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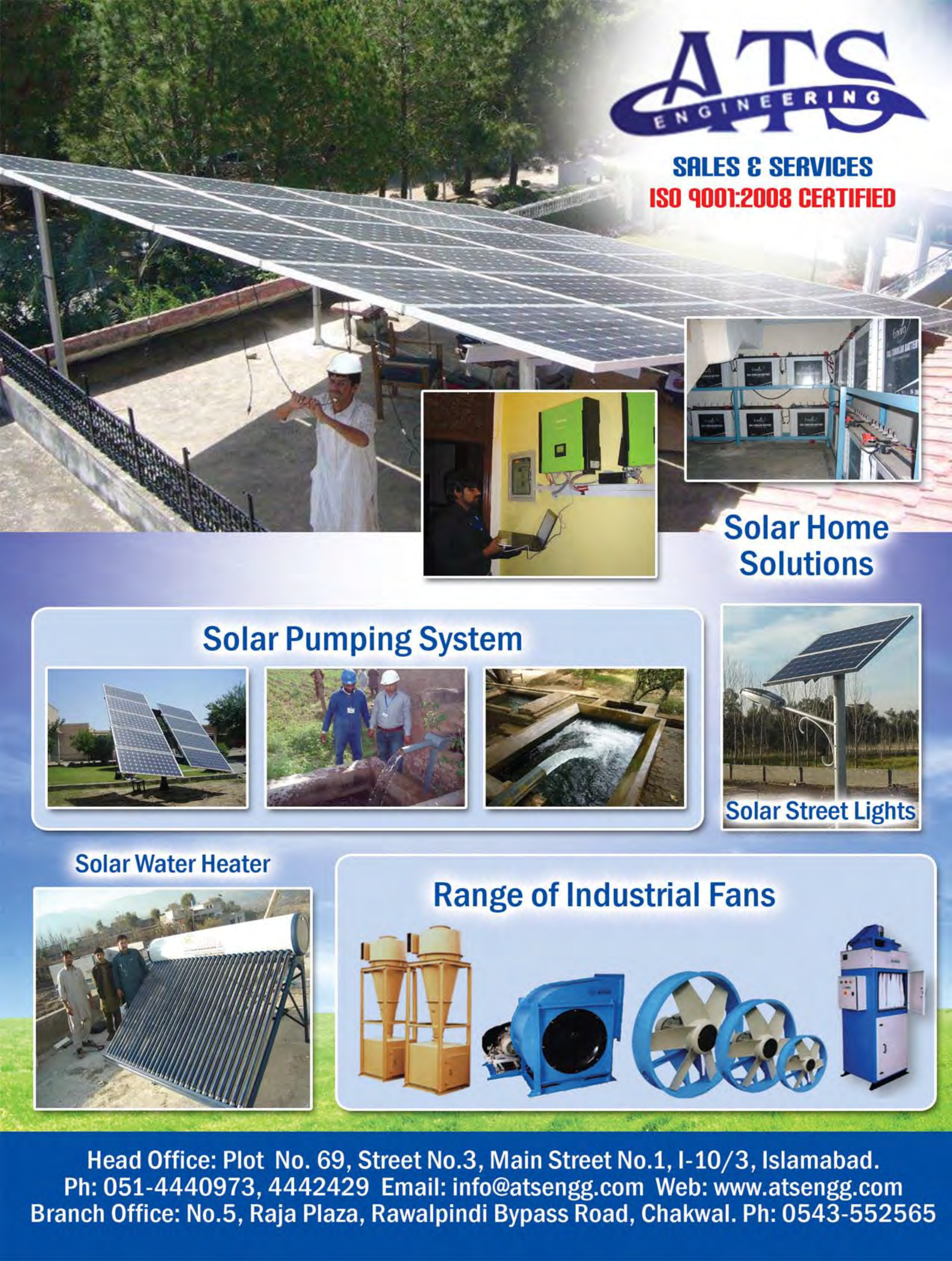
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From the editor's desk...

Privatisation of OGDCL

Though conflicting statements from the government side are being issued regarding the privatization of Oil and Gas Development Company (OGDCL), it seems inevitable that the government would go ahead with its plan to divest 7.5% stakes in the OGDCL in order to secure the next $1.1 billion tranche of the International Monetary Fund (IMF) loan.

OGDCL is another milking cow for those eyeing on its sell-out at throw away prices as done in the past with all such public sector organizations, the Privatisation Commission (PC) Chairman Muhammad Zubair has indicated the next tranche of the $6.7 billion bailout programme was tied up with the OGDCL transaction.

"Yes, it is a depressing time, it isn't the right time for a capital market transaction but the government does not have the option of postponing the deal," Zubair said. He further disclosed that the transaction would be carried out at London Stock Exchange and Karachi Stock Exchange (KSE) simultaneously. However, the change in OGDCL's share value has so far resulted in the anticipated loss of over $100 million or Rs10.3 billion.

The OGDCL transaction has been planned to arrange funds for budget financing besides shoring up foreign currency reserves that are again on the decline. The reserves held by State Bank of Pakistan (SBP) decreased to $8.568 billion by October 24 - a dip of $219 million in a single week, as per claim by SBP.

Whatever it is, the most important thing at the moment for the government is building foreign exchange reserves as the situation was precarious and urgent, he argued.

But on the other hand, the State Minister for Parliamentary Affairs Sheikh Aftab claimed on the National Assembly floor that the government has no plan to privatise OGDCL and no employee would be laid off.

On various points of orders raised by the opposition members, he said that neither OGDCL were being privatised nor any programme of workers retrenchment was on card. He said that the government was fully cognisant of the workers' rights and every step would be taken for protection of workers' rights. "Employees of the ODGCL were well aware of the fact that the government has no plan to privatise the company and that the employees were reacting just for nothing.

"Under, the Prime Minister's Vision, Pakistan will get rid of not only power load shedding forever in 2018 but also there will be chain of road networks, vibrant industries and abundant job opportunities".

On the other hand, the Peshawar High Court had already restrained OGDCL from selling shares worth Rs350 million till the next order of the court. The KPK Government in its petition has argued that the government is secretly going to sell OGDCL shares.

It is fact that after the 18th Amendment, the provincial government has 50% shares in all resources of the company but the federal government has not consulted the K-P government or brought the issue up at the meetings of the Council of Common Interest.

The OGDCL is the national oil and gas company of Pakistan and the flagship of the country's exploration and production sector. It produces 4,400 barrels of oil from different parts of the province on a daily basis. This is 50% of the oil being produced in the country.

Despite all assurances it was evident that the federal government has to sell 7.5 per cent shares of OGDCL in order to fulfill its international commitments, however, the patriotic circles in the country are extremely against the selling of any strategic resources and those public sector organizations that are sensitive in nature and should remain with the government. Nowhere in the world organizations like OGDCL, PSO, Railways, PIA, Pakistan Steel, water and power resources are allowed to be privatized as they are strategic in the defense point of view as well.

Naeem Qureshi

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By Sajid Aziz

China woo's Pakistan with investment bonanza

Would the $42 billion MoUs realized?

Prime Minister Nawaz Sharif shaking hands with Chinese President Xi Jinping at the Great Hall of the people

China has promised Pakistan an investment bonanza worth $42 billion, as Islamabad promised to help Beijing fight what it calls a terrorist threat in its far-west Xinjiang.

Prime Minister Nawaz Sharif oversaw the signing of 19 agreements and memorandums mostly centred on the energy sector as he met Chinese President Xi Jinping in Beijing recently.

Pakistan, a close ally of China, suffers from chronic electricity shortages and Islamabad has long sought investment in coal-fired power stations which it sees as a solution to the problem.

Other countries have balked from such investments, sometimes on environmental grounds.

According to the government's sources new agreements pave the way for Chinese state-owned companies to help build at least four new power stations in Pakistan, while the deals also cover the supply and mining of coal.

"The deals being signed between China and Pakistan are worth $42 billion. The whole investment is being made by China," said Amir Zamir, spokesman for Pakistan's ministry of planning and development.

"There is no loan or aid for the energy projects, but pure investment by the Chinese," he told.

Pakistan has for decades been China's closest ally in South Asia, and Beijing is a major trading partner and key supplier of military technology to Islamabad.

Pakistan borders the far-western Chinese region of Xinjiang, claimed to be a sovereign country called East Turkistan by the natives who are also struggling for the independence from China but landlocked and only have access to Pakistan and Afghanistan has seen a series of clashes and attacks on civilians that have left more than 200 dead in the past year.

Beijing blames some of the region's

List of agreements signed

1. Economic and Technical Cooperation Agreement
2. Framework agreement for concessional loan
3. Minutes of 3rd JCC of China-Pakistan Economic Corridor
4. MoU on outline of Long-Term CPEC Plan
5. MoU on capacity building for development of CPEC
6. Agreement on CPEC energy projects cooperation
7. Loan for cross-border fiber-optic system
8. MoU on surface mine in Thar Coal Field Block-II/ Engro-Thar Power Plant
9. Agreement on Suki-Kinari Hydro Power Project
10. Agreement on Muzaffargarh Coal Power Project
11. MOA on Coal Power Project at Qadarabad
12. UEP Power Project EPC Framework Agreement
13. Quaid-e-Azam Solar Energy Park
14. Implement Agreement on Dawood Wind Farm
15. EPC Agreement on open pit mine in Thar Block I
16. Coal supply contract for power plant in Thar Block I
17. MoU for thermal power assets in Pakistan
18. Agreement on Ruyi-Masood Textile Industrial Park
19. MoU on Coal Power Plant in Port Qasim

violence on an organised terrorist group it calls the East Turkestan Islamic Movement (ETIM) seeking independence for the region, home to the mostly-Muslim Uighur minority.

Whatever is the case, Nawaz Sharif has assured Xi that Pakistan would "resolutely fight the East Turkestan Islamic Movement terrorist force".

During Nawaz's trip, the two countries signed 19 agreements and memorandums of understanding mainly on projects relating to China-Pakistan Economic Corridor and electricity generation. The prime ministers of the two countries oversaw the signing of the agreements that pave way for Chinese state-owned companies to help build at least four new power stations in Pakistan, while the deals also cover the supply and mining of coal.

The deals include Economic and Technical Cooperation Agreement; Framework Agreement on Provision of Concessional Loan; CPEC Energy Projects Cooperation; Government Concessional Loan Agreement on Construction of Cross-Border Optical Fiber Cable System between China and Pakistan for International Connectivity of Voice/Data Traffic Project; and Framework Facility Agreement on Suki-Kinari Hydropower Project between China EXIM Bank and Suki-Kinari Hydropower Project.

The two sides also signed an MoU on the outline of the Long-Term Plan of CPEC, Capacity Building for Development of CPEC between NDRC of China and Ministry of Planning, Development and Reform of Pakistan, minutes of the 3rd JCC of China-Pakistan Economic Corridor, Surface Mine in Block-II of Thar Coalfield and the Engro Thar 2x330MW coal-fired power plant.

The two countries also signed the Memorandum of Facilitation Agreement on Muzaffargarh 660MW coal-fired power project between CMEC and Government of Punjab, Pakistan, MOA relating to development of 2x660MW coal-fired power project at Qadarabad, Sahiwal, 99MW UEP power project EPC Framework Agreement, Quaid-e-Azam Solar Energy Park 900MW solar power station project between ZTE Energy and Government of Punjab, Implement Agreement on Dawood 50MW wind farm between Hydro China Corporation and AEDB Pakistan, EPC Agreement of 6.5 Mt/a open pit mine in Thar Block I, Coal Supply Contract under the Project of Integrated Mine Mouth Coal Power Plant in Thar Block I and MoU for Development of Thermal Power Assets in Pakistan.

