pvt) Ltd
- Dow University
- DP World
- EFU General Insurance Ltd.
- EFU Life Assurance Ltd.
- Engro Powergen Qadirpur Ltd
- Fatima Fertilizer Company
- Fauji Cement Company Ltd.
- Fauji Fertilizer Company Ltd.
- Fauji Fertilzier Bin Qasim Ltd.
- Foundation Hospital Rajana
- GEII O&M SAPPHIRE
- Haier & Ruba Pakistan
- HUM NETWORK LTD
- Human Development Foundation
- International Textile Ltd
- JK Agriculture Farms
- Kot Addu Power Company Ltd. (KAPCO)
- K. Electric
- Lafarge Pakistan
- Lucky Tex Pakistan Pvt LTD
- Madinah Teaching Hospital
- Kohinoor Maple Leaf Group
- Mughal Iron & Steel Industries Ltd.
- National Bank Ltd
- National Foods Ltd
- Nestle Pakistan Ltd.
- NICON Group of Colleges
- Oil & Gas Development Company Ltd (OGDCL)
- Packages Ltd
- Pak-Arab Refinery Ltd. (PARCO)
- Pakistan Tobacco Company
- Patel Hospital
- Punjab Industrial Estates
- Rafhan Maize Products Co.
- Roots International Schools
- Roots IVY International Schools
- Roots Millennium Schools
- Roots School System
- Shifa International Hospitals
- Sui Northern Gas Pipelines Ltd. (SNGPL)
- Sui Southern Gas Company
- The Hub Power Company Ltd
- United Marine Agencies
- United Inernational Group

1st Int'l Textile Conference & Textile Leadership Award 2015

Textile Policy under fire

Chief Executive TDAP and known businessman S M Muneer has urged government to immediately pay sales tax refund to business community which were delayed for last 2 years. This is a great hurdle in the economic growth of country. "If government pays this refund to all business community, he takes responsibility to take export to US$5 billion during this year," he added.

He was speaking at the First International Textile Conference & Awards 2015, organized by Publicity Channel in collaboration with TDAP, Ministry of Textile, GOP, All Pakistan Textile Mills Association (APTMA) and Towel Manufacturers Association Pakistan (TMAP).

"Economy is now stabilizing as status of GSP Plus for Pakistan was a blessing. This will double exports in next 3 years. But the issue of sales tax refund is still there which should be addressed at priority. I salute business community for keeping wheel moving despite so many odds," S M Muneer acknowledged.

He told that they can convert the mud into gold as Pakistan is very rich in natural resources. Situation is improving now but government should also support this industry, he urged.

Guest of honor Chairman Board of Investment Dr. Miftah Ismail talked about investment prospects in textile sector and told that economy is moving forward in Pakistan. "We are included in IMF program since last one and half year and 6 reviews have been done so far very successfully. Government is doing all those tasks promised by Mian Nawaz Sharif before general elections in manifesto of Pakistan Muslim League," he emphasized.

Pakistan was not able to enter in euro bound for 7 years but now economy is stabilized and Pakistan has already taken off on road of prosperity. Everyone now should play its part and pool his/her share. There should not be any objection on Pakistanis investment in foreign countries. Government has itself allowed cement sector to do business abroad. This all should be under


Asli Pari


Anis Apparel


Afroze Textile Industries Private Limited


Al-Karam Towel Industries (Pvt.) Ltd.


Al Quresh Fabrics


FAKT Exhibitions (Pvt) Ltd.


Gagan Group


Lucky Impex


Mahmood Group of Industries


Noorani Industries (Pvt) Ltd


Pak Denim Limited


Rainbow Industries


Rajaby Industries


Textile Journal of Pakistan


Tareen Traders

legal provisions and will help economy to grow further, Dr. Miftah Ismail told.

Chairman Towel Manufacturers Association Pakistan Mehtabuddin Chawla were upset with issues of non-provision of energy and water on regular basis. "Media is also spreading wrong perceptions about Pakistan. I will request media houses to report issues on domestic television not on international TV due to which foreign buyers and investors don't come here," he said.

After claiming status of GSP Plus, government is engaged to sign understandings with countries like Singapore, Malaysia and Turkey which will allow zero percent custom duty on our exports. Assurance by Prime Minister to solve facilitate investments is an encouragement for business community. Now, people should make investments here, he said.

Dr. Mirza Ikhtiar Baig was critical on media saying it is portraying wrong perception about Pakistan which is preventing international investments here. "Pakistan during last 15 years has become hub of denim. Foreign investors should also come and do business with complete peace of mind with Pakistanis," he told.

Former Advisor to Prime Minister on Textiles, Dr. Mirza Ikhtiar Baig gave an overview of textile sector and briefed that this sector account for 55 percent of total exports with volume of US$13 million. This sector provides 38 percent jobs with contribution of 10 percent in GDP. "We are fourth top country in production of cotton but unfortunately share of our textile industry exports in the world is just 2 percent," he lamented.

Government should focus on industrialization as this will not only boost economy but will also creat jobs. India is offering 30 percent equity on purchase of machines for export units while rest of 70 percent amount will be paid back during 10 years with no interest. Whereas we have to pay 9 percent interest, so how can we compete in this situation," Mehtabuddin Chawla asked.

Advisor Publicity Channel Kaiser Waheed said that economy has always played very crucial role in the history of countries. We are lucky to have rich reservoirs of natural resources in country. Textile industry can play a key role in providing job opportunities if facilitated," he added.

Ceremony was followed by question-and-answer session. Panelists were Mahmood Rangoonwala, Chairman TMA, Ishtiaq Baig, Mehtabuddin Chawla, Mian Zahid Husain, Amna Gul of Italian Development Committee, Mehmood Rangoonwala and Naeem Qureshi, CEO Publicity Channel.

Responding to participant questions, panelists agreed that due to security situation in Pakistan, their cost is increased but still this industry can compete at international level if provided uninterrupted supply of water and energy every day and night.

They urged government to give this industry a top priority and provide gas supply first to such export units. There should be less financing markup. Pakistani companies should also introduce their brands and do marketing on local and international level besides investing in research and development, they added.■

Award Winners of Textile Leadership Awards

- Noorani Industries (Pvt) Ltd
- Pak Denim Limited
- Al Quresh Fabrics
- Rajaby Industries
- Asli Pari
- Amsons Textiles Mills (Pvt.) Ltd.
- Mahmood Group of Industries
- Rainbow Industries
- Tareen Traders
- Afroze Textile Industries Private Limited
- Lucky Impex
- Gagan Group
- Al-Karam Towel Industries (Pvt.) Ltd.
- Anis Apparel
- Pakistan Textile Journal
- FAKT Exhibitions (Pvt) Ltd.

Exporters refute Commerce Minister's claim for export growth

Energy Crisis Hampering Textile Exports

By Ismat Sabir

Exports of textile and clothing (T&C) showed a negative growth of 6.38 percent in Dec 2014 to $1.175 billion from $1.255bn in the same month of previous year. Recent decline was due to failure of the Punjab government to provide uninterrupted power and gas supply to the textile mills.

As Minister of Commerce, Khurram Dastagir has claimed hat Pakistan's textile exports have increased by one billion dollars this year, the exporters sharply recated over this fake claim. The official figures released by Bureau of Statistics and TDAP, the overall textile exports have dropped by 4.31 per cent. As a matter of fact energy shortages have risen cost of production in Pakistan, which is hampering fresh investment in manufacturing for some years, and textile industry is the most affected sector, particularly in Punjab. As a result the industry reached a point where large scale bankruptcies cannot be avoided.

Exports of textile and clothing (T&C) showed a negative growth of 6.38 percent in Dec 2014 to $1.175 billion from $1.255bn in the same month of previous year. The export earning has shown a positive growth of over 7pc in November, as against from a year ago, Pakistan Bureau of Statistics data indicated. Recent decline was due to failure of the Punjab government to provide uninterrupted power and gas supply to the textile mills.

The impact of the export of value added and non-value added textile products to the European Union (EU) under the GSP+ scheme was not indicated during the first 11 months (Jan-Nov) of 2014, in the overall exports from this sector. The textile exporters have diverted their exports to EU from other markets to avail zero rated access. Product wise details showed that export of low value added products, such as cotton cloth fell by 13.62pc; art silk 29.79pc and made up textile, excluding towels, 10.04pc during the month, over the corresponding month of last year.

Raw cotton export declined 41.50pc in Dec 2014 from a year ago. The export of cotton yarn depicted a negative growth of 10.58pc. Exports of bedwear dropped by 11.54pc and towels by 11.39pc.However, exports of, yarn other than cotton yarn, rose by 230.56pc, and cotton carded by 100pc. The exports of knitwear grew 3.29pc, and ready-made garments 10.45pc. Total exports declined

4.31pc to $12.07 billion in July-Dec period of 2014 as against $12.616bn over the corresponding period last year.