Pakistan and China also signed Framework Agreement on Ruyi-Masood Textile Industrial Park and 2 x 135MW self-generation coal-fired power plant between Industrial & Commercial Bank of China (ICBC) and Ruyi-Masood Textile Company of Pakistan and MoU on coal-fired power plant in Port Qasim.

According to Minister of Planning, Development and Reforms Ahsan Iqbal, the cumulative value of deals struck in Beijing will be $45 billion including $34 billion energy and $11 billion infrastructure projects.

The interesting part of the deals was that the most of the agreements were not agreements in real term but were memorandum of understanding that do not have any legal value. Many would recall that former Prime Minister Benazir Bhutto in her second term had done a spree of foreign visits and made tons of agreements (MoUs).

One can understand why those were never implemented.

With a strong hope that all these MoUs would be realized some day but apparently it seems that most of these MoUs too would remain on paper only.■

Comments:

Abbas Bilgrami
Chief Executive, Prograss

The signing of 19 agreements that will collectively lead to additional power production of over 5,000 Mw from coal, solar and wind power and related mining infrastructure, increasing cooperation between the Ministry of Planning and its counterparts in China are all good signs for the economy, if these agreements can be converted into real projects, which can produce cheaper, reliable, sustainable power based on indigenous resources then the PM's visit will have been worth it.

It is our belief that while new power plants are necessary, while we need to diversify our energy resources it is critical for us to never forget that if our total power generation capacity was upgraded and operated we could meet our energy shortfall within a shorter space of time and through a much smaller investment. However this entire exercise cannot be undertaken unless the government is willing to implement the necessary reforms and bring in the necessary legislation to move towards greater energy efficiency and conservation, self reliance and energy diversification.

The government now needs to turn an eye on the upgradation of the national power and natural gas grid without which this additional power will not be deliverable efficiently to ts markets.

So while there is a big WELL DONE to the Government, I like many other Pakistani's await to see how these agreements develop into viable power generation projects quickly.

By Sajid Aziz

OGDCL sell-off halted

How long our rulers would go for easy money?

The government has to stop privatization process of country's one of the most important assets that earning billions of rupees every year in oil and gas sector. The government has apparently stopped the sell-off of OGDCL's 10 per cent shares on the public and opposition's pressure but the real factor behind this abrupt halt was the unexpected decline in the share price of the company due to which the government's earning fell to about $100 million than what it had expected.

Another factor for this decision was the fact that not many foreign investors turned up and the Cabinet Committee on Privatisation (CCoP) had to announce 'postponement' of the transaction to another (unspecified) date after a videoconference with Finance Minister Ishaq Dar in Dubai. Whether it was unfortunate or not many people have taken a sigh of relief of the whole saga of OGDC's sell-off as they believed that our strategic assets should not be grabbed by the aliens.

Another factor was a steep fall in the price of Brent Crude in the international market. On Sept 8 this year, when the CCoP first announced that it would sell 322m shares in the OGDCL accounting for 10pc of the stake with the government, the price of Brent was $98.08 a barrel. By the morning of Saturday, Nov 8, it had plunged to $83.36 a barrel, a scary fall of $14.72, or 15pc, in two months besides a sharp drop in the stock price of the company. The Privatisation Commission of Pakistan (PC) had set the 'floor price' at Rs216 per share.

PC Chairman, Mohammad Zubair was eyeing $815m as receipts from the transaction. Due to slump in oil prices and dilution in OGDCL stock value, the sale would not have fetched even $750m, a loss of $65m for sure or Rs7 billion. Several economists and analysts believe that the government was right in putting off the sale. Besides general masses, workers' unions and even the friendly opposition, many experts and analysts believed that putting oil and gas exploration and production companies on sale was wrong in the first place.

Many others strongly believe that instead of selling this organization meant for exploration of oil and gas that is in abundant in various parts of the country, the government should strive for exploration of precious natural resources, it can earn hundred times more what it is going to make through its sell-off. How long our rulers would go for easy money?■

Comments:

Najam.K.Hyder *Former MD, OGDCL*

The process is being steered by Mr. Zubair Omar Chairman Privatization Commission, for some odd reason he likes to impersonate as Minister of Privatization which he is not as he had not taken oath as Minister. Its implications are that this puts him outside the pale of Parliamentary accountability which is necessary to ensure transparency . No amount of spin put on through TV talk shows can change it it is Privatization ie transfer of GOP assets to private sector why do they want to hide it baffles me.

This transaction has no higher objective except to help balance of payment situation and full fill IMF covenants . It is a stop gap arrangement as no structural reforms are on the horizon this is very short sighted approach to solve this problem. It has not been made public that the funds so raised represent how many years of cash flow from OGDCL operations. No indication as to utilization of these funds. The timings of the transaction is wrong it is universal principle that you try to sell when market is going up and buy when it is going down. Right now oil markets are going down due to downward slide in oil prices so we are not going to get optimum value.

I accept that it is not the business of the government to do business but before we act on it we must determine what is the business of the government . In our case the governments has abdicated all its responsibilities be it law and order, health, education etc.

Abbas Bilgrami *Chief Executive, Progass*

The Privatisation of OGDCL if it brings in greater investment creates employment for those communities where extraction is taking place and provides greater social spending where the oil and gas is being produced will be a good thing for the country. However the privatisation of national assets just because they have not been managed properly due to political interventions will lead to national assets being sold off for a fraction of their real value. Privatisation like nationalisation must not happen unless there has been a fulsome debate about it and finally agreed that privatization or nationalisation is in the national interest. It is my personal view that the privatisation of any state asset must meet all the criteria and OGDCL certainly does not meet any of the above objectives in any way.

By Ismat Sabir

Circular debt becoming a "big trap"

IPPs continue to threaten the government

As the electricity shortfall reaches 4,000 megawatt the circular debt has become a nightmare for energy-starved Pakistan. A massive amount has been accumulated and IPPs (Independent Power Producers) are once again haunting the government to pay them an amount of Rs150 billion immediately against the total amount of Rs210 billion.

The total electricity generation in the country is estimated at 14,645 megawatt against a demand of 18,541 megawatt. If IPPs are closed, due to shortage of funds, the deficit would increase from 3,896 to 7,896 megawatt and there would be an unprecedented rise in load shedding in the country. Due to nonpayment of dues, some IPPs were already threatened to close down their units and country has to lost 2,500 megawatt generation capacity and further closure of plants would result in massive increase in outrages.

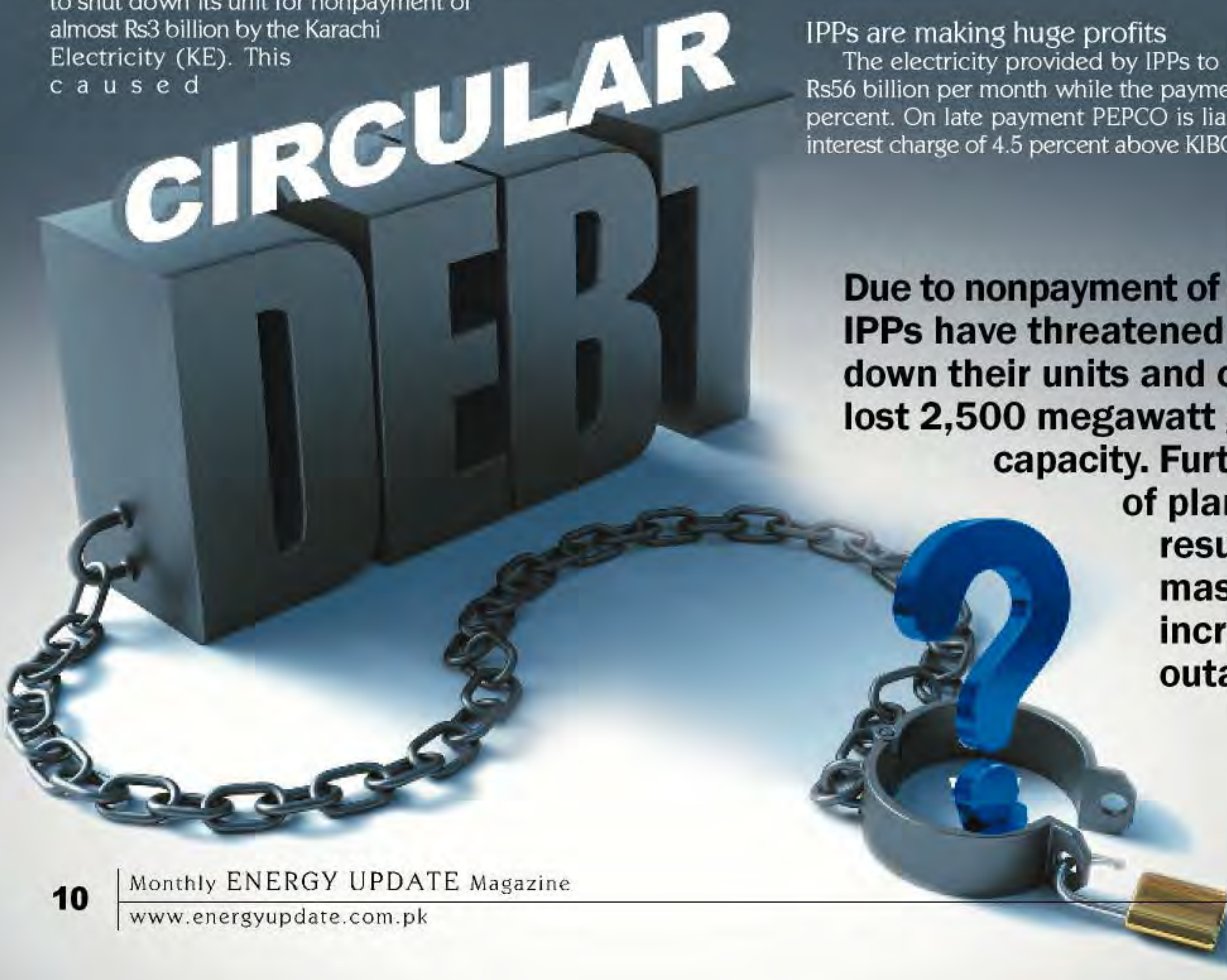
Moreover, Gul Ahmed Energy was also thinking to shut down its unit for nonpayment of almost Rs3 billion by the Karachi Electricity (KE). This caused defaults with their banks and also restricted the supply of power due to non availability of fuel.

The IPPs said mismanagement in the public sector is creating difficulties for them and the units have no option but to close their operations due to paucity of funds. In its failure to pay the IPPs on time, the federal government had to pay Rs26 billion under the head of additional interest last fiscal year.

The IPPs have entrapped the nation, while they claim to be facing financial crunch on the other hand, they are facing shortage of funds but as a matter of fact IPPs are making huge profit due to which the government is compelled to extend subsidy and consumers are paying high tariff. The government has injected Rs1 trillion in the power sector during the last three years on account of subsidy and line losses. Rs190 billion was to be spent in 2011-12 on subsidy, as against the budgeted amount of Rs81 billion.

IPPs are making huge profits

The electricity provided by IPPs to PEPCO is billed at Rs56 billion per month while the payment is less than fifty percent. On late payment PEPCO is liable to pay a penal interest charge of 4.5 percent above KIBOR which was Rs26



Due to nonpayment of dues, some IPPs have threatened to close down their units and country has lost 2,500 megawatt generation capacity. Further closure of plants would result in massive increase in outages.

billion during the last fiscal year. The government's decision not to pass on the difference of Rs2 per kwh between the determined and applied tariff to consumers is resulting in a huge subsidy of Rs190 billion per annum. Due to various structural and governance issues of PEPCO another burden of Rs170 billion per annum is added. Both these factors cause total loss of about Rs350 billion per annum to the national exchequer.

Finance Minister said that signing of a Memorandum of Understanding (MoU) may not create a binding obligation on Government of Pakistan. It may be ensured that there should be no investment between signing of MoU and Implementation Agreement (IA). The agreements must be clearly spelt out and be based on upfront tariff determined by Nepra.

IPPs had refused to produce electricity unless PEPCO cleared its dues. PEPCO's circular debt is already above Rs280 billion. The power shortfall was above 6,000 megawatts because of PEPCO's failure to pay the IPPs.

Side Agreements with IPPs

The stakeholders finalized the following recommendations for ECC:

(i) In case of delayed/nonpayment by NTDC, the IPPs will not suspend their operations due to non availability of fuel until the quantity of fuel equivalent to 90 days (for RFO based IPPs) or 33 days (for gas/HSD based IPPs) full load operation of the plant, is exhausted;

(ii) In case the payments to IPPs are delayed to such an extent that the threshold point is reached, the IPPs will be deemed available, subject to the condition that the plants are available for dispatch at their declared available capacities but are not able to dispatch due to non availability of fuel, solely caused by nonpayment by the power purchaser.

The IPPs will be eligible to receive capacity payments for such declared available capacity. IPPs will neither issue notices for payment in the event of default to the power purchaser, due to delayed/nonpayment of energy payments, nor call the GoP guarantee for the same; provided the IPPs right to issue default notices to NTDC under the PPA and make a call on the GoP guarantee for energy payments, shall be restored after the expiry of sixty days.

(iii) Policy guidelines may be issued by the ECC to Nepra for enhancement of working capital component of the capacity payment for the IPPs to cover (a) the fuel cost at full load as in and (b) adjustment of the working capital component of the capacity payment based on variation in the fuel price on monthly basis in addition to quarterly Kibor indexation already provided in tariff determinations.

(iv) Subject to approval and implementation of these recommendations, IPPs will not be entitled for delayed payment interest on the delayed energy payments. However, delayed payment interest and all other remedies will be applicable to delays in capacity payments as per the PPA.

(v) Nepra will be required to issue its determinations in relation to above within 60 days of the ECC decision.

(vi) NTDC will pay the deemed capacity payments in the interim.

(vii) These recommendations were applicable from October 16, 2011 to those IPPs which opt for this mechanism and sign a separate side agreement with the NTDC.

However, the IPPs had refused to produce electricity unless PEPCO clear its dues. PEPCO's circular debt is already above Rs280 billion. The power shortfall was above 6,000 megawatts because of PEPCO's failure to pay the IPPs. The PEPCO authorities were forging the figures to show extra demand instead of admitting the real cause of the shortage. For instance, on a Sunday, electricity consumption dropped because almost all offices were closed, but even then figures issued by PEPCO showed high consumption. According to PEPCO, the power demand on Sunday was 18,544MW with generation of 12,600MW, showing a shortfall of 5,440MW. The IPPs produced 5,205MW, while thermal and Hydel generation was 1,256MW and 5,995MW respectively.

The figures are unreliable because 18,544MW was peak time demand when industries were working and air conditioners are fully operational, which was not the case on Sunday. Actually PEPCO was trying to hide its incompetence behind wrong figures. The power demand remained at 16,500MW while production dropped to 10,500MW. The production through IPPs was just 3,500MW while PEPCO claimed it was 5,200MW indicating that only 60 percent of power houses were working while the rest had stopped producing electricity, which was causing the long hours of load shedding.

The nine power plants, Atlas Power, Attock Gen, Halmore Power, Liberty Power Tech, Nishat Chunian, Nishat Power, Orient Power, Saif Power and Sapphire Electric Company served notices to the government for nonpayment of their dues. The government has assured them of clearance of Rs8.5 billion capacity payments before September 29, around Rs400 million daily charges and other dues by October 14. The IPPs' refusal to produce power has led to increase outages across the country, and many parts of Lahore, Islamabad, Rawalpindi and Karachi remained without power throughout the day.

The notice served to the government by the IPPs for invoking sovereign payment guarantees has finally forced the authorities to enter into a fresh agreement with these IPPs for the settlement of their receivables and avert the possibility of closures. According to the revised terms and conditions, the government has agreed to pay Rs8.5 billion and restored normal daily payments of about Rs200 million, while IPPs have withdrawn sovereign guarantee notices against the government as a part of the new deal.

Under these notices, the government had been given 30 days time until September 25 to pay about Rs31 billion and another Rs14 billion by the next month to avoid encashment of its sovereign guarantees. In a normal situation, the government should have realized the gravity of the crisis before or on receiving the notices and should be taken the necessary action steps to clear the dues in time with the added precaution that such a critical situation was avoided in future. In September 2011 the usual daily payment was Rs200 million to IPPs. This has put the affected IPPs in a serious trouble as their credit limits with the banks had exhausted and they were no more able to service their debts and keep their plants operational. The government could also not afford to keep the matter pending for a longer period. Sovereign guarantees would further be affected its credibility and loss of energy due to the closure of the IPPs concerned.

The government has committed to pay the remaining amount of Rs26 billion by October, except for the aforementioned provisions, other terms under the Power Purchase Agreements (PPA) with the nine IPPs would remain intact. An official statement issued by the Ministry of Water and Power said that detailed discussions were held with Pepco, PPIB and representatives of IPPs to find a way out to amicably resolve the issue so that plants of the IPPs remain operational and GoP sovereign guarantees are not called to enforce the payment issue. The Ministry of Finance have revealed that Pepco will borrow from banks to make payment to IPPs but, banks were reluctant to lend the required amount as their exposure in the power sector has already reached 30 percent of investment.

WB interest in energy sector

Pakistan's $11.3 billion World Bank program was to conclude on September 30, The Fund was to provide technical assistance on matters of interest to Pakistan. The reforms include domestic tax mobilization, which includes self sufficiency and allowing greater space for the private sector to make them more competitive. The World Bank agreed to provide IBRD financing that will help Pakistan in completion of Tarbela-IV Project that will add 1300MW power generation capacity.

Pepco has stopped payment to nine IPPs angered against its decision to issue sovereign guarantee notices to the government of Pakistan. The nine IPPs, which served notices, include Atlas Power, Attock Gen, Liberty Power Tech, Nishat Chunian Power, Orient Power, Nishat Power, Sapphire Electric Company, Halmore Power and Saif Power.

The percentage of power generation from gas is considerably less than before, compelling the IPPs to use diesel, instead, to avert default on capacity payment, which

is $160,000 per day. About one billion rupees are daily added to the circular debt which cannot be managed until government transfers this amount to the books of NTDC and ensures payment to PSO and IPPs; otherwise they were to approach the courts, as per the Power Purchase Agreement.

Eight IPPs have served another notice to the government on fresh dues of Rs14.79 billion that were overdue on 1st September, increasing their overall dues to Rs45.95 billion. The notice stated that if the payments are not made within 30 days the IPPs will have no choice but to demand call the sovereign guarantee. The fresh notice is the extension of their already served 30 day notice to the government for immediate release of their overdue amount of Rs31.16 billion on 25th August and 10th September.

The IPPs which were served notices on the power purchaser and the government are Atlas Power, Attock Gen, Liberty Power Tech, Nishat Chunian Power, Orient Power, Nishat Power, Sapphire Electric Company, Halmore Power and Saif Power Limited. This adds into over Rs11 trillion debts that have increased from Rs5 trillion over the past four years without creating assets.

IPPs claimed that PEPCO, instead of clearing their dues, is penalizing the power producers, this would aggravate the energy crisis further.

The IPPs complained that they are paying the price for threatening to call the sovereign guarantee of the government of Pakistan assured in the contract between PEPCO and IPPs and guaranteed under Implementation Agreement by the government.

The details of the dues of the IPPs include Rs7.178 billion to Atlas Power Company that include previous noticed overdue amount of Rs4.569 billion on August 25 and Rs2.579 billion power supplied in subsequent month. PEPCO owes Attock Gen Limited Rs9.61 billion, Rs7.76 billion plus Rs1.84 billion, Liberty Power Limited dues were Rs4.186 billion on August 25 plus Rs2.555 billion additional bills after that Overall dues of Nishat Chunian Power Limited have exceeded Rs6.6 billion, Orient power Limited has to recover overRs3.8 billion, Nishat Power Limited Rs6 billion, Sapphire Electric Company Limited dues were more than Rs1.48 billion on August 25 and has not supplied power since then. Halmore Power Limited has to collect over Rs1.2 billion from PEPCO while the total dues of Saif Power Limited exceed Rs3 billion.

Electric Power Company usually provides almost half of the fuel cost as normal daily payments. This appears to be a deliberate attempt to push the IPPs into default in power generation to charge $150,000 per day from each producer as penalty.

Some of the IPPs were owned by banks and there was no issue of default. Timely payment of their outstanding dues, the government and IPPs were aware about the efforts to resolve the issue. Dues of Rs140 to Rs150 billion against similar installment amounted dues to local banks can be seen to PEPCO's balance sheet. The electricity crisis in the country has been exacerbated with the Rental Power Plants operating at less than 50 percent of their actual capacity since the government is finding it hard to make payments for fuel that is required to produce more electricity. The circular debt has further hampering the economy with power distributors such as the KE, Pepco, Hubco and state owned fuel suppliers like PSO and partially state owned Pak Arab Refinery (PARCO) being ensnared in the 'circular debt' trap.

In short, there is a general thinking that the only way to resolve the crisis was to ensure that the government should pay for what it gets otherwise they could not continue power generation. If there is no

A talk with APTMA Chairman

Power tariff is highest in Pakistan: S.M.Tanveer

By M. Naeem Qureshi & Zeeshan Ali

The Central Chairman All Pakistan Textile Mills Association (APTMA), S M Tanveer has disclosed that the government has increased power tariff by around 67 per cent for textile industry in one year, which has also been burdened with cross-tariff subsidy despite the nearly zero line losses on textile industry feeders.

Talking exclusively to Energy Update, ATMA Chief said that Pakistan is on the top in terms of electricity tariff for industry in the region. The cost of electricity for industry comes around 15 cents in Pakistan, which is costlier in comparison to the regional competitors including India, Bangladesh and Sri Lanka, he informed.

The imposition of global line loss figures on textile industry has increased the electricity cost by 67%. While linked with gas shortage, the Punjab-based textile mills are paying Rs100 billion additional under the head of energy costs against other provinces, he said in reply to a question.

S M Tanveer said this phenomenon has already brought the country's exports down by $1 billion in last five months. The country may lose $2.5 billion exports in total in case the prevailing energy shortage continues for Punjab-based textile industry.

To a question, S M Taveer pointed out that 80% of Pakistan's textile industry is based in Punjab. High energy cost has rendered 40% capacity closed throughout Punjab. Resultantly, hundreds and thousands of textile workers have been laid off, he said, adding that more workers would lose their jobs if the government did not give priority to industrial sector, particularly textile industry. Tanveer asked the government to take initiatives for uninterrupted power and gas supply at affordable as well as regionally competitive rates.

Answering a query relating to Punjab Industrial Estates (PIE), S M Tanveer, who is also the Chairman of Punjab Industrial Estates Development and Management Company, said that PIE is dedicated to bring about a meaningful change through rapid industrialization of the province, saying that PIE has become a significant benchmark for industrialization in Punjab. He said that Punjab Industrial Estates Development and Management Company has achieved many landmarks of excellence in the recent months. The credit for this goes to the joint efforts of the industrialists investing in our industrial estates and untiring efforts of the PIE management. "We have to endeavour on two fronts; first, to provide maximum help to genuine industrialists and secondly to urge those who are lagging behind to put up industry. The continuous colonization drive has been a step in the same direction." "Today PIE has Rs2.25 billion cash, which is testimony to the fact PIE is a role model for industries not only in Punjab but all over Pakistan", Tanveer claimed.■

About APTMA:

All Pakistan Textile Mills Association (APTMA) is the premier national trade association of the textile spinning, weaving, and composite mills representing the organized sector in Pakistan. APTMA emerges as the largest association of the country as it represents 396 textile mills out of which 315 are spinning, 44 weaving and 37 composite units. These spinning mills have production facilities of texturing, mercerizing and dyeing of yarns; weaving mills have sizeable number of airjet looms, and the composite mills have manufacturing facilities from spinning to finished textile products under one roof. The total installed capacity of APTMA member mills accounts for 9,661,366 spindles, 61,608 rotors, 10,452 Shuttleless/Airjet Looms and 1897 conventional looms. The Association's members produce spun and open-end yarn, grey, printed dyed fabrics and bed linen.