While due to the growing energy shortage about 33 percent of the textile and clothing units have already been closed. The exports are becoming dearer than those from its regional rivals like China, Bangladesh and India, especially owing to rising credit and labour costs.

Except Pakistan, electricity prices in the region are between Rs7.3 and Rs9.2 a unit; Bangladeshi textile exporters are getting electricity at less than half the price of Rs15 per unit in Pakistan. The exporters of Pakistan are forced to pay to make up for the huge losses (2pc of GDP) caused by mismanagement of the power sector. Whereas the policy rate is 5pc compared with the 9.5pc. The wages are almost half of what Pakistani workers are getting; and their government are also helping exporters through subsidies. Interest rates are between 5 to 8pc, and wages are between $68 and $98 per month, except in China where labour costs have gone up to $300.

The lack of fresh investment in new technology and capacity expansion since 2006-07 has reduced the share in the global T&C trade. The World Trade Organisation's regional T&C trade growth for 2006-13 showed that Pakistan has already missed the opportunity offered to major textile producing nations from the elimination of the quota system. The share of Pakistan in the global T&C trade of $718bn has dropped from 2.2pc to 1.8pc, while exports in its regional rivals growing at a much faster rate.

Bangladesh exports rose 160pc that raised its share in the world market from 1.9pc to 3.3pc; China's exports are up 97pc and its share went from 27pc to 40pc; and India's exports rose 94pc to take its share from 3.4 to 4.7pc. During this period, Pakistan's T&C shipments have risen 22pc only as against the growth of 45pc in the international T&C trade. It was because of incredible reputation and inconsistent supply source that has suffered the energy crunch and security issues. The Indian government is giving full financial support through substantial capital and interest rate subsidies and export rebates to its textile industry to about $56bn in new investments in the T&C sector over the next five years to 2019. On the other hand, Pakistani textile sector is struggling to revive the industry of $3 to 4bn capacity, said All Pakistan Textile Mills Association (Aptma) Gohar Ejaz.

Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) Chairman Ijaz Khokhar said that the energy crunch and the rising cost of doing business have hit small and medium sized apparel producers harder than the large exporters. According to Ijaz Khokhar the shortage of gas supply to textile manufacturers, including the processing industry, in Punjab has also put them at a disadvantage as their counterparts in Karachi. "The textile business is shifting to Karachi from Punjab. If Punjab's closed processing capacity is not revived, the possibility is that hundreds of thousands of people will be jobless.

APTMA Chairman S.M. Tanveer said that the total energy cost differential for the textile industry in Punjab has increased to Rs150bn a year because of gas shortages for captive power in the province, which is 70pc of the total T&C manufacturing capacity. The Punjab based industry is paying at an average energy cost of Rs13 per unit, as against Sindh and Khyber Pakhtunkhwa are producing gasbased captive power at Rs7 a unit. Punjab's textile mills without gas connections are paying 130pc higher energy prices than their counterparts in other provinces.

The government goals are to double textile exports, $1 billion investment per annum, employment creation, raw material availability of both cotton and manmade fiber may not be possible to achieve with a meager allocation. The textile industry is facing constraints including energy availability at affordable prices, high financial costs, raw material shortages, industrial structural imbalances and stagnant textile industry investment, policy and implementation, country perception and limited market access, high cost of doing business and pending refunds of textile industry reached to Rs20 billion each under sales tax and income tax. APTMA demanded guaranteed uninterrupted electricity and gas supply, Technology Up-gradation Fund Scheme (TUFS) for BMR and Greenfield projects, cotton production target of 20 million bales, MMF availability on competitive price, new investment, incentives on domestic consumption of textiles and clothing and immediate liquidation of pending refunds of textile industry.

The stakeholders said that the closed capacity can not be revived and cannot attract investment of over $5bn in capacity expansion and value addition, and double the T&C exports to $26bn in five years if government not ensured uninterrupted electricity and gas supply to factories in Punjab at affordable prices.

APTMA said the government is not serious to solve problems of textile industry therefore Textile Policy 2014-19 has been delayed for over 8 months. APTMA Chairman S M Tanveer said the previous allocated Rs180 billion in Textile Policy but disbursed only Rs28 billion, only 15pc of the allocated amount. Both India and Bangladesh announced their textile policies and registered 2008-13 a growth of 94 and 160 percent in exports against 22 percent of Pakistan during 2009-14. The world textile exports also grew by 45 percent on an average during the same period.

According to officials, around Rs80 billion were allocated in the federal budget for textile package; but after a lapse of six months, the schemes could not be initiated. Pakistan Textile Exporters Association Chairman Sohail Pasha said the government has failed to exploit GSP Plus status given by European Union to its full potential.He said the last textile policy, which expired on June 30, 2014, failed to achieve the textile exports target of $25 billion, and the exports were merely remained at a level of around $13.5 billion only. Due to falling oil prices in the international market the import bill reached $6.946bn in July-Dec 2014 as against $7.536bn over last year, a decline of 7.83pc. Import of crude oil was down by 5.77pc, while import of petroleum products fell by 9.04pc. However, it is still too high as compared to total export earnings.■

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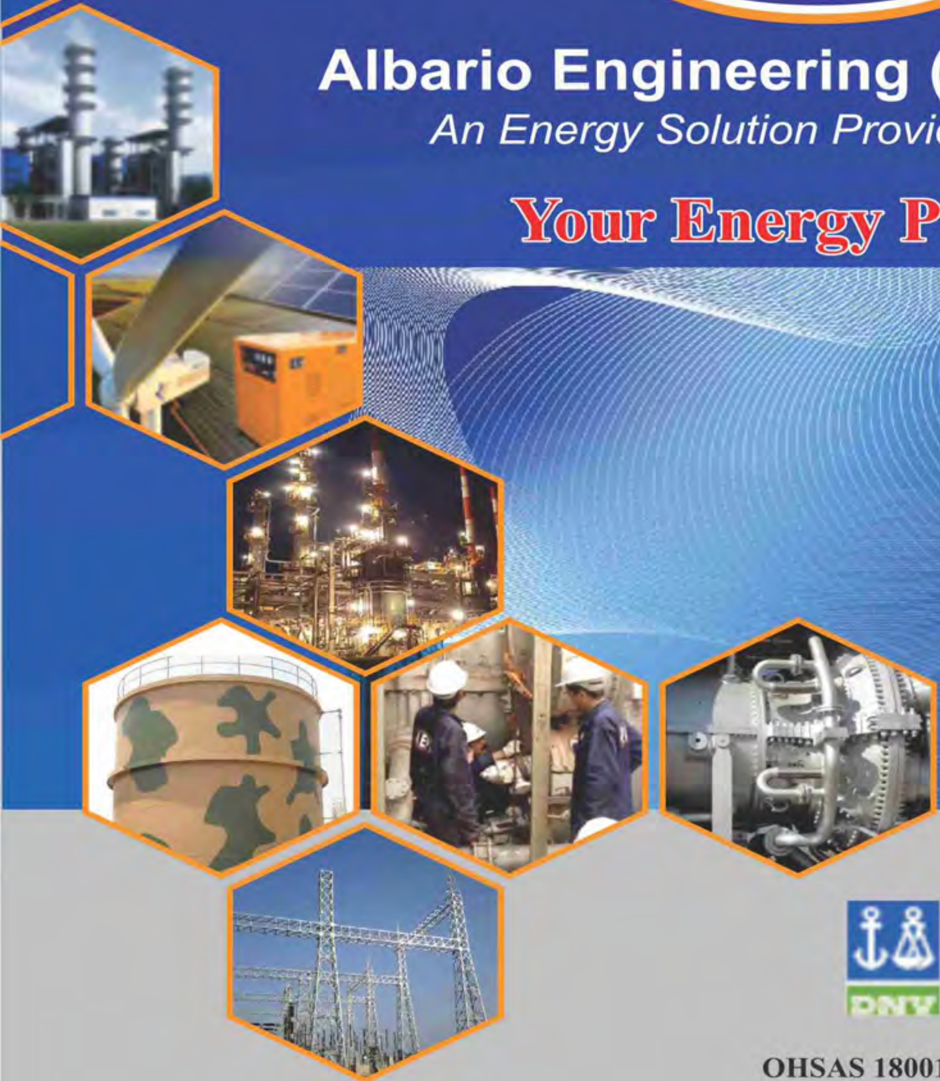