By Farhat Ali

Availability, affordability of natural gas

We talk much about the power crisis but equally important is availability and affordability of gas, which across the world is a prime source of fuel to run power plants, industry and homes. Pakistan is among only a couple of dozens or so countries that are blessed with a fairly substantial availability of natural gas. It was first discovered in 1953 at Sui amidst countrywide celebrations. It was readily made available in abundance to the public in the mid 1950s. Today the Sui fields, once the pride and energy lifeline of the country stands depleted by 70%. It is estimated that only 2.3 TCF is remaining. Likewise, the capacity of Badin Gas fell from 170 mmcfd to 80 mmcfd and same is the case with other fields as well.

For the first few decades, its use was primarily limited to household consumption as a replacement for coal and wood. Its network was extended to the doorstep of consumers. Its affordability was so attractive that people let it burn the whole day rather than waste a stick of match to light it again, a criminal waste when viewed in retrospect. Even today when gas is much needed for our power plants and industry it continues to be wasted in household cooking, water heating geysers and the recent trend in Pakistan of heating the house with hot water radiators fed through mini boilers.

With the development of Industry in Pakistan from 1960 onward, the consumption of natural gas extended to industrial use and in 1990's to power plants in the public and private sector as a very cost-effective and environment-friendly fuel. In the 2000s, its use as CNG was extended to the transport sector, which added significantly to the overexploitation of natural gas. It was only by 2012 that we realised these blunders but by then it was too late.

In short, the availability of natural gas as a self-sustainable national asset was criminally exploited by all segments of our society, for which the successive governments' regulatory entities are equally responsible as they played no role to effectively regulate it and appropriately price its use. If this recklessness was arrested in a timely fashion, today, ample natural gas would have been available to run power plants to provide sufficient, affordable and environment-friendly power to the nation. An availability of 700 mmcfd alone could have injected an additional power of 3000 MW at a low cost of Rs 5/unit vs Rs 18 on fuel oil and Rs 22 on HSD.

We talk much about power theft but not enough about gas theft. Gas theft has now reached the same level as power theft if not more. It is estimated that gas transmission losses (thefts) are over 20%, mostly by the industries and their gas-operated captive power plants. There is neither public awakening nor any eagerness shown by regulatory authorities to stem the increasing trend of gas theft. The violators are let off too easily.

Gas enhancement and greenfield projects like Qadirpur gas field, Swan, Uch, Sinjhoro and Kunhar were initiated in the mid 2000's to inject into the system around 500 mmcfd of gas to close the supply and demand gap but have not proved to be sufficient enough. Also, some investments have been made in offshore gas exploration. There are 15 offshore wells but as to date no feasible recovery has been made although the geological survey suggests promising prospects.

Since 2009 not much investment has taken place in the exploration of new natural gas fields due to non-availability of funds in the public sector on account of circular debt while the private investor is reluctant to invest on account of the law and order situation, which is of prime concern in remote areas where they need to operate. On an average one gas field needs around USD 200 million of investment, whereas, one offshore well costs USD 80 million and takes 5-6 years to develop.

Natural gas in Pakistan continues to be the cheapest source of energy with the weighted average

Gas supply distribution comprises:

Domestic 19 % (inclusive of water geysers & house heating boilers)

Power Sector 27% (reduced from 39% in 2006)

Industry 23% (inclusive of captive power plants)

Fertiliser plants 18% (of which 14% is feed stock gas for urea)

CNG Transport 9% (can be replaced with LPG)

The natural gas production and consumption province wise is:

	Production	Consumption
Sindh	69%	43%
Punjab	5%	46%
KPK	9%	4%
Baluchistan	18%	7%

cost of around USD 3.5/mmbtu against the world average of USD 4/mmbtu. Also, the 18th Amendment has made things a bit more cumbersome with sharing between provinces and federal government stated to be on 50 / 50 basis. The royalty paid by the investors to the provinces at present is 12% in line with the global benchmark of 12%.

Foreign investors do rate Pakistan's exploration and investment policies in oil and gas sector as one of the best in the world. This is the reason that the world's leading gas exploration companies have had a strategic presence in Pakistan since the past several decades. They experienced good well-hit rates and achieved significant profitability. An investor looks at two things - the profitably on investment and the security of the investment. While profitability is there, security has been the major issue for quite some time now.

Since the exploration and pluck rate in Pakistan has been outstanding, notwithstanding the fact that low-hanging gas fruits have been plucked in the last six decades, there is still optimism that once the irritant of security is removed, foreign and local investors will again form a beeline to get back in the game. Their aim will be balancing the higher costs with new tariffs, which in the last one year have escalated by 35% and will increase more as per the agreement with the IMF.

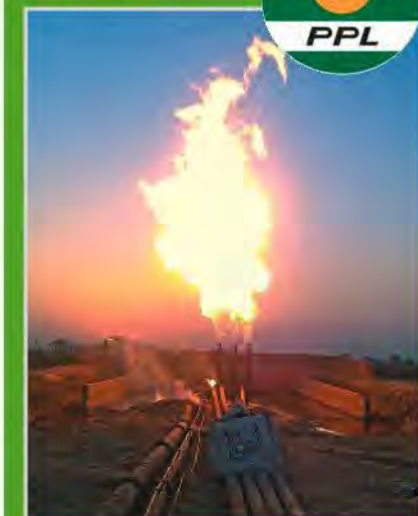
Ironically, the public sector organisations not affected by circular debt have ill-performed in the last several years. Oil & Gas Development Company Limited (OGDCL) is one of them. It is infected with inefficiency and nepotism and is too frequently involved in litigation with contractors and unsuccessful bidders backed by powerful vested interests. Mashal Gas Project is one such example of being a victim of litigations driven by vested interests. The natural gas shortfall in the Sui Southern Gas Company (SSGC) and Sui Northern Gas Pipelines Limited (SNGPL) network is 50% in winter months and 30% in summer time which translate to 1800 mmcfd and 1000 mmcfd respectively. This is quite a substantial shortfall and cause of great concern. While gas production is depleting, demand is rapidly increasing all the while. Experts fear this gap will become unmanageable by 2017. Gas is 48% of Pakistan's total energy needs and is the major part of our energy mix.

The government has no strategic road map to overcome gas shortfall. At best, they are feebly managing it on an ad hoc basis by implementing a rotation system for gas availability to CNG stations, industry and power plants, much like a single fire truck trying to douse fires in multiple houses, and to make it worse the allocation of gas is driven largely by vested interests and political considerations.

To close the gap between demand and supply of gas the government has been considering a number of options since the last 7 years but nothing substantial is on ground as yet, which is a testament to the extremely poor governance in the energy sector of Pakistan. There is, however, a temporary bandage that can be applied to this serious wound, ie, the import of LNG to fill in the gap. ■

(The writer is Chairman Avant Ventures and former President OICCI & ABB - Asea Brown Boveri)

PPL announces fourth discovery in Gambat South



Pakistan Petroleum Limited (PPL), operator of Gambat South Block, with 65 percent working interest (WI) along with its joint venture partners Government Holdings (Private) Limited and Asia Resources Oil Limited with 25 percent and 10 percent WI, respectively, announced another gas-condensate discovery from exploratory well Kinza X-1 in District Sanghar, Sindh. This is the fourth discovery in the block after Wafiq, Shahdad and Sharf gas-condensate discoveries.

Exploration well Kinza X-1 was spud on July 28, 2014 and reached the final depth of 3,695 meters on September 13, 2014. Based on wire line logs, potential hydrocarbon bearing zones were identified in the Massive Sand of Lower Goru Formation, which are under testing. Initial testing flowed 12 MMscfd gas along with condensate at 48/64" choke size, thereby confirming the presence of commercial quantities of natural gas and condensate at Kinza X-1. The expected output from the well will translate into approximately 2,100 barrels per day in oil equivalent and foreign exchange saving of USD 200,000 per day.

However, the well is being flowed at different choke sizes to measure gas flow rates and the actual flow potential will be determined after completion of the test. ■

By Engr Hussain Ahmad Siddiqui

Rising electricity load-shedding

THE power deficit in the national network is currently recorded at 6,000MW, and the power supply-demand gap is likely to widen in the coming months due to fast-growing demand for electricity.

The masses - already over-burdened with highly inflated electricity bills - have to brace with 12-hour load-shedding on a daily basis in major cities, including Islamabad and Lahore, while small towns and rural areas face up to 20-hour-long outages.

The large-scale load-shedding has crippled civic life as well as industrial, trade and commercial activities. The industrial sector is subjected to record 10-hour outages, with a multiplier effect on the national economy.

The existing installed power generation capacity from all sources is 21,838MW, of which the net or dependable capacity is estimated to be at least 18,000MW - much more than demand during peak hours these days. While the government no more shares statistics of daily power generation and demand with the public, present generation is around only 9,000MW, disproportionate to installed capacity. The suppressed demand is said to be 14,800MW.

In comparison, the average daily electricity shortfall in Pepco's system in 2008 was 1,850MW. In spite of addition of power generation capacity in the last one year or so - particularly that of hydropower and other renewable sources - total generation, instead of improving, has remained stagnant at best, with existing capacity being grossly under-utililsed.

The power situation has worsened primarily due to inadequate generation capacity, flawed strategy, imprudent use of available resources and transmission and distribution losses. The circular debt has swelled again to Rs300bn and independent power producers (IPPs) are facing difficulties in servicing their dues and have cut down generation to about 4,000MW, despite reliable existing capacity of over 6,000MW.

Due to financial constraints, Pakistan State Oil (PSO) is unable to provide adequate oil supplies to powerhouses.

Floods have partially affected operations of the Muzaffargarh power station. Power plants are not getting natural gas as per their requirement. Practically, total reliance is on hydropower generation capacity of 6,690MW.

Obviously, the government has failed to address energy crisis effectively. It has paid no serious attention to the mismanagement, inefficiencies and a host of other institutional issues of the power sector. And all senior positions in the sector are now occupied by bureaucrats instead of professionals.

Most importantly, laxity on the part of the government has resulted in increased technical and collection losses, or electricity theft. Energy conservation measures, such as restricted timing for commercial activities in the evening, and free distribution of 10m energy savers to domestic consumers were either not implemented or did not yield positive results.

The Supreme Court of Pakistan had observed in June last year that there was a need to impose an energy emergency to fulfill the power demands of the people. Somehow, it went unheeded. The World Bank had recently highlighted that the electricity cost is higher by 60pc higher against that of India and 40pc when compared with Bangladesh.

The recent overbilling and estimated bills of 45 days instead of 30 was a deliberate action on the part of distribution companies to mobilise Rs52bn in additional revenue.

The discos have been unable to improve their recoveries from the private sector, that have now swelled to some Rs400bn.

Adequate electricity at affordable prices remains a distant dream for the country's consumers.■

Existing installed power generation capacity from all sources is 21,838MW, of which the net or dependable capacity is estimated to be at least 18,000MW. Yet, daily generation is around only 9,000MW

By Ismat Sabir

What causing delay in Diamer Bhasha Dam?

USA to finance $14 billion for Diamer Bhasha Project

The United States has assured to support Pakistan's $14 billion 4500MW Diamer Bhasha Dam project. Pakistan needs 10,000MW of power to meet its growing domestic, industrial and agricultural requirements. The construction of Diamer Bhasha Dam will not only help to produce 4500MW of power, but will also help four million acre of water for irrigation, save millions from flash flooding, boost other hydro projects and contribute significantly to extend from the US financed energy up gradation projects in Pakistan and life of Tarbela Dam by 30 to 35 years.

The Obama Administration assured the investors and cited the results of investment. Daniel Feldman, USAID Administrator, Dr Rajiv Shah and US Special representative said that the US and Pakistan have a wide range strategic partnership and that Washington is in for a long term economic and investment relationship with Pakistan, Finance Minister, Ishaq Dar, said the country needs both the Dasu and Bhasha dams. However, the Executive Committee of the National Economic Council (ECNEC) refused to approve Rs101 billion for land acquisition for Diamer-Bhasha Dam's construction particularly in the energy sector.

The decision came days before Pakistan is scheduled to market the 4,500 megawatts project to international investors in Washington where it was seeking $5 billion for the construction of the dam. Earlier in 2009, the body had approved the land acquisition project at an estimated cost of Rs60 billion.

According to planning and development ministry, till June 2014, the government spent almost Rs40 billion on land acquisition while it has allocated Rs15 billion for spending in the current year, Turning the request down, ECNEC Chairman said the cost was too high, observing that the water and power ministry has deliberately kept the

component of interest during construction (IDC) outside the PC-I aimed at showing the cost at a lower side. Subsequently, by including over Rs17 billion in the project cost, the total cost came to Rs118 billion, the officials said.

The government has reassessed the initial construction cost of the dam at $14 billion. Earlier the cost had been $8.5 billion, reflecting the steady rise in costs as the project continuously delayed for many years.

It has been decided to seek $5 billion from international lenders for the construction of the dam over a period of 8 to 9 years and asking over $4 billion for the project that later on backtracked from its commitment. The World Bank has already declined to invest in the project, saying it was located in a disputed territory.

The issue of building Diamer-Bhasha Dam has emerged in the meeting with the Asian Development Bank (ADB) to finance the stalled Bhasha Dam that was facing problems in convincing International lenders to finance the project. The ADB has initially indicated to give assistance for the project.

However, the Dam finally began during the last government in 2011. Its foundation stone was laid by the then Prime Minister Yusuf Raza Gilani on 18 October 2011. It has undergone critical conditions due to location of this project showing it in the Gilgit-Baltistan, where circumstances are not favorable. Despite the project's proposed controversial site in the first place, it is argued that this dam is going to be built is more than appropriate and therefore it should be built immediately. Now the problem is that the road infrastructure is non-existent to supply the required equipment and material. The successive governments aimed to spend

$2 billion on land acquisition, civil works, resettlement and reconstruction of parts of Karakoram Highway.

An amount of $5 billion was to be sought from international investors during 8th October's Pak-US Business Opportunities Conference for financing the Diamer-Bhasha project. At a later stage, after the construction of the dam, the government will invite international investors to setup power plants and invest about $7 billion on build-operate-transfer (BOT) basis.

Pakistan has long desired the construction of the dam and now the work is going on, which will take 8 to 9 years to be completed, claimed officials. At least three years would be needed to build the road and overcome the logistics barriers. It will take another 6 years to build the structure of the dam.

Repercussions of the Project

The dislocation of people living in surroundings would affect 9 model villages and population resettlement of 28,000. However, their eventual rehabilitation would take years. For example people in settlements surrounding of Tarbela Dam that were affected and to be relocated in some cases, still not been rehabilitated by the authorities. Due to construction of dam people were accommodated elsewhere. Besides, in monetary terms this project is one of the most expensive of its nature.

Developing countries like Pakistan cannot afford the amount of $12.6 billion. Therefore without the financial aid of the big lenders, such as the World Bank (WB) and ADB this project cannot be built. The WB for many reasons has changed its stance on building large dams considering their ecological costs and damage. The environmental hazards and other ecosystem discrepancies that appear as a result of these dams are far reaching. The tangible destruction caused by floods to agricultural lands every year, along with the financial and human losses, floods need to be controlled. However, another factor is less obliging but highly significant for the agrarian lands is the silt carried down by the flood waters. The silt beds left behind by these floods but contains sediment that is highly fertile for farming also reduces the life of dams.

Together with this large dams in particular like Tarbela that stores silt, which exponentially the continuous reliance of successive Pakistani regimes on lending institutions and financial organizations to seek monetary help for development projects and later on seeking more aid makes funding this project less attractive in terms of the burgeoning debt burden. Lending organizations are reluctant to assist Pakistan with huge monetary aid and urge it to make use of its domestic resources.

An amount of $5 billion was to be sought from international investors during 8th October's Pak-US Business Opportunities Conference for financing the Diamer-Bhasha project.

Environmental Impact

About 31 villages and 4,100 houses will be affected, total population affected 35,000, agricultural land submerged 1,500 acres, and area under reservoir 25,000 acres.

Historical Background

Diamer-Bhasha Dam is a gravity dam, which is being constructed on the River Indus in Gilgit-Baltistan, Pakistan.. Upon completion, the dam would be the highest RCC dam in the world. The dam site is situated near a place called "Bhasha" in Gilgit-Baltistan's Diamer District. It would store an extra 8,500,000 acre feet of water for the country, which would be used for irrigation and drinking. It would extend the life of Tarbela Dam located downstream by 30 to 35 years and control flood damage by the River Indus of 6,400,000 acre feet. Two underground power houses to be built.

After completion, Dam would produce 4,500 megawatts of electricity through environmentally clean hydro power generation during high floods.

It will have a height of 272 meters spillway with 14 gates each 11.5 m x 16.24 m. The gross capacity of the reservoir will be 8,100,000 acre feet, with a live storage proposed, one on each side of the main dam having 6 turbines on each side with total installed capacity of 4500MW.

According to Wikipedia, in January 2006, the Government of Pakistan announced the decision to construct a multipurpose storage dam in the country to meet the requirements during next 10 to 12 years. According to the plan, Diamer-Bhasha Dam project was proposed in the phases. In November 2008, the Executive Committee of National Economic Council formally approved the project. The provinces also approved the construction of the dam.

The project was first envisaged in 2006 and the then Musharraf-led government had committed to its construction in the first phase of developing water storage capacity in the country. The earlier cost estimates had been $8.5 billion but due to delay cost escalated manifold.

Construction and Financial Resources

In November 2008, the cost of the dam was estimated at $12.6 billion and will have a storage capacity of 8,100,000 acre feet.

A total amount of Rs27.824 billion was required for the acquisition of land and resettlement of the people to be affected

due to the construction of the dam. Under the proposed project, Rs10.76 billion will be spent for the acquisition of agriculture barren land, tree and nurseries and Rs1.638 billion to be utilized for properties and infrastructure, Rs8.8 billion for establishment of 9 model villages, Rs62.119 million for pay and allowances for administrative arrangements, and Rs17.7 million for contingent administrative expenses. The project also includes an escalation cost of Rs2.234 billion at the rate of 6 percent per annum for five years and interest of Rs4.309 billion during the implementation at the rate of 9 percent.

Detailed drawings of the dam were completed by March 2008. As of August 2012, the project faced several setbacks due to major sponsors backing out from financing the project.

On 20 August World Bank and ADB both refused to finance the project due to its disputed location and asked Pakistan to take a NOC from India. However, Finance Minister of Pakistan, Ishaq Dar claimed to have convinced the World Bank (WB) to finance the Project without the requirement of NOC from India. He also said that the ADB had agreed to become lead finance manager for the project.

On 27 August 2013, the Finance Minister said that work would start on both Dasu and Diamer-Bhasha Dams simultaneously. He also said that the project would be completed in 10 to 12 years.

On November 7, 2013 the Chairman WAPDA, Syed Raghib Abbas Shah claimed that his department has received 17,000 acres of land at the cost of Rs5.5 billion from Government of Gilgit-Baltistan for the construction of the project.

Design and Location

The project is located on Indus River, about 315 km upstream of Tarbela Dam, 165 km downstream of the Northern Area capital Gilgit and 40 km downstream of Chilas.

The maximum height would be 272 m with roller compacted concrete (RCC). Diversion System depends on 2 tunnels and 1 canal. Cofferdam: Upstream and Downstream. The main Spillway has 9 gates of 16.5×15.0 m. Reservoir Level is 1160 m, minimum operation level elevation would be 1060 m. The gross capacity is 7,300,000 acre feet with live capacity of 6,400,000 acre feet.

Two power houses located one each on right and left side. Total installed capacity: 4,500MW with 8 generator units having a capacity of 560MW each. Average power generation is 16,500 KWH. Initial estimated cost $14 billion (2013 estimate).

The main purpose of the dam is water storage, irrigation and power generation. Control flood damage by the River Indus downstream during high floods. Availability of about 6,400,000 acre feet annual surface water storage for supplementing irrigation supplies during low flow periods. Harnessing renewable source of clean and cheap energy through installed capacity of 4500MW.

The object is to reduce dependence on environmental damaging thermal power, saving foreign exchange. Moreover, short and long term employment opportunities would be created, particularly to locals, during the construction and operation phases. Massive infrastructure will lead to overall socio-economic uplifting of the area and standard of living of people.

Keeping all the factors in mind the government has not created a strong case to convince all stakeholders, including donors about the necessity of the dam, causing a delay in its construction.

Besides, after the Nandipur Power Project news spread whose initial cost was estimated to be around Rs22 billion and has now reached Rs84 billion, due to government negligence and the ADB and WB's reluctance that were responsible for this cost escalation. This situation shakes the confidence of financers.

However, the associated conditions would support existing pressure by donors, multilateral and bilateral to reform the power sector and raise tariffs to achieve full cost recovery yet given the failure of the government to deliver on either count.

The other critical factor is conflicting information that has been released by the government during the last 14 months, which should be clarified by the government sources in Washington with respect to be credible.

In November 2013, Ahsan Iqbal, the Federal Minister for Planning, said that there is a need of international financial support to set up a consortium to push the project and the government will complete this project at all costs, even if we do not get much international support just like nuclear programme. He said the future economy depends on this project. ■

Wind industry takes the initiative for more safety

According to the European Risk Observatory on occupational safety and health in the wind energy sector the wind industry reported 1,370 accidents in the period from 1970 to 2013, most of them occurred in the last five years. But 'it's not just numbers. There are human beings behind every accident, every incident, every near-miss!' said Lars Bondo Krogsgaard, chairman of the steering committee for wind turbines of VDMA Power Systems, on a conference during the leading international trade fair WindEnergy Hamburg.

At this conference on safety culture a total of 80 representatives from six manufacturers of wind turbines and 40 subcontractors discussed essential steps for more safety in the wind industry. They agreed on a simple set of principles that will help to anchor a culture of safety in the global industry. 'Looking beyond the every-day business the manufacturers GE Wind Energy, Nordex, Senvion, Siemens Wind Power, Vestas and Areva Wind have come together with their subcontractors to commit themselves to the Seven Safety Principles,' said Krogsgaard and 'Other manufacturers will soon join us.'

An information film as well as a flyer about the seven principles with Best Practice guidelines for safe driving, for working at height and on personal protection equipment will play an important role in the companies to establish the common safety culture. In future the industry will not accept any avoidable accidents neither when working at height nor when driving and transporting components. ■

By Abbas Bilgrami

Renewable energy solutions to power crisis

CAN renewable energy truly help Pakistan resolve the current energy crisis? It is my view that renewable energy is an essential part of the country's energy mix, even if it's not the ultimate solution.

Biomass can play a significant role as part of a combination of indigenous energy resources that can help in the production of high value bio fuels using second and third generation cellulosic and non-cellulosic ethanol production technologies. Biomass has either been ignored or been utilised at very low levels.