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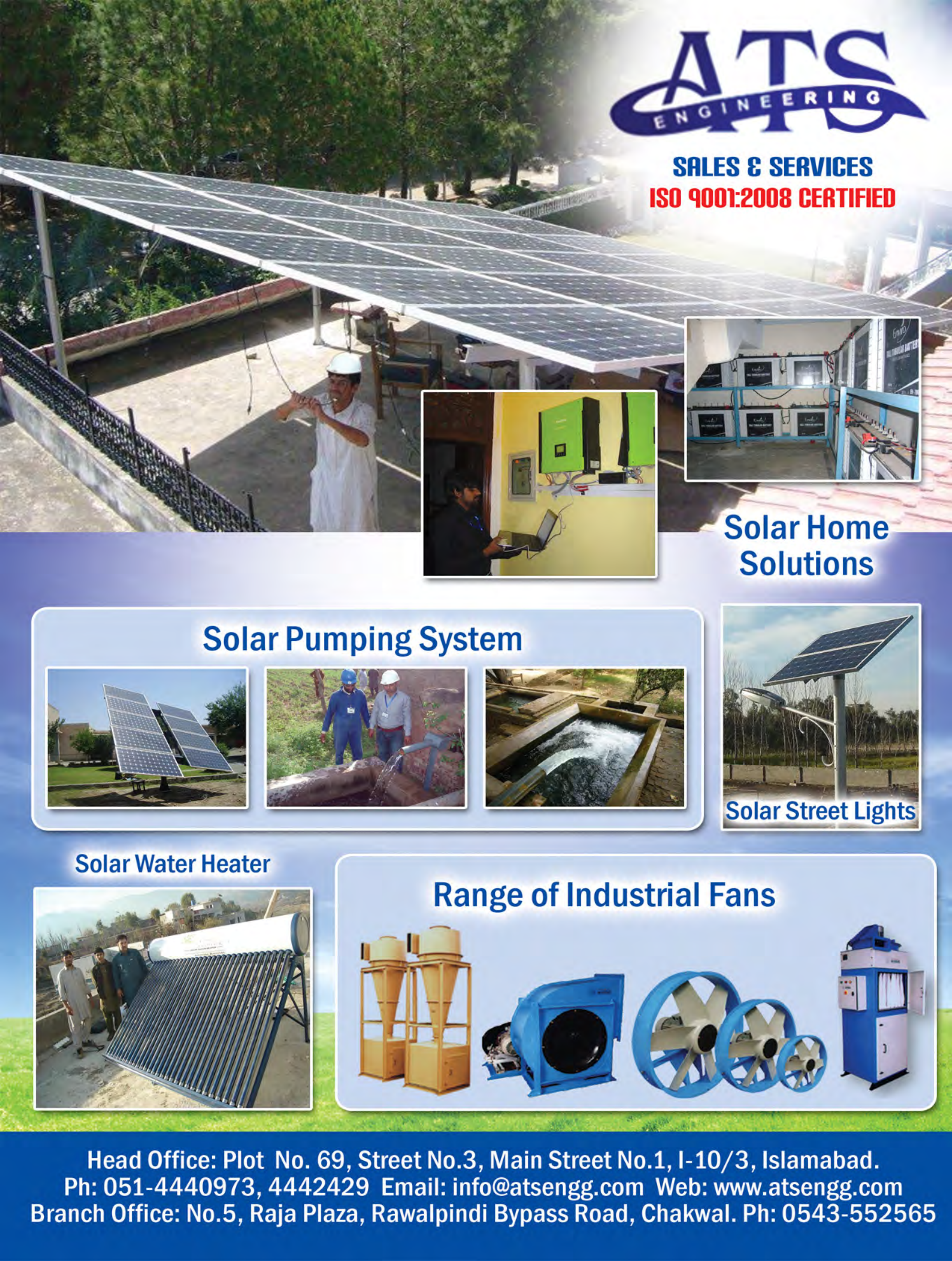
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Artificial gas crisis creates an opportunity for PML-N's corrupt leaders?

Shady deal to cost $5 billion a year

EU Report

In May 2013, Nawaz Sharif's government was elected to power for the third time in Pakistan's history. With great power came the knowledge that the previous government had left a legacy of corruption that could not so easily be scrubbed away. Mr. Ten Percent, as he was colloquially called, had seemed to strike again, as wads of cash were unaccounted for. There was the sneaking suspicion that even the Iran-Pakistan gas pipeline had the highest portion of payments reserved for the former President.

However, Pakistan's new government and bureaucracy promised transparency and accountability in the PML-N manifesto. Government officials were quick to criticize the corruption of their predecessors. Time and time again they made sanctimonious statements denouncing the earlier system of venality, showcasing themselves as the light at the end of the tunnel, promising a new regime: hope.

Dark clouds, though, have an uncanny way of casting shadows on even the brightest of days. The new government was faced with crippling power cuts and a gas shortage of 2bcf/day. For the common man, it was a scene out of George Orwell's Animal Farm: the faces had changed, the problems were the same.

The reality hadn't changed much for the Government either. Money was power, and they were running short on it. Loan payments to the IMF, circular debt dealing with a current account deficit were just some of the problems. Money wielded political influence after all, and they needed a way out.

Pakistan had two options to import natural gas: through pipelines or though LNG. Politics wasn't letting the Iran-Pakistan Gas Pipeline through, and Turkmenistan-Afghanistan-Pakistan-India (TAPI) too seemed a distant dream with an unstable Afghanistan. Then there was liquefied natural gas (LNG)... To the Minister of Petroleum and Natural Resources, LNG seemed like a breath of fresh air - a panacea to his problem, and the nation's.

Caution, however, is something that's integral to politics. The Minister, an amateur in the Energy Sector and born with a silver spoon in his mouth was not wary of the labyrinth of the oil and gas sector. His industry experience and business acumen had not prepared him for misinformation in the public sector. On a steady diet of myths posed as facts on the LNG, he saw

LNG as the only route out.

Unbeknownst to the Minister- a mere pawn in the larger chess of energy politics - even LNG could be the kiss of death, however. The Ministry was adamant that LNG from Qatar would be around $17/mmbtu, a high price linked to an oil-index, Brent Crude. That's what gave it away, really. The Ministry had not done their homework, and got caught in the web of numbers - an intricate mesh that reeked of possible corruption.

With countries importing natural gas for much lower prices, and under the changing dynamics of the global natural gas, with the Shale Gas Revolution, India had just made a deal for $10.50/mmbtu from the US Company Cheniere. Pakistan and Qatar had agreed on a price of $10.3/mmbtu, sources such as the LNG Saga by G.A Sabri said. But if it was around $10/unit for Pakistan too, where was the figure of $17/mmbtu coming from? After all, this difference of $7 spelled a loss of about $5 billion every year for the country. Why would a country sign up for a deal that something akin to Harakiri?

Moreover, there was misinformation on the cost of transportation. One official in the Ministry was quoted as saying "We have talked about importing LNG from the US where natural gas price is in the range of $4-5 per mmbtu, which after gasification is $7.5 per mmbtu, but transporting it to Pakistan and delivering it to the terminal would cost another $7 per mmbtu." The statements continued, and the headlines were splashed with LNG. Pakistan would import LNG from Qatar by November 2014. At what price? $17/mmbtu, said the Ministry: "the objective would be to get the cheapest possible price but it could be around $17 per MMBTU". It seemed like the minister was already trying to make up the mind of the nation, preparing them for the worst, while simultaneously sabotaging the bidding process. The misinformation

continued, with false assumptions that a long-term LNG deal with Qatar can have a price around LNG spot prices. The main point and purpose of a long-term contract is that a long-term deal is more reliable, and has a cheaper price. But with LNG spot prices soaring up to around $19/mmbtu, the figure of $17/mmbtu isn't too far off.

If Qatar was to get around $10/mmbtu (Sabri, LNG Saga), from a country that is not too far (reducing shipping costs), where was the rest of the money going? In somebody's pockets. Whose exactly? It's uncertain at the moment.

The facts are there though: the media was silenced to not draw attention to LNG too much, the Taliban carried out their farce of creating bloodshed, distracting from the economy and other problems, paying off American senators and the international media, and then there was the strategic plan: show the nation a clean face, talk of transparency, and in the desperate need for natural gas, a few masterminds were to get away with it all, until now. Close tracking of the activities of a few masterminds committed to mint money through the LNG deal with Qatar had a pattern similar to the PPP regime's scam in the Iran-Pakistan pipeline project. The time to act is now. As the Ministry concentrated all its attention to LNG, other important projects such as possible Shale Gas development took a backseat. If one looks at the gravity of the situation, and the $5 billion net annual profit for a two-decade deal, it is shocking to see that multinational companies earn much lesser every year.

It seems that the Finance Minister, Dar nexus with Notorious Pharmacist Musadik Malik , a possible white-collar crime that would have been one of the biggest ones in history, hatched the plan. Unless this deal is stopped, Pakistan may face a loss of 140 billion dollars over 25 years. ■

ADB to finance $30 m for Pakistan's First LNG Regasification Terminal

The Asian Development Bank (ADB) has approved a $30 million project loan to Engro Elengy Terminal Private Limited, a special purpose company which will build Pakistan's first liquefied natural gas (LNG) regasification terminal. "Pakistan urgently needs to utilize its existing power generation capacity fully, while reducing its reliance on costly imported diesel fuel for electricity generation," said Mohammed Azim Hashimi, an investment specialist in ADB's Private Sector Operations Department. "Regasification of LNG will allow generation facilities to reach their maximum potential, using a cleaner and more efficient fuel, and will support the country's push for greater energy security and diversification." The loan, to the special purpose unit of listed Pakistani company, Engro Corporation Ltd, will be used to build and operate the regasification facility at Port Qasim, Karachi. The plant will have the capacity for regasification of up to 3 million tons of LNG per annum from March 2015 onwards. The fuel, suitable for use at most of the country's combined cycle power plants, will be supplied to the state-owned Sui Southern Gas Company's gas distribution network via a new high pressure pipeline.

The converted fuel will help the government make an estimated savings of about $1 billion per annum on its current fuel import bill of nearly $15 billion. Since 2008, Pakistan has been suffering from crippling power shortages, caused by a lack of fuel, which has resulted in unscheduled industry shutdowns, power interruptions in cities, and public unrest. The country's natural gas resources are also under severe strain with a recent survey showing that the rate of gas extraction is declining by over 2% a year, even as demand accelerates.Regasification converts LNG into natural gas, making it easier to store and distribute through pipelines to end users including power generators. The project will help avoid up to 2 million tons of greenhouse gas emissions a year. ADB works closely with the government to attract private sector capital into Pakistan's energy sector, and has helped finance the country's first two private hydropower projects and first three private wind power projects. ADB also offers long term commercial financing which is not readily available in Pakistan. The regasification project is expected to set legal and financial benchmarks for similar projects in future. Along with ADB's loan, International Finance Corporation is expected to provide $20 million and local banks another $50 million. The rest of the project financing will come from equity proceeds of $33.3 million, for a total cost of $133.3 million, including contingencies.■

Oil price collapse hitting int'l LNG market

The Pakistan Economy Watch (PEW) said oil price slide up to unprecedented sixty percent and concerns regarding future prices has started hurting international LNG market. LNG prices were hovering around 20 dollars per mmbtu in 2014 but now it is at $7.45, the prices have reduced by 50 percent in the last four months.The fall in the LNG prices have added to the problems of investors resulting in stall or delayed projects while narrowing price gas has pushed USA out of the thriving Asian market, said Dr. Murtaza Mughal, President PEW. Several high-cost gas projects launched by oil and gas giants have hindered or be altered due to weakening prices, he added.He said that the international supply of LNG has been projected to be boosted by 60 million tonnes but demand will be modest due to slowdown in some important economies and resumption of nuclear reactors operations in Japan and South Korea after 2011 incident.Dr. Murtaza Mughal said that demand in China will be better as the country wants to divert power plants from coal and furnace oil to clean LNG.Lauding the Pakistan's LNG policy, he said that despite petrol crisis, the Petroleum Minister Shahid Khaqan Abbasi remains a better choice in the light of his past record.He is cautious now and pushing pipeline project which is the cheapest source of energy transmission in the world.

On the other hand, Pakistan where 38 percent population lacks electricity, solar market remains under-developed due to technical, economic and institutional barriers which calls for a policy review.■

New crude equilibrium

A new demand and supply equilibrium seems round the corner.

The markets are calm…Demand is growing," insisted the Saudi oil minister Ali Al-Naimi in his 'first public comments' since December.

Many took this as a cue that Riyadh was satisfied with the current state and that Saudi Arabia has won the first round of the ongoing battle for market share.

A day earlier, a senior Gulf Opec delegate too had conceded that oil prices had started to stabilise around current levels - effectively dropping a price anchor at $60 a barrel.

The comments came as Brent continued to hover at around $60 a barrel as demand appeared healthy. Energy Aspects, a research consultancy, estimated that global demand for crude reached a record high of 94 million barrels a day in December. This was growth at its quickest pace in 18 months.

Gasoline demand in the US alone grew by almost 500,000 barrels a day in January, a JBC Energy report said. While this is likely due to drivers reaping the rewards of cheaper pump prices, JBC said, the current pricing environment is also beginning to shape longer-term driving habits.

According to Autodata, sales of light trucks and SUVs grew by 19.3 percent over the year in January, representing 54pc of the sales mix, while passenger cars grew at a more modest 7.7pc.

With US drillers idling rigs at a record pace, gutting investment plans and laying off thousands of workers, the rebound seems vindicating the Saudi insistence on Organisation of the Petroleum Exporting Countries (Opec) not to cut output at its November 27 Vienna outing, many are now asserting.

"Opec giving up on trying to control the price is working," Francisco Blanch, head of commodities research at Bank of America Corp in New York told Bloomberg.

"The Saudis are saying - look, everything is happening the way it needs to happen. Others are cutting capex, production growth is slowing and low prices are stimulating demand," Yasser Elguindi from Medley Global Advisers told Reuters.

The US Energy Information Administration reduced its 2015 US crude production forecast to 9.3 million barrels a day in February from 9.42m in November. The EIA projects output will fall in the third quarter - for the first time in four years.

Olivier Jakob from Petromatrix consultancy hinted at another big unknown, the ongoing nuclear talks between the West and Iran, which could lead to a softening of sanctions against Tehran and a potential release of as much as 1m barrels per day of additional oil to the market.

Shale oil producers are feeling threatened. They are throttling back so quickly on drilling that US crude output could fall sooner than expected.

"The thing that has surprised me ... is that companies large and small, financially strong, financially weak have really cut capital spending much quicker than I have seen before," Bruce Vincent, the former CEO of Swift Energy Co told press.

In the past, if a producer had a rig contract, they would continue drilling. Now, producers are paying fees to break those contracts, a fact that has hastened the steep drop in the rig count, said Vincent. Magnum Hunter Resources Corp has halted all drilling and told services firms it will not resume work unless its costs fall 40pc, the company's Chief Executive Gary Evans told a conference in Houston.

Such pullback, combined with shale well decline rates of some 60pc or more a year, has Evans predicting US production will begin falling "in the next two months."

On its fourth-quarter earnings call, Devon Energy Corp. said it had cut its completion crews working in the Eagle Ford oil basin to four from nine, while Anadarko Petroleum said it reduced its completion crews by a third. After years of breakneck growth, top shale companies Apache Corp and EOG Resources have said their oil and gas output this year will be flat.

New discoveries too are down. According to IHS, new finds of oil and gas were the equivalent of 16 billion barrels last year, the lowest for 60 years.

Although professionally hazardous, yet one could now say with some conviction that prices could stabilise somewhere around the current level.■

A woman accompanied her husband to the doctor's office. After his checkup, the doctor called the wife into his office alone. He said, "If you don't do the following, your husband will surely die:
1. Each morning, fix him a healthy breakfast.
2. Be pleasant and make sure he is in a good mood.
3. For lunch, make him a nutritious meal.
4. For dinner, prepare him an especially nice meal.
5. Don't burden him with as he had a hard day.
6. Don't discuss your problems with him.
On the way home, the husband asked his wife what the doctor said to her.
"You're going to die"! she replied.
HAPPY WOMENS DAY

Investment Banker Was Getting Married,
During Wedding, Wife Vomits..
Husband~"What Happened ?"
Wife~"Capital Gains Arising Out Of Previous Investment."
Husband: U cheated me..
Wife: U shd know mutual fund investments are subject to market risks. :)

Pakistan most searched team during WC 2015

ISLAMABAD: Pakistan have topped the chart of most searched teams playing in the ongoing ICC World Cup, a latest study by global online giant Google said. The study said that despite two humiliating defeats against India and the West Indies, Pakistan team continued to dominate search influence and remained the most searched team in the tournament. Pakistan are closely followed by India, West Indies, England and Australia as the other most searched teams in Google search. The analysis of online trends shows that among the minnows, Afghanistan lead in global search interest and are followed by Bangladesh Ireland and United Arab Emirates. Google said searches are not just limited to performance, fans are also obsessed about physical characteristics of players.