The availability of biomass is widespread. It has traditionally provided a major portion of traditional fuels that are used in the developing world. Ironically, biomass can become a priority resource to substitute fossil fuels in the energy sector. Pakistan has abundant sources of agricultural lingo-cellulosic biomass residues such as wheat straw, rice straw, cotton sticks, bagasse, corn cobs, corn stover and various other crop residues. Most of these wastes are either burnt in the fields or used as secondary biomass for household fuels in rural communities.

The country has total agricultural biomass of around 80m tonnes, with stored energy sufficient to replace 25m barrels of oil equivalent energy (BOE), compared to 67 MMTOE of total annual energy consumed from modern fuels. This shows that biomass could theoretically provide a major portion of Pakistan's energy needs.

It is estimated that 1m tonne of animal manure are produced daily. And this number ignores poultry and other livestock droppings. As per a livestock census conducted in 2006, there were approximately 57m bovines in Pakistan. On average, the daily dropping of a medium-sized bovine like a buffalo or a cow is estimated at around 15kg. This would yield 854m kilogrammes of dung per day. Assuming 50pc collection, the availability of fresh dung comes out to be 427m kg/day.

This could theoretically produce 745m standard cubic feet of biogas through biomethanation, according to estimates derived from a study by Veolia. It is estimated that the potential production of biogas from livestock residue is around 300bn cubic feet of biogas per annum. Even diverting half of this cow manure and other animal waste to production of biomethane and biochemicals can greatly alleviate Pakistan's energy crisis, although the transport of this quantity of biomass poses significant logistical challenges.

The Alternative Energy Development Board (AEDB), with the help of international experts such as the United Stated National Renewable Energy Laboratories (NREL), GIT from Germany and Risoe from Denmark, identified various potentials of renewable energy. They believe that bagasse co-generation could produce at least 1,800MW.

One of the added benefits of biogas production is the co-generation of high quality organic fertiliser. Biomethanation will lead to the production of substantial biofertiliser, which is an essential requirement for sustaining the fertility of agricultural land. The cost of chemical fertiliser has soared in recent years, and though the government significantly subsidises it, the price is still prohibitive.

Pakistan is an agri economy where increasing volumes of urea and other chemical fertilisers are being used. In fact, in the last 10 years, the volume of fertiliser used per acre has doubled, but production has remained static and in many cases declined. This is due to loss of organic matter, over-nitrification, soil run off, and over-application of chemical fertiliser. Utilising agri waste to biogas recycles most of the nutrients in the form of fertiliser and is a major step in cost-reduction for farmers.

While we should encourage the conversion of biomass into biogas, biofuels and biofertilisers, the issue with growing energy crops is that they take away from precious water resources and have an impact on the prime issue of food security. The debate of food security versus energy crops is one that needs to be looked at very closely.

There is also the major issue of sustainability, as Pakistan is prone to huge fluctuations in rainfall, which reduces biomass availability and increases its price, which can affect the viability of biogas and power generation. Globally, there has also been a trend of biomass prices increasing as soon as large offtakers tie up suppliers.

Ultimately, producers of biomass have to be a part of any value-addition that takes place, otherwise biogas and power generation cannot be done on a long-term basis. This means that farmers have to play a critical role in the sustainability and viability of the biofuels and biochemical industry.

Pakistan has the potential to benefit greatly from its biomass resources. However, this potential can only be converted by unshackling business entrepreneurs from ancient legal regimes and corrupt government functionaries.■

(The writer is the Secretary General of the Energy Expert Group, a policy advisory group that developed Pakistan's first Integrated Energy Plan in 2009.)

By Farhat Ali

Thar coal: myth or reality

At a distance of 410-km from Karachi in the Tharparkar District of Sindh and in the wilderness of Thar desert is located the Thar coalfield, the coal deposits of which are reported to be the 6th largest coal reserves in the world and one of the world's largest lignite deposits spread over 9000 sq km and contain around 175 billion tonnes - sufficient to meet the country's fuel requirement for centuries. This is estimated to be equivalent to 50 billion tons of oil equivalent to the total oil reserves of Saudi Arabia and Iran combined.

Thar deposits were discovered in 1991 by the Geological Survey of Pakistan (GSP) and United States Agency for International Development (USAID). During the period 1991 to date, several plans were made to initiate mining at Thar but none of those plans made it past the planning phase. The story of the past 23 years at Thar coal is that of failures driven by poor governance, vested interests and a criminal lack of will power.

For the first 10 years (1991-2001) Thar coal was not in the focus of the governments in power. Both PPP and PMLN in their oscillating tenures were more focused to introduce IPPs fuelled by high cost RFO or HSD, the dire consequences of which the nation is still facing.

Thar finally came under focus in early 2000. In 2005 the company Shenhua of China made a categorical bid to acquire Thar Coal fields as an IPP and to sell power derived out of Thar on our national grid @ 5.6 cents/kwh. Wapda, devoid of facts, refused, believing that the bid is too low. Shenhua backed out never to return again in spite of subsequent requests by Wapda for reconsidering their offer.

Thereafter the next significant milestone was the establishment of a joint venture between the Government of Sindh and Engro Powergen Ltd in 2009 named as Sindh Engro Coal Mining Company (SECMC). They are reported to have completed a feasibility study of a coal-mining project that aims to supply coal to a 1200 MW power plant. In May 2013, the company (SECMC) set up a wholly-owned subsidiary, namely Thar Power Company Ltd to conduct the feasibility study of the power plant. They have been awarded Block 2 at Thar coal.

There exists a basic infrastructure at Thar, which includes, among other things, water supply, telephone lines, a disposal systems and a road network. In January 2014, PM Nawaz Sharif and former President Asif Zardari jointly performed the ground-breaking of the USD 1.6 billion Thar coal project and it was announced that SECMC will bring on the national grid 660 MW of power by 2017 derived from Thar coal. Chief Minister Sindh was restless at the ceremony and only relaxed after terming the Thar coal as "Thar Gold."

The timeframe of bringing Thar Coal Power on the national grid by 2017 is unrealistic and is most likely not going to happen. The first phase is to go for the test pit followed by the second phase of coal mining costing over USD 1 billion and a time frame of well over 3 years. The third phase is construction of the power plant, which will take over 2 years costing over USD 600 million for 660 MW. If all goes according to plan, power from Thar coal will not be on the grid before 2020. However, at the snail's pace things are seen to be moving at Thar coal, this is not likely to happen.

Invoking financing for Thar coal mining and power plant, which would run into over 2 billions of dollars, is one of the major challenges. In the absence of bankable feasibility, which itself could cost over USD 150-200 million with results drawn out of test pits and environment studies makes equity and debt financing even more difficult.

Thar coal exploitation funding is not a favourite of traditional power sector supporters like the World Bank, the IFC and the

ADB or similar due to coal's deservedly bad reputation as a major pollutant. At the moment, funding out of China appears to be the only viable option.

Thar Coal Energy Board (TCEB) has been established with the mandate to fast track the development of coal and as a one-stop organisation on behalf of all the ministries and agencies of the federal and Sindh governments. It operates under the chairmanship of the chief minister of Sindh. Like in other areas, governance and transparency is the major issue at TCEB and a major deterrent to motivate investors to pledge investments to Thar coal. Chief Minister Sindh could be right to term Thar coal as "gold" but he has to make much more happen before investors put faith in his overly exuberant statement.

For most of its history, Thar Coal Authority never had a professional and dedicated chief executive officer. It was run either by retired bureaucrats or under the dual charge of the Secretary of Mines and Minerals, Government of Sindh. We have travelled a long way from 1991 to the near end of 2014. All we have in hand as of today is 'do little' organisation, some infrastructure at Thar site and some feasibility studies with no categorical time lines nor road map leading to the availability of power from Thar coal - our end goal.

In between we experienced the tall claims of easy and innovative finds potential at Thar Coal by some research scientists, but, all evaporated as fast as it came. We also have Badin coalfields, Sonda-Jherruk coalfields, and Lakkra coalfields where the situation is just as dismal as Thar. Such a shame for us that we could not exploit a resource we have in such abundance and further shame on us that our neighbour has done so while having less coal reserves than we do.■

(The writer is Chairman Avant Ventures and former President Overseas Chamber of Commerce and Industry)

Group Photo of Award winners with Governor Punjab Ch. M. Sarwar at 11th Annual Environment Excellence Awards 2014. Mirza Ikhtiar Baig, NFEH President M. Naeem Qureshi, Secretary NFEH Ruqiya Naeem, Mirza Ishtiaq Baig and others also seen in the picture

11th Annual Environment Excellence Awards 2014

70 corporate organizations honored

Experts urge joint efforts to save Pakistan from rising pollution

Group Photo of Award Winners with Commissioner Karachi Mr. Shoaib A Siddiqui, Administrator KMC Rauf Akhtar Farooqi, President NFEH- Naeem Qureshi, Chairman NFEH Kaiser Waheed, Dr. Mirza Ikhtiar Baig, Mirza Ishtiaq Baig at local hotel

















The Annual Environment Excellence Awards 2014 have been annually held in Karachi since the past ten years, and have elicited an enthusiastic response from all sectors of the community. This year, the awards were conducted in Lahore as well as Karachi for the eleventh time. The objective of conducting the awards in both cities was to highlight the efforts of the industrial and corporate sector of both cities. This also attests to the nation-wide recognition of the awards, which have become the benchmark for all other companies to follow.

The awards are held every year by National Forum for Environment & Health, commonly known as NFEH, which is a purely non-governmental, non-profit, and voluntary organization, established with the aim to facilitate, promote and help create environmental, healthcare and educational awareness among the masses. NFEH has been quite successful in its recent campaigns, as was exhibited by Sarsabz-o-Pursakoon Karachi campaign, and these awards.

There is absolutely no difference between environmental pollution and terrorism as pollution poses a serious threat to the country.

This was stated by Governor Punjab Chaudhry Sarwar while speaking at the 11th Environment Excellence Award ceremony organized by the National Forum for Environmental and Health (NFEH) in collaboration with Bahria Town, OGDLC, Parco and others.

President NFEH Mohammad Naeem Qureshi, Chairman Dr Qaisar Waheed, President Make A Wish Foundation Mirza Ashtiaq Baig, Chairman Textile City Mirza Akhtiar Baig, Manager Country Transport Project of NUDP Saleem Janjua and Khalid Iqbal were among the prominent personalities who attended the award ceremony.

Governor Punjab distributed awards among 70 leading industrial and commercial organizations, to highlight their struggle for implementation of best environmental activities, observance of environmental standard and law. He lauded the innovative efforts made by NFEH and other organizations in environment conservation and protection.

According to Sarwar, no priority was given to environmental pollution in the past due to apathy of politicians and bureaucrats; the brunt of which is borne by the environment. He added: "50,000 people die every year in Pakistan and the country faces $370 million in lieu of economic losses." He also hailed the efforts of eco-friendly organizations for trainings, awareness, implementation of environmental laws, and assured his cooperation.

On the occasion, speakers informed about the challenges encountered and strategies to be utilized for sustainable development.

Naeem Qureshi talked about the objectives behind awarding accolades to industrial and commercial organizations, which had increased the quality of environment over the last 11 years owing to the support of organizations in this regard.

In the Karachi event, government and private sector representatives stressed the need of joint efforts to save Karachi from rising environment degradation. "Disposing of and discharging of sewerage, garbage and medical waste have emerged as a big challenge due to explosive rise in population in the city, hence, government, private sector and all people will have to contribute their resources and volunteer to nip this problem in the bud," they said while addressing congregation.

Award Winners of AEEA 2014:

- Asian Food Industries Ltd.
- Asli Punjab Pumps Pvt Ltd.
- Adamjee Insurance Company Limited
- Bestway Cement Ltd.
- Buksh Foundation
- Clariant Chemical Pakistan Pvt Ltd.
- Dawlance Group Of Companies
- Dalda Foods Pvt Ltd.
- D.G.Cement Company Ltd.
- Engro Polymer & Chemical Ltd.
- Engro Powergen Qadirpur Ltd.
- Fatima Group
- Fauji Cement Company Ltd.
- Fauji Fertilizer Company Ltd.
- Fauji Oil Terminal & Distribution Company
- Feroze1888 Mills Limited
- Getz Pharma
- International Power Global Developments Ltd.
- Interdesign Fmc
- Kot Addu Power Company Ltd.
- K-electric
- Linde Pakistan
- Lucky Cement Ltd.
- Mondelez Pakistan Limited
- Murree Brewery Co Ltd
- Mima Knit (Pvt.) Ltd
- Novartis Pharma (Pakistan) Ltd
- Novamed Pharmaceuticals Pvt Ltd
- Packages Limited
- Pakistan Oilfields Limited
- Pepsico International
- Pharmevo Pvt Ltd
- Procter & Gamble Pakistan
- Pakistan Refinery Ltd
- Pakistan Sustainable Transport Project (UNDP)
- Port Qasim Authority
- Pfizer Pakistan Ltd
- Qarshi Industries Pvt Ltd
- Roots School System
- Roots Millennium School
- Royal Leather Industries Ltd
- Sapphire Textile Mills Ltd
- Security Papers Limited
- Siddiq Leather Works Pvt Ltd
- Sui Northern Gas Pipelines Ltd
- SNL Pakistan (Pvt.) Ltd.
- Total Oil Pakistan Pvt Ltd
- Total Parco Pakistan Ltd
- Tourism Promotion Services Pakistan
- United Marine Agencies Pvt Ltd
- Water Regime Pvt Ltd
- Wyeth Pakistan Ltd
- Yunus Textile Mills Ltd

Apart from participants in the Lahore ceremony, a welcome addition was the Commissioner Karachi Shoaib Ahmed Siddiqui.

Speaking on the occasion, former adviser to Prime Minister, Mirza Ikhtiar Baig said that the ozone layer was getting depleted due to intense air pollution and ever-increasing carbon emissions, raising temperatures globally and causing massive floods in Pakistan and other parts of the world.

He further added that a novel concept of green industries had been introduced in the developed world, under which companies were being awarded certifications for conducting environment friendly business, which was a good sign. He said: "Pakistan has relatively lower carbon emissions as compared to India, China, South Korea, US and several other countries, but there is still a dire need to make efforts to bring carbon emissions down." The glaciers are melting due to rise in global temperatures, causing rise in sea level and cyclones, he further added. Zahid Hussain, former CEO OGDCL, said that corporate sector should play their role for conservation of environment. The governments' environmental programs have failed miserably. He added:

"Waste is being burnt in open air which causes air pollution. Precautions are not being carried out, and no action is taken against polluters." KMC Administrator Rauf Akhter Farooqui said that population of Karachi had risen to 2.5 crores, hence, there was need to pay more attention on good governance. "We all should play are respective roles to clean the city. If every citizen plants one tree, then we will have more 2.5 crore trees in the city."

He said: "We have environmental laws in place, but the public engages in flagrant violation of these laws openly. Almost all people are familiar with these laws but there is little to no penalty in this regard, which leads to increasing violation of these laws in Pakistan."

"It is ironic that doctors are paid Rs. 10,000 to Rs. 20,000 salary. Governments these days are judged on their efforts in making the environment of their respective environments clean and green. If we do not do anything about our environment, we will only garner negative publicity" KMC administrator concluded.

Mirza Ishtiaq Baig said that Pakistan needed strict implementation of corporate social responsibility (CSR) in corporate sector, which would help in maintaining a clean environment, and further lead to social development. He said companies should be bound by law to spend at least one percent of their income on CSR.

He said: All garbage in the city is being discharged untreated into the sea which causes heavy pollution, while the city has almost become a desert due to low number of trees. In the recent past, the city was beautiful because it had a lot of trees. He stressed the need for planting more and more trees in Karachi.■

Top Ten Award Winners of

11th Annual Environment Excellence Awards 2014

Venue: Lahore & Karachi
Chief Guests: Chaudhry Mohammad Sarwar, Governor Punjab
Shoaib Ahmad Siddiqui, Commissioner Karachi

Archroma Pakistan Ltd.

Bahria Town Pvt Ltd.

Glaxosmithkline Pakistan

KSB Pumps Company Ltd.

Lotte Chemical Pakistan Ltd.

National Refinery Ltd.

Oil & Gas Development Company Limited

Pak Arab Refinery Limited

Rafhan Maize Products

Sui Southern Gas Company Ltd.

Top Ten Award Winning Companies of AEEA 2014:

- Archroma Pakistan Ltd.
- Bahria Town Pvt Ltd.
- Glaxosmithkline Pakistan
- KSB Pumps Company Ltd.
- Lotte Chemical Pakistan Ltd.
- National Refinery Ltd.
- Oil & Gas Development Company Limited (OGDCL).
- Pak Arab Refinery Limited
- Rafhan Maize Products Company Limited.
- Sui Southern Gas Company Ltd.

Award Winners of

11th Annual Environment Excellence Awards 2014

Venue: Lahore & Karachi

Chief Guests: Chaudhry Mohammad Sarwar, Governor, Punjab

Shoaib Ahmad Siddiqui, Commissioner Karachi

ADAMJEE INSURANCE COMPANY LIMITED

ASIAN FOODS PVT LTD

ASLI PUNJAB PUMPS PVT LTD

BAHOO CHICKS

BESTWAY CEMENT LTD

BUKSH FOUNATION

Chaudhary Feeds

CLARIANT CHEMICAL PAKISTAN PVT LTD

D.G.CEMENT PVT LTD

DALDA FOODS PVT LTD

DAWLANCE GROUP OF COMPANIES

DOTCARE PVT LTD


DR. ESSA LABORATORIES & DIAGNOSTIC


ECO BAGS


ENGRO POLYMER & CHEMICAL PVT LTD


Environment Watch Trust


FAUJI CEMENT COMPANY LTD


FAUJI OIL TERMINAL & DISTRIBUTION COMPANY


FEROZE1888 MILLS LTD


GETZ PHARMA PVT LTD


HASEEN HABIB


INTERDESIGN FMC


INTERNATIONAL POWER GLOBAL DEVELOPMENTS LTD


K- ELECTRIC


KANSAI PAINTS PVT LTD


KOT ADDU POWER COMPANY LTD


LINDE PAKISTAN

LUCKY CEMENT COMPANY LTD

MIMA KNIT PVT LTD

MONDELEZ PAKISTAN LTD

MR.NAWAZ KHUORO

MRC PVT LTD PIZZA HUT

MURREE BREWERY CO LTD

NOVAMED PHARMACEUTICALS PVT LTD

NOVARTIS PHARMA PVT LTD

PAK OASIS PVT LTD

PAKISTAN FOUNDATION HOSPITAL RAJANA

PAKISTAN OILFIELDS LTD

PAKISTAN REFINERY LTD

PAKISTAN SUSTAINABLE TRANSPORT PROJECT UNDP

PATEL HOSPITAL

PEPSICO INTERNATIONAL


PORT QASIM AUTHORITY


PROCTER & GAMBLE PAKISTAN


QARSHI INDUSTRIES PVT LTD


ROOTS SCHOOL SYSTEM


ROYAL LEATHER INDUSTRIES LTD


SAPPHIRE TEXTILE MILLS LTD


SECURITY PAPERS LIMITED


SIEMENS PAKISTAN ENGINEERING


SNL PAKISTAN PVT LTD


SUI NORTHERN GAS PIPLINES LTD


TOTAL OIL PAKISTAN LTD


TOTAL PARCO


UNITED MARINE AGENCIES PVT LTD


WATER REGIME PVT LTD


YUNUS TEXTILE MILLS LTD

Nation must change its behavior for energy conservation: Rai D Kotak

By M. Naeem Qureshi & Zeeshan Ali

Mr. Dhanpat Kotak is responsible in "EDCOM" for managing different projects of Energy Sector (Power, Oil & Gas) in the field of design, Construction, Operation & Maintenance of the power plants, power transmission & distribution systems. He has recently completed the Project (E&M Construction/ Commissioning) Management of 225 MW Balloki Power Project & 234 MW Muridke Power project with Albario Engineering Pvt. Ltd. Mr. Dhanpat Kotak has an experience of more than 23 years of Power Plants with WAPDA at 1668 MW Power complex Thermal Power station Guddu and Thermal power Station Jamshoro. He has an experience of commissioning of Japan Power Ltd. and Balloki Power Project. Mr. Dhanpat Kotak has extensive experience of Combined Cycle Power Projects, especially of G.E frame 9E Combined cycle Power Plants and Siemens V94.2 Gas turbines. He is managing 02 other projects such as Up gradation of Turbine Supervisory System at HUBCO Power Plant and Up rating and up gradation of STAG 209E Block -II at 600 MW Combined Cycle Power Plant Guddu in addition to Balloki Power Project. He has experience of preparation of bidding work of power projects, construction of power projects, co-ordaining with PPIB, WPPO, PEPCO, SNGPL, SSGC and other testing companies. Mr. Dhanpat Kotak has an experience as a design engineer with a Karachi based consulting firm ATCONS, for designing and execution of Industrial Projects. He has a team experienced engineers for reviewing design of power plants and construction management. He is associated with GE OC for Electrical Design Package for retrofit GE Units and supporting in Pakistan.

The General Manager (Projects), Albario Engineering (Pvt) Ltd (AEPL), Rai D Kotak has said that Pakistan can save massive energy if its industries and households - the two main energy consuming sectors - try to change their behaviour about energy conservation, saying that there was a need to change the nation's behaviour that could only be achieved through creating awareness and regular sharing of information on the subject through newspapers, internet and television.

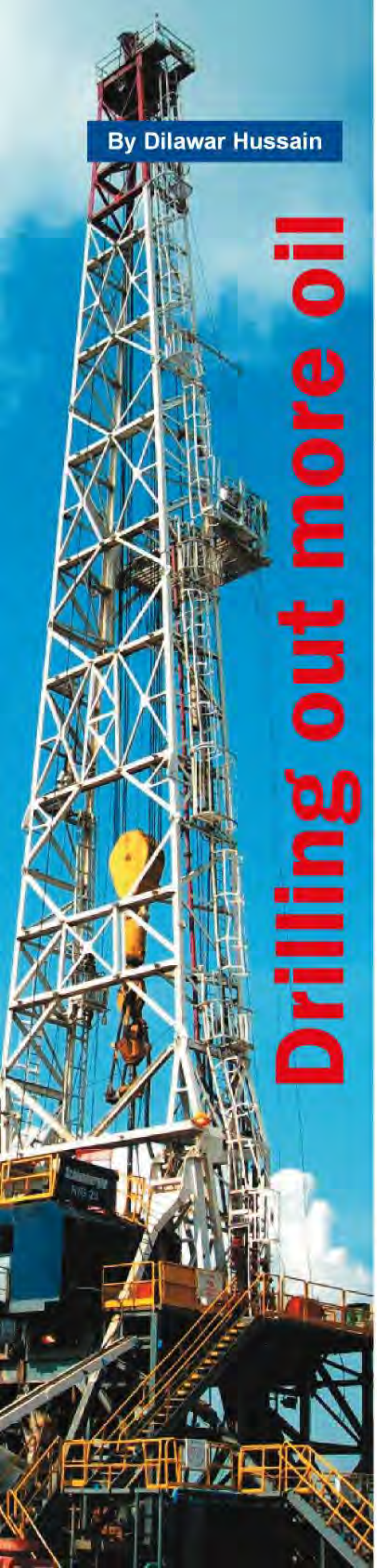
"To tap the huge energy saving potential, Pakistanis must understand that every single person can help the country during the current energy shortage by saving energy," AEPL GM said while talking to Energy Update on the sidelines of Energy, Oil & Gas Exhibition & Conference which was held at Lahore Expo Centre.