US-Russian space trio land safely

ALMATY: A NASA astronaut and two Russian cosmonauts landed safely in a snow-covered Kazakh steppe after a 167-day mission aboard the International Space Station (ISS). A capsule carrying NASA station commander Barry "Butch" Wilmore and Russian flight engineers Alexander Samokutyaev and Elena Serova landed in a vertical upright position shortly after sunrise at 0807 (2207 ET), some 147 km (92 miles) southeast of the town of Zhezkazgan in central Kazakhstan. "Everything is going on by the book," said a NASA television commentator. "Expedition 42 is back on Earth."

AMAZING GALLERY

Apple debuts $17,000 watch, some waiting for killer app

SAN FRANCISCO : Apple Inc launched its long-awaited watch on Monday, including yellow or rose gold models with sapphire faces costing up to $17,000, but some investors questioned whether Chief Executive Tim Cook's first product would be a breakaway hit. Apple's first new device since Cook became CEO will be available for order on April 10 and in stores on April 24, including chic boutiques in Paris, London and Tokyo.

In a nod to both fashion and technology, Cook shared the stage with model Christy Turlington Burns, who used it to train for a marathon, and Apple engineers who showed how to send drawings, pictures and even heartbeats with the watch.

World's oldest woman turns 117 in Japan

TOKYO: The world's oldest person Misao Okawa, a mother of three, grandmother of four and great-grandmother of six, turned 117 in western Japan. Okawa, one of only a handful of people born in the 19th century and still alive "is looking in good shape," an official at her Osaka nursing home told AFP.

Solar-powered plane begins round-the-world attempt

ABU DHABI: The first attempt to fly around the world in a plane using only solar power launched from Abu Dhabi on a landmark journey that will test its pilots' endurance to the limit. "The adventure has started," Solar Impulse chairman Bertrand Piccard said emotionally, after pilot Andre Borschberg took off from Abu Dhabi's Al-Bateen airport at 7:12 am (0412 GMT) on the historic circumnavigation aimed at promoting green energy.

The 400 kilometre (215 nautical mile) maiden leg to the Omani capital Muscat was expected to take around 12 hours.

After four hours' flying, Borschberg was on schedule, having already entered Omani air space and covered just over a third of the distance.

The takeoff by Solar Impulse 2, which was originally scheduled for Saturday but delayed due to high winds, capped 13 years of research and testing by Swiss pilots Borschberg and Piccard.

Live video streaming on the website monitoring his progress www.solarimpulse.com showed the pilot, wearing an orange jumpsuit, breathing into an oxygen mask.

Malik Riaz offers Rs42 billion loan to govt of Sindh

Public to bear cost of development of Bahria Town?

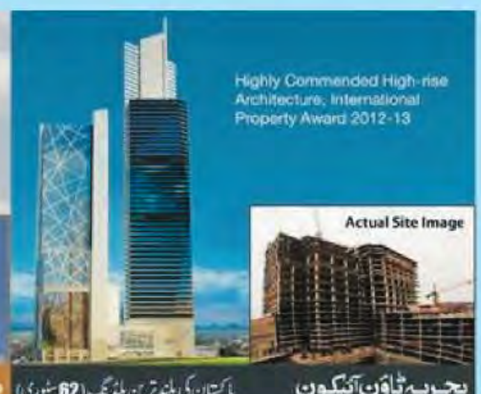
By Sajid Aziz

Alas! We do not have another Iftikhar Muhammad Chaudhry to take corrupts to task

Many eye-brows were raised when owner of Bahria Town Malik Riaz offered a loan of Rs42 billion for the construction of Metro Bus Project in Karachi. Malik Riaz who is building his multi-billion rupees housing project in outskirts of Karachi had offered thousands of plots of various sizes near Karachi about a couple of years back but to his dismay the value of his proposed Bahria Town unlike his other projects in Lahore and Islamabad could not get skyrocketed as Karachiites did not take much interest in his Bahria Town that is being developed too far from Karachi. So the construction conglomerate Bahria Town has planned to woo Sindh government and offered Rs42 billion loan for Karachi Metro Bus project from Super Highway to Merewether Tower that would be connecting to his Bahria Town as well.

Malik Riaz has maneuvered to get his plan go with the help of Asif Zardari who is a partner of Malik Riaz in some projects. Asif Ali Zardari summoned Sindh Chief Minister, Syed Qaim Ali Shah and members of the provincial cabinet and asked them to giev a go ahead for the project and they unanimously approved the Karachi Metro Bus project. According to the plan the 54-kilometre long two routes of the bus service connect Super Highway on the outskirts of the city with Merewether Tower at the start of M.A. Jinnah Road and I.I. Chundrigar Road in the business and financial hub of Karachi and Super Highway with airport via Malir Cantt. The estimated cost of the grand infrastructure project is around Rs70 billion. Bahria Town has agreed to give Rs42 billion to Sindh government on a long term basis loan to complete the project. Sindh government will seek Rs20 billion from the federal government and invest Rs8 billion from its own resources. Surprisingly the provincial government, which is unable to even provide drinking water to a number of city areas, not doing any repairs of the roads that are in real pathetic condition or plugging the over-flowing gutters due to want of funds has completed the feasibility study, acquired environmental impact assessment report from the Environmental Protection Agency and finalized the design of the project so quickly. Not only this, but the Sindh government has also signed a memorandum of understanding with the Daewoo bus company which will run its hybrid buses on the route along with all the operational matters as well.

The million dollar question is that why the Sindh government has agreed to finance the project which would be nothing but to benefit a private builder and developer. Malik Riaz who is supposed to be the world renowned builder and whose projects never get failed could not get good response from the karachiites due to selling cheap land for expensive prices. The land acquired by Riaz Malik near Nooriabad on throw away prices more than 50 kilometers away from the city center. Such a city like Karachi which is facing extreme civic problems particularly transport where people are unable to commute freely in the city limits due to severest congestion and without the mass transit system, how can people commute to the Bahria Town every day? Mass transit within the city and outskirts is an urgent necessity for Karachi



and projects like underground railway, rapid transit through bus system and tram system within the city should have been executed and completed some 20 years back. But Karachi perhaps is the most unfortunate mega polis in the world which generates 70 per cent of the total revenue of the country but never gets its due share of development funds for infrastructure.

What smells from all this maneuvering that the contract for this multi-billion rupees project would also be given to the Bahria Town to construct the 54-kilometer along corridor which means that the Malik Riaz will not only retain entire amount he is going to lend to the Governemnt of Sindh but also to bag the remaining amount of Rs28 billion of his coffers. If it happens then it would be one of the biggest rip-offs in the history of Pakistan involving Rs70 billion besides billions of rupees worth appreciation of his land. The cost of per kilometer construction of rod network has been estimated to Rs900 million. Again the question is who has estimated the cost of the project, who are the consultants and wether the Bahria Town has the necessary expertise of building such a long corridor? It is quite surprising that the political forces in Sindh and civil society are keeping quiet on this deal materialized between the two-profit mongers. Are they being bribed to keep their mouth shut? It seems that the Sind's volatile political situation is artificial to keep the eyes away from rampant corruption going on in the provincial and federal governments?

It is pertinent to mention here that there appears to be no transparency i the affairs of Bharia Town, Karachi as Malik has acquired only 7000 acres of land and sold 70,000 plots in the small category of 125 yards. There is no record of how many plots of 250 yards, 500 yds, 1000 yards, 2000 yards, commercial plots, apartments, built-up bungalows and golf city have mentioned. Does he over-sold the bookings as no allocation of plots till to date provided to the allotees. Bahria Town had promised 62-storey building at ICON Tower but the building appears at 30th floor at the maximum level while he promised its completion by December 2014 but it's less than halfway. Bharia Town did registration of three towers other than ICON Tower. But till today no prices of the project announced and not even the number of registrations disclosed. The question is that is there anyone to ask Malik Riaz on his irregularities and high-handedness. We are perhaps the most unfortunate nation that no one is there to take such people to task. Alas, we do not have another Iftikhar Muhammad Chaudhry in the apex court.

From where did this money get by Bharia town? Is that amount reflects in Bahria books? Already the investments in Bharia town Karachi is almost halved from peak within the space of couple of months.

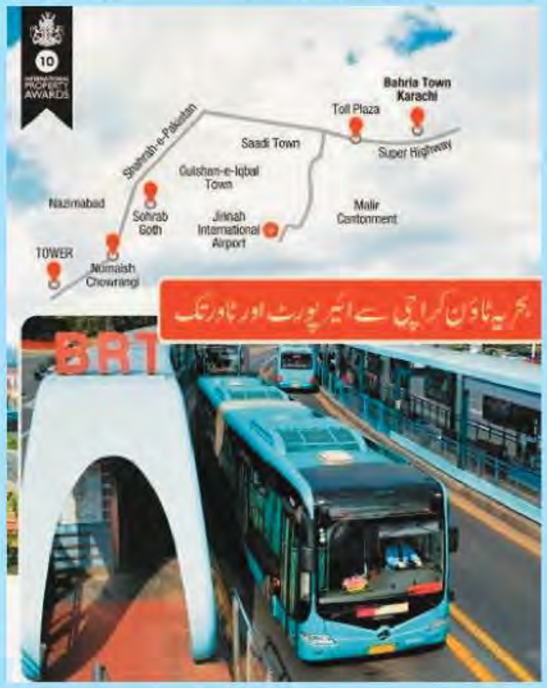
So many questions but all are quiet media, government, civil society, establishment etc■

Another deal struck by Malik Riaz

Taxpayers' hard-earned money being diverted to Bahria Town?

Bahria Town's deal with the Sindh government for construction of Metro Bus network from proposed Bahria Town Karachi to the city centre had become talk of the town and many eye-brows were raised on the Rs70 billion project meant to raise the value of Bahria Town to many fold yet another project has been signed by the Bahria Town with K-Electric for the purpose, a multi-billion rupee deal to add 500 MW to power-starved not Karachi but Bahria Town itself.

By Sajid Aziz



According to a Bahria Town Malik Riaz has taken this fresh initiative to bring Karachi at par with the leading cities of the world. But how? As the deal has been signed to provide uninterrupted power supply to the Bahria Town and not to the mega polis engulfed with uncountable civic problems including energy crisis.

Bahria Town and K-Electric as per the deal will invest billions of rupees to set up one coal-fired and one LNG-powered electricity generation plant within a period of three to four years. These projects will guarantee uninterrupted power to Bahria Town Karachi.

Bahria Town vice chief executive Zain Malik and K-Electric chief executive Tayyab Tareen signed the documents.

Malik Riaz claimed that he wanted Karachi to be counted among one of the world's top cities. The Bahria Town project has opened up employment and business opportunities for hundreds of thousands of people, Malik Riaz said. "I strongly believe that by grace of the Almighty the Grand Mosque in Bahria Town, its golf course, theme park, night safari, university, hospital and shopping mall will bring a change in the lifestyle of the city," he said, adding that better employment opportunities play a positive role in bringing the law and order situation under control, says Malik but in real perspective all such deals are meant to improve market value of Karachi's Bahria Town as Karachiites had not taken much interest in that project due to many reasons. It seems that taxpayers' money is being spent on Bahria Town.

Whether the hard-earned money of Karachiites meant for Karachi's mega projects being diverted to Bahria Town?■

SECP releases guidelines for CSR

Pakistan has rich history of philanthropy

EU Report

Regulators all around the world are now increasingly holding the corporate sector 'responsible' for its impact on society, the economy and the environment. This is being seen through increased regulatory behavior to guide companies in driving corporate social responsibility. Keeping with global best practices, the Securities and Exchange Commission of Pakistan has recently released 'Voluntary Guidelines for Social Responsibility'.

Shareholder value and reputational risk have increasingly become associated with managing impacts and performance in the triple bottom-line. Most companies listed on international stock exchanges today are choosing to adopt policies that that embed CSR in their business practices and disclose related information in annual reports. These efforts are recognized on many levels from the Dow Jones Sustainability Index to Corporate Register as stakeholders choose to judge a company in terms of environmental performance and impact on society.

The corporate community in Pakistan through its philanthropic contributions and donations has a historical background of being socially responsible. As the understanding of an organization's responsibility moved towards sustainable development, the concept of sustainability evolved. In the recent past, many listed companies have begun to develop policies and practices to realize the social, economic and environmental impacts of its business practices as part of understanding business sustainability in the long term.

The current management of CSR by the corporate sector varies from company to company and sector to sector. A growing number of companies have chosen to treat CSR as an investment, choosing to follow international best practices of management and reporting, going beyond the requirements of local legislation. Others give CSR token recognition; thus disclosing on CSR performance is simplistic as compared to sophisticated reporting of financial figures. As both content and methodology of disclosures varies across companies, it is difficult for stakeholders to understand the company's CSR performance related data.

Voluntary Guidelines for Public Companies

The recently released 'Voluntary Guidelines for Corporate Social Responsibility' by the Securities and Exchange Commission of Pakistan (SECP) strives to make CSR performance more congruent amongst companies. The Guidelines, SECP's second regulatory input related to CSR, follow on from the mandatory CSR General Order in November 2009 that stated listed companies were to include monetary and descriptive disclosures in their Directors Report. guidelines are targeted towards all public companies and although voluntary, are expected to increase the number of companies which consider CSR to be a part of their business practice. Through implementation, it will lead to a process of accountability and transparency in the commitments made by management to key CSR issues.

The guidelines, focus on promoting a CSR culture in the company by identifying key aspects of establishing CSR processes in the company - placing emphasis on various stages of how CSR should be integrated in business practice, mainly focusing on identifying a CSR consultative committee, on developing a CSR Policy, identifying goals and achievements, and related disclosure and reporting, and independent assurance of CSR performance.

emphasis on expectation of the board of directors to play an active role in formulating CSR policy. The significance of making CSR a priority of the top management is that it places CSR in the roles and responsibilities of the top management. It also sends a message to all departments that targets set for CSR will be reviewed in the same manner as other business targets. The guidelines identify a top-down approach for practicing CSR, focusing on commitment of top management to include CSR into strategic business decisions.

Companies to Choose their own CSR Interests

The guidelines, whilst giving the company a direction in managing CSR, give the company freedom to develop its own understanding of CSR. This can be tricky if companies still understand 'CSR' to be charitable donations. It does suggest a number of areas of interests which can a company can focus its CSR activities on. This includes climate change, governance and product responsibility. These are important focus areas in a company's corporate responsibility - and the nature of the guidelines leave the company free to develop their own understanding of these terms.

The advantage of this freedom is that the company is left free to decide which interests are material issues - an impact of which could influence the decisions and behavior of stakeholders. The disadvantage in leaving an open field for a company to choose from might result in a company continuing to focus only on charitable donations.

Other regulatory guidelines in the region have chosen to be specific in defining what constitutes corporate social responsibility. In India 'National Voluntary Guidelines on Social, Environmental and Economical Responsibilities of Business' (2011) released by the Ministry of Corporate Affairs encourage businesses to implement all 'nine key principles in their entirety rather than picking and choosing what might suit them'. The principles cover all aspects of corporate responsibility including governance, environmental protection, human rights and product responsibility from cradle to grave.

Similarly Bursa Malaysia's 'Guide to Directors' identifies 'A company's sustainability focus as being dependent on the business impact of their operations on the community, environment, marketplace and the workplace as well as stakeholder expectations and corporate strategy'. It gives a detailed description of common sustainability issues in terms of a company's value chain. The statement leaves no ambiguity to the company in determining the scope and focus of its areas of interests.

The Stepping Stone to Further Legislation?

As stakeholder focus increases on sustainable business practices, regulators in most countries have now introduced reporting and disclosure requirements. This shows the growing value given to socially responsible behavior of the corporate sector. As understanding of national sustainability issues increases, regulators now hold the corporate sector 'responsible' for shaping a country's future development. The SECP's Guidelines are a step in the right direction. The guidelines in its present form can be regarded as a preliminary step to further legislation if it wants to be compared to other global regulators.

Key practices adopted in other countries include:

Moving towards mandatory legislation. A number of countries have moved towards mandatory legislation related to reporting and disclosure of a company's performance in terms of both its environmental and social responsibilities. This shows that regulators have now begun to view sustainability performance at par with financial performance.

Integrating sustainability performance with national development goals. Qatar has recently made reporting on sustainability performance mandatory for Industry. Here, mandatory reporting will ensure that companies strive to align their aims and objectives with Qatar's National Vision 2030.

Sector based legislation. Indonesia has implemented sector based mandatory legislation related to CSR. Presently, only those companies with business activities in and or related to natural resources are required to implement CSR (Waagstein, 2011).

Mandatory reporting in key sustainability focus areas. Some countries are going a step ahead and are now moving towards making certain aspects of corporate responsibility mandatory. Most mandatory regulation is linked to national goals and strategies. This includes specific regulatory impacts for reporting on carbon disclosures etc made by United States, Australia, the UK and France. This measure will increase monitoring and perhaps work as an incentive for working towards reduced carbon emissions.

Obligatory allocation of profits towards CSR. India has recently introduced a bill that requires companies that have a high net profit ($920,000 or more) to spend 2% of the profit on CSR activities. It is also mandatory to disclose the expenditure amount. The objective behind the bill is to increase transparency which will attract foreign investment.

In releasing the Guidelines, Pakistan's regulators have begun to hold the corporate sector 'responsible' for their actions. As CSR processes mature in the corporate sector, evaluation of progress in CSR disclosures will pave the way for more sophisticated measures which can be linked to aims of national development and foreign investment.

Viewing the Guidelines as Insurance for managing risks

Businesses face a number of strategic risks as consumers demand for responsible practices and future strategic investments need to be considered in terms of environment and society. The risks related to regulatory compliance is growing as international trade demands stricter regulatory measures related to labor and environmental compliance. SECP's guidelines will encourage the corporate sector to develop an understanding of where the company's responsibility lies towards society and environment. Public companies interested in adopting best practice to manage risks will benefit from investing in implementing the guidelines.■

Humanitarian Support provided by NBP demonstrates its positive values

National Bank provides significant support to the community by assisting several organizations that are particularly active to serve humanity, said Mehtab Siddiqui, Manager Media, PR & Brand Management. He was addressing a press conference, hosted by the implementing partner, Kaus-e-Kazah Welfare Organization, to highlight the Corporate Social Responsibility (CSR) activities and projects for the year 2014. Being the largest commercial bank, National Bank of Pakistan, CSR is an integral part of NBP's corporate policy, he said, adding that the bank has institutionalized by creating a separate Division headed by Mr. Iqbal Qasim, running a full-fledged CSR Program to bring positive change and improving quality of life of underprivileged members of our society.

The Prime area of focus for CSR initiatives are promotion of Education, Health, Woman and Child Welfare, Special Persons, Culture, Sports and relief for effectees of natural disasters, he emphasized.

"It is a matter of pride that, NBP has been recently awarded with the “Gold Medal on CSR” by Prime Minister of Pakistan on basis of overall NBP contributions and donations for charitable, social, educational and public welfare purposes." Mehtab Siddiqui expressed. During the briefing, he also lauded the efforts of President of National Bank, Mr. Syed Ahmed Iqbal Ashraf, for launching different CSR initiatives successfully. In the context of recently-distributed donation cheques to various organizations, Mehtab Siddiqui said that the humanitarian support provided by the Bank demonstrated its positive values.■

Thar Coal - On-track towards execution

Thar coal is undoubtedly the only sustainable solution to Pakistan's energy woes with 175Bn tonnes of coal reserves.Pakistan is fortunate to have such abundant reserves that are equivalent to the combined oil reserves of Iran and Saudi Arabia in energy equivalent terms and can produce 100,000 MW of electricity for 200 years.

Sindh Engro Coal Mining Company (SECMC) formed in 2009 has been working tirelessly on the project to develop the vast reserves of Thar. SECMC is responsible for developing Block II which has capacity to provide up to 4000 MW and it plans to develop this in phases within the next ten years. The company other than Government of Sindh and Engro is sponsored by Pakistan's reputable corporate houses including Thal Ltd (House of Habib) and Hub Power Company. The total investment for the integrated project is estimated to be US$ 2Bn making it Pakistan's biggest project in terms of investment being taken up by the private sector.The groundbreaking was jointly performed by Prime Minister MianMuhammad Nawaz Sharif and former President Mr. Asif Zardari on 31st January 2014. The project has been declared as one of national importance by the honorable prime minister and assured full support of the government.

In the first phase, mine of 3.8 million tonnes per annum capacity will be developed by SECMC and the coal will be utilized by a mine-mouth power plant of 660MW which is being undertaken by Engro's subsidiary, Engro Powergen Thar (Pvt.) Limited (EPTL).

The company has achieved substantial progress on both projects as project development work is almost complete. Technical and environmental studies have been conducted and NOC from environmental authorities (SEPA) have been received. China Machinery Engineering Corporation (CMEC) has been selected as EPC (engineering, procurement and construction) contractor. As a world-renowned engineering contractor, CMEC is ranked among China's top 10 contractors by the business turnover and has business reach in more than 150 countries and regions.The EPC contract on turnkey basis has been signed for both projects.

Six thousand acres of land has been acquired and furtherwork for the 113m cubic meter overburden removal in Thar Block II has started with a local contractor using equity. Use of a local contractor will help expedite the work before the Chinese EPC contractors are mobilized, saving 3-4 months in construction time. To date they have successfully removed over 1.5 million cubic meter of over burden.

For the mining project, coal pricing rules have been notified by Govt. of Sindh and coal tariff petition has been prepared for determination by Thar Coal & Energy Board.The reference coal tariff is expected to be announced as early as next month. Furthermore, the Coal Supply Agreement between the mine and power plant is under negotiations and expected to be finalized within the coming days.

For power project, LOI (letter of intent) has been issued to EPTL by PPIB and application for Generation License has been submitted to NEPRA, which is expected to be received within this month. NEPRA has already announced tariff for Thar coal-based power generation. Moreover, drafts of security package agreements (i.e. PPA and IA) have been shared by PPIB and discussions are underway. Security package is expected to be

A group photo of journalists with Shamsuddin Sheikh CEO SECMC finalized by next month. Furthermore, the widening and rehabilitation of the road network is also proceeding at a fast pace, with expansion work being done on bridges, culverts and bypasses of small cities. To further reduce travel time, an airport is being constructed in Islamkot, whose airstrip has been completed and the construction of terminal building has to be initiated. It is expected to be completed by end-2015.

On the financing front, tremendous support has been provided by the Federal andSindh Government in achieving financial close. With their support, both the projects have been listed among 'Prioritized Projects' under the China-Pak Economic Corridor based on readiness. The Chinese government has already approved 14 power projects that have the ability generate 10,400 megawatts (MW) of electricity. China and Pakistan have agreed to give due priority to the development and utilization of indigenous resource in Pakistan and is not only willing to provide the technical expertise for exploiting these resources but also help in financing it. Lately, on 8th November 2014, MoU on financing for both the projects was signed in presence of Honorable Prime Minister and Chinese President. The presence of both gentlemen greatly enhanced the profile of the projects and significant progress has been made on the financing front.A series of meeting was held with Chinese Authorities - NEA (National Energy Commission) and Sinosure in Beijingto resolve Chinese financing issues.

For mining project, USD ~600M financing is being sought against Sovereign Guarantee for which indicative term sheets for financing of USD ~400M have been received from leading local banks. The balance amount will be financed through Chinese banks for which discussions are underway. For the power project, USD ~ 800M financing is being sought backed by Sinosure Coverage, IA and PPA. Majority of this loan will be raised from China for which discussions are in advanced stages. Equity requirements for both projects are already complete. SECMC is confident that with continuous support from both federal and provincial government they should be able to achieve financial close by April 2015; and gird synchronization is expected by early 2018.■

Engro's $135 million LNG project ready to take-off

Engro's Elengy Terminal (Pvt) Limited (ETPL) said the $135 million liquefied natural gas (LNG) terminal is ready to start up provided the government strikes liquefied gas import deal, a senior company official said. "The terminal has been completed in a record time and now we are waiting for the government to finalize LNG procurement deal," Shaikh Imran-ul-Haq CEO of ETPL said. "If the commodity is not delivered by March 31, 2015, the government would be liable to pay the capacity charges." The FSRU Exquisite, the floating storage and re-gasification vessel is anchored at Dubai Dry docks and will be ready to make sail by March 15, 2015. As per the agreement, the government will have to pay $272,000/day for not importing the LNG by March 31. The government has so far virtually failed to ink an LNG deal with any country, including Qatar.

Industry officials said international dealers are hesitance to supply LNG to Pakistan for power sector, which is virtually hit by circular debt and IPPs are not willing to make an agreement with LNG supply for back to back L/Cs. Talking about their bid regarding second FSRU terminal at Port Qasim, Haq said they were hopeful about the result. He said that LNG import was inevitable for the country as it would address several energy scarcity issues.

"Given the energy demand of the country, only LNG import would not be sufficient. Pakistan will have to import other commodities also to streamline its energy mix," he added.

Engro's LNG terminal is completed even before the financial close. Engro Corp funded this project under bridge loans. However, recently Asian Development Bank (ADB) has approved a $30 million project loan for the terminal.

Haq informed that the money would be transferred to them by early next month, which would have to be retired in 8-10 years.

Along with ADB's loan, International Finance Corporation is expected to fund 15 percent of the project cost and local banks will finance around 35 percent. The rest of the project financing will come from equity proceeds, for a total cost of around $135 million.

The fuel, suitable for use at most of the country's combined cycle power plants, will be supplied to Sui Southern Gas Company's gas distribution network via a new high pressure pipeline.

The plant has the capacity for re-gasification of up to 600 mmcfd. The government had tendered for its requirement of 200 mmcfd but Engro has developed a surplus capacity setup.

Engro is in negotiation with other parties for the utilization of its surplus capacity.

SSGC has tendered for another terminal at Port Qasim, while a consortium of three investors is developing plans for another facility in nearby Karachi.

Pakistan urgently needs to utilize its existing power generation capacity fully, while reducing its reliance on costly imported diesel fuel for electricity generation.

Re-gasification of LNG will allow generation facilities to reach their maximum potential, using a cleaner and more efficient fuel, and will support the country's push for greater energy security and diversification.■

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EU & IRP hold Seminar on Renewable Energy Technologies

National Forum for Environment & Health (NFEH), Energy Update (EU) and Institute of Research Promotion (IRP) has organized 3rd Seminar on renewable energy technologies at Punjab University, Lahore. The objective of the event was to enhance research and development promotion of local technologies in renewable energy sector, strengthenning of academia and industry linkages, awareness and knowledge sharing renewable energy experts industry Kazi Zulqardar Siddiqui, CEO, EEE, Asif Malani Director Powerex, Shahid A. Khan, Director Global Pakistan, Abid Shirani, DG UMT Lahore. Engr. Faiz Bhutta, Director Solar Institute presented energy projects and discussed energy crises, solutions and engineering development in the country. Naeem Qurehi, Managing Editor, Energy Update and President NFEH briefed about the seminar and role of energy update. he appreciated role of IRP and Pakistan Science Foundation for promotion of local technology and rsearch and developement project in Pakistan. Later on, Abid Shirani presented crest to the speaker and organizers.■

Coastal Pollution - A Serious Food Security and Health Risk

The 13th meeting of National Coordinating Body of Mangroves for the Future Programme (MFF) Pakistan was held in Karachi today. The meeting was chaired by the Secretary, Ministry of Climate Change, Arif Ahmed Khan and attended by Aban Marker Kabraji, Regional Director, IUCN Asia, and representatives of the provincial government agencies of Sindh and Balochistan, the private sector, NGOs, academia and research institutions. In his opening remarks the Secretary termed unabated coastal pollution as a serious health risk posed by the bioaccumulation of chemical pollutants in the food chain. He stressed the need for addressing this issue on an urgent basis through policy implementation and mega sewage treatment schemes. He termed current efforts as insufficient and underscored the role of coastal government agencies in this respect. He also called for steps to integrate environmental concepts into existing academic curriculums

Aban Marker Kabraji, Regional Director, IUCN Asia, explaining the levels of pollution along the Karachi coast, said that due to increased pollution along the coast, marine animals such as shellfish and crabs when eaten pose serious health risks to human as they absorb most of the pollution coming into the sea. Explaining an MFF-funded crab-fattening project, Ms. Kabraji said, "There is considerable potential in Pakistan to promote organic seafood farming through private-sector engagement and linking producers with international buyers to generate price premium for the coastal communities through such ventures. She cited the successful Vietnam model which provides insights into such successful collaborations.In support of the views expressed by the Secretary, she suggested that the MFF Programme could help in building capacities of local tertiary institutions in offering courses in Integrated Coastal Management, through the support of IUCN regional experts. She highlighted the significance of investing in coastal resources management and integration of gender aspects into project-planning so as to encourage greater involvement of women in the decision-making process. Syed Mahmood Nasir, Inspector General of Forests informed that under the international conventions Pakistan was obligated to establish Marine Protected Areas. but Pakistan still lagged behind several countries as there was not a single marine area designated as protected in Pakistan. Ghulam Qadir Shah, National Coordinator MFF Programme presented details of the progress made under MFF in Pakistan and the programme's future plans.■

12th ITIF Asia 2015: Expert for energy commission to chalk out national plan

Proposing the privatization of power generation companies, the energy experts at energy convention 2015 called for formation of a permanent Energy Commission in the energy-scarce country. The 12th ITIF Asia 2015 International Exhibition and Conferences was inaugurated by CEO TDAP S.M Munir here at Karachi Expo Centre, as at least 47 delegates from 11 countries attended the event. According to the event's organisers, Ecommerce Gateway Pakistan, more than 104 international and domestic exhibitors have displyed their products and services at the exhibition. Several visitors, mostly from corporate sector witnessed the three-day event. "A permanent Energy Commission should be constituted and it should work for a national (energy) plan," said Kalim Siddiqui, chief executive officer of REHKAL Oil. Instead of a dozen different agencies the country should have an energy ministry which could under one umbrella remove all bureaucratic hurdles to facilitate the industry stakeholders. The energy situation in Pakistan, he said, was not very good and required the government to diversify its source of fuel to generate cheap energy through shifting to renewable energy.CEO TDAP S.M Munir welcomed what he said 47 foreign delegates from 11 countries to the international conference and exhibition. The TDAP chief observed that the global dimensions of alternative energy generation were fast changing. He expressed his aggressive support to local and international efforts to generate renewable energy in Pakistan. The world, he said, had posted a tremendous growth in renewable energy the investment profile of which had swelled to $480 billion in 2014 from $322 billion a couple of years back.■

The Secret to an Efficient Team?

At first glance, the workplace-where we devote long hours, develop important relationships, and regularly participate in teamwork-seems an unlikely candidate for the title of World's Least Appreciative Environment. But in reality, the speed at which we move through our daily motions, a lack of understanding around individual talents and contributions and a bad tendency to attribute the bulk of credit to people at the top puts gratitude in meager supply. In short, everyone loves to be thanked, but no one really prioritizes it. Here are our three favorite gratitude exercises, backed by research, for getting it done.

1. Make a gratitude list: A popular piece of research of SMU evaluated the impacts of gratitude by studying three groups of people; instructing one group to write daily about anything, one to write daily about bad or negative experiences, and the last to make a daily list of things for which they were grateful.

2. Create an environment of thankfulness: In 2010, a study explored how gratitudemotivated pro-social behavior-or in other words, how thanking someone for something motivated future acts of support. After being thanked for their personal contributions, participants in the study experienced increased feelings of value and worth, which in turn more than doubled their likelihood of repeating that helpful behavior. For everyone, this study unveils an easy way to support the self-esteem of your colleagues.

3. Acknowledge every contribution: Like this article by Berkeley's Greater Good Science Center points out, every organization has its glory hogs. Founders get most of the credit at startups, performers get most of the credit for great Broadway shows (and so on), but neither of these roles can be successfully performed without immeasurable support from others. Groups or individuals in highly visible, oft-thanked positions aren't necessarily at fault, they just absorb the bulk of the limelight due to human laziness.■

President of FPCCI Mian Mohammad Adrees met President of Moroccan Federation of Chamber Mr. Hasan El Berkni who is leading the Moroccan businessmen delegation attenting EXPO Pakistan.

Dr. Mirza Ikhtiar Baig presenting his book to the federal minister for Commerce Engr. Khurram Dastgir and Leader of Opposition Khurshied Ahmed Shah at the launching ceremony of his biography.

National Disaster Management Authority Chairman Maj Gen. Asghar Nawaz Aamer Khanzada, cutting the ribbon to inaugurate the Safe Secure Pakistan Exhibition and Conference 2015 at Pak China Friendship centre.

Maj. General Shahzad Naeem Khan, GOC Malir Cantt with Make a Wish child Shoaib who became a soldier of Pak Army for a day.

COMSATS organized a roundtable on "Role of Science Diplomacy" in South, in which, Mr. Amjad Hussain Sial, Special Secretary, Ministry of Foreign Affairs, Government of Pakistan was the Chief Guest.

Syed Mazhar Hussain, PTCL Chief Human Resource Officer (CHRO) along with 2nd batch of interns at the concluding ceremony of PTCL Triple-E One year paid internship program.

Annual Youth Convention held on 4th December 2014
at Marriot Hotel, Karachi.
Chief Guest
Gen. (R) Pervez Musharraf
Former President Islamic Republic of Pakistan

Youth Convention Hopes & Challenges - 2015
held on 15th January 2015 at FTC Auditorium, Karachi.
Chief Guest
Dr. Ishrat-Ul-Ebad Khan
Honourable Governor Sindh

Peace Convention - 2015
held on 19th February 2015 at FTC Auditorium, Karachi.
Chief Guest
Abdul Sattar Edhi
Founder and Head of the Edhi Foundation

Youth National Energy Conference

Youth Road Safety Conference
think and drive

Youth Leadership Conference

Youth Disaster Management
Workshop & Training

Youth Parliament
Youth for Fun

Youth Parliament
Youth for Smile

Youth Parliament
Youth for Awareness

Youth Parliament
Youth for Fun

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