Rai D Kotak said that Pakistan has huge potential to develop renewable energy projects, saying that country needs to tap alternative energy resources such as solar and wind keeping in view the increased demand for power and the energy crisis. He further said that our country needs to turn to renewable sources, like wind, water and sun in the shortest possible time to increase its electricity generation capacity on a sustainable basis. For, example, he said, there is huge potential for setting up small hydel power plants in Khyber Pukhtunkhwa and wind and coal projects in Sindh. "Steps like using LED bulbs instead of conventional lights and bulbs, converting lighting system in industry and gas geysers in domestic to solar technologies can go a long way in saving energy in Pakistan" he suggested.

To a question, he informed that his company provides services to develop, construct, rehabilitate and performs operations & maintenance for projects in energy sector, adding that his team is a blend of highly experienced engineers and young, enthusiastic professionals in electrical, mechanical and civil engineering fields, capable of undertaking and executing contracts of any size and nature.

He said Albario Engineering, which has already successfully completed a number of projects, is currently working on different mega projects in Pakistan and other countries. "AEPL-completed projects include upgradation of 600MW Guddu Power Plant, 250MW Karbala Project, 250MW Hilla Project, 234MW Muridke Power Project, 225MW Balloki Power Project, 150MW Rental Power Project in Sheikhupura and many more". The Ongoing projects, he said, include 225MW Balloki CCPP (O&M), 1250MW Shat Al-Basra Plant in Iraq, 250MW Hilla Power Project, 250MW Karbala Power Project and many more. He informed that AEPL is a strategic partner with Harbin Engineering, China for projects in Pakistan and working with them as contractor for Electro-Mechanical Scope at the ongoing 747MW CCPP Guddu. Furthermore, AEPL has provided skilled manpower services to Tianjin Electric, China at site. He said that his company is also working on wind energy projects and three wind power projects in Jhimpir, Sindh, are an example of AEPL's expertise in this sector.

To a question, he said that his company has sent a number of skilled Pakistani workers to UAE, Saudi Arabia, Iraq and other countries and 350 Pakistanis are working on a power project in Iraq, adding that AEPL was the first Pakistani company to work in Iraq's energy projects. "Our company would continue to do so in future as well and try its level best to support the youth, especially poor skilled workers, in getting jobs in Pakistan and abroad," he announced. He said Albario Engineering follows an elaborate CSR philosophy which entails consistent contributions in uplifting the society wherever it operates. He also pointed out that his AEPL and its partners follow all global environmental standards in implementing all energy projects including thermal and coal projects for ensuring a clean environment. ■



PPL's second public offering raises Rs. 15.3 billion

THREE months ago, before the political turmoil had just started to brew, the government went ahead with its second privatisation transaction after that of UBL. Around 70.06m shares of Pakistan Petroleum Limited, or 5pc stake, were offered to international and domestic institutional investors in a secondary public offering at the strike price of Rs219.

The offer, which raised Rs15.3bn, was oversubscribed. As would be expected, Prime Minister Nawaz Sharif lauded the event as showing the 'faith and trust of investors in the economy'.

PPL is a 'blue chip' company that currently trades at Rs230 per share of par value Rs10. By the quarter ending March 31, the company's balance sheet footing showed Rs224bn in total assets, against paid-up capital of Rs20bn. It also had built up reserves of Rs149bn.

It was listed on the stock exchanges on September 16, 2004. Its current market capitalisation stands at Rs433bn. The government holds 68pc shares in the company, followed by 25pc equity held by the public and 7pc stake vested in the PPL Employees Empowerment Trust. Its estimated free float stands at 410m shares or 21pc of total shares, according to JS Global analyst Syed Atif Zafar.

The company claims to be a pioneer of the natural gas industry in the country. Its website states that it contributes over 20pc of the country's natural gas supplies today, besides producing crude oil, natural gas liquid and liquefied petroleum gas.

Hasan Raza, an analyst at Taurus Securities, recalled in a research report last month that "PPL was incorporated on June 5, 1950, with the main objective of conducting exploration, developentand production of oil and natural gas resources. The company inherited all the assets and liabilities of the Burmah Oil Company (Pakistan Concessions) Limited and commenced business on July 1, 1952".

In June 2004, the government divested 15pc of its equity in the company through an initial public offering. In an August 25 report by Global Securities, analyst Sana Abdullah stated that the company operates six producing fields at Sui, Kandhkot, Adhi, Mazarani, Chachar and Hala. It also has working interest in 15 partner-operated producing assets, which include Sui, Kandhkot, Adhi, Mazarani, Chachar, Sawan, Miano, Block 22, Manzalai, Makori, Latif and Qadirpur - the last being the country's second largest gas field after Sui.

The PPL Group comprises the holding company (PPL), and its subsidiary companies, i.e. PPL Europe E&P Limited (formerly MND Exploration and Production Limited), PPL Asia E&P B.V. and the Pakistan Petroleum Provident Fund Trust Company (Pvt) Ltd. The

The holding company had established a subsidiary, PPL Asia DMCC, in February last year, which was subsequently liquidated this January 27. In FY13, PPL acquired an exploration block in Iraq, becoming the first state-owned enterprise with transnational operations. PPL Chairman Javed Masud stated in the third quarterly report that the company "has assigned its 100pc interest in Block-8, Iraq, to its wholly owned subsidiary PPL Asia E&P B.V. The registration of PPL Asia E&P B.V's Iraq branch has also been completed and planning for conducting 2D and 3D seismic acquisitions is underway".

Yet, the company has had some false starts. Back in September 2011, it had told investors that it was seeking to enter into a joint venture with Iranian companies. The company's secretary stated that PPL was interested in entering into exploration and production activities in Iran as a part of its strategy. Yet many energy experts said they were not exactly thrilled by the news.

"Such intentions have continued to be expressed, but the question is how many of them have truly materialised," asked an expert.

But for all that, new discoveries continue to replenish the dwindling output from old wells. Last week, PPL announced the discovery of hydrocarbons from the exploratory well Adam West X-1 in Hala Block. The company's secretary, Saqib Ahmed, asserted that it was the second discovery made by PPL in the Hala Block.

PPL unveiled results for financial year 2014 late last month, recording a profit-after-tax (PAT) of Rs51.4bn and earnings-per-share (eps) of Rs26.08, representing a 23pc improvement over FY13's PAT of Rs42bn and eps of Rs21.28.

In addition to the already paid cash dividend of Rs5 per share, the board announced a final cash payout of Rs7.50 per share. The company has improved its performance by making up for the decline in gas production from Sui and Sawn gas fields by increasing its crude oil production.

Vahaj Ahmed, an analyst at Topline Securities, agrees that over the last few years, PPL has gradually shifted its revenue mix with higher contribution from oil.■

By Ashfak Bokhari

Climate change wreaks havoc

The National Disaster Management Authority(NDMA), which predicted mild monsoon rains on July 2 and little losses, stated in mid-September that the rains and the floods were unprecedented and have affected around 1.5m acres of farmland, with losses to crops in billions of rupees.

The NDMA, however, cannot be blamed for the faulty forecast; its chief had only relied on a metrological department report which stated that the emerging climatic features linked to

El Nino development have fairly large potential to suppress the monsoon this year. Therefore, the rainfall was expected to be below normal in the southern areas while nearly normal in the northern part of the country.

In fact, it is the climate change phenomenon that is too unpredictable and becoming too powerful to be tamed. Pakistan has faced devastating floods in 2010 which, according to the IPCC (Inter-governmental Panel on Climate Change) of the UN, was the result of climate change. Pakistan ranked high on the list of countries worst hit by weather extremes in 2012 by Germanwatch.

The country's climate change department is dysfunctional, as several senior positions continue to remain unfilled and are currently being held by inexperienced officers.

Equally responsible is the lax attitude of the government agencies concerned towards beefing up the preparedness to meet the ever-present threat of extreme weather events. A petition filed in the Islamabad High Court on September 12 contended that the Punjab government has not implemented the recommendations of the Judicial Commission which was set up to investigate into the causes of the 2010 floods. Had it done so, it argued, the losses in the current deluge could have been minimised. The petitioner seeks action against the officials concerned responsible for the havoc and early implementation of the commission's recommendations.

The one-man commission under Justice Mansoor Ali Shah had, in its report, held the Punjab irrigation department responsible for the colossal losses caused by the 2010 floods because of its 'criminal negligence'. The report, which has now drawn attention of the concerned citizens, has been gathering dust for the last three years in the office of the chief minister on whose advice the commission was formed on September 2, 2010.

The report describes those managing flood control operations as 'flustered, inexperienced and ill-equipped.' The commission had found the basic flood fighting material missing which amounted to a criminal omission. It mentions names against whom disciplinary action must be taken. It absolved the politicians of any wrongdoing, and the entire responsibility of the mismanagement was put on the provincial bureaucracy. However, local landlords were accused of creating breach in bunds to save their landholdings. The commission also proposed a ban on constructions in areas close to the rivers. It laid stress on saving lives instead of protecting infrastructure.

Rice, sugarcane, cotton and maize are the major crops that have been badly affected by the current floods. Besides, countless heads of cattle have perished. The extraordinary huge flood, the biggest after 1949 and 1972, has also damaged the grain warehouses. More intriguing is the rise in cotton and yarn prices while the flood waters have yet to subside. Within a week, the price of raw cotton has risen by 7pc, falling in the range of Rs5,300-5,750 per maund (40kgs). As a result, the yarn prices have also increased. Fortunately, the wheat crop which has yet to be sown has escaped disaster. But the food prices are poised to go up in the wake of damages to other crops such as rice, sugarcane and maize. Prices of perishable commodities such as vegetables are already on the rise.

According to Basmati Growers Association, rice growers had till mid-September incurred losses in the range of Rs16bn to Rs20bn in Punjab where some 400,000 acres of land under rice cultivation, about 10pc of the total crop, have been inundated. These losses would go up when the floodwater damages rice crop in Sindh. In Punjab, Multan, Muzaffargarh, Rahim Yar Khan and Rajanpur are some of the badly affected rice-growing areas.

Cotton Ginners' Association says some 1.5m cotton bales (of 155kgs each), worth about Rs8.5bn, are feared to have perished in the floods. The areas where the cotton crop was damaged included Jhang, Ahmedpur Sial, Shorkot, Rangpur, Kabeerwala, Multan, Muzaffargarh, Shujabad, Alipur, and Rahim Yar Khan.

Meanwhile, the NDMA has developed a ten-year flood protection plan but for its implementation adequate resources are needed which the incumbent regime may find it difficult to raise. A national monsoon contingency plan is also being finalised and will be shared with all the stakeholders. Moreover, the Pakistan Commission for Indus Waters is being asked to share information with the provinces.■

LPG is the best option replacing CNG - Yasser Mumtaz

By Zeeshan Ali

In-charge Business Development of Parco Pearl Gas (Private) Limited, Yasser Mumtaz has called upon the government to facilitate LPG industry as a substantial increase in local production of liquefied petroleum gas (LPG) will help reduce its price, stressing the need to evolve a comprehensive strategy and introducing out-of-box solutions for providing substitutes of natural gas in the country.

"The potential of LPG autogas is immense in Pakistan, no doubt, because the option of CNG and petrol has not become viable for businessmen and consumers of these two fuels", Yasser Mumtaz said while talking to the media on the sidelines of Energy, Oil & Gas Exhibition & Conference which was held at Lahore Expo Centre. He pointed out that LPG autogas could fill the gap easily and it is affordable also as far as petroleum products prices are concerned whereas this gas is produced indigenously and used in a disorganized way in various sectors. Hence the gas could be exploited in transport sector as well as industries to meet the growing need of energy resource of these two sectors, he added.

About his company, Yasser Mumtaz said PARCO Pearl Gas has vast experience of serving the needs of Pakistan's energy market. "PARCO Pearl Gas is now the largest LPG marketing company, selling around 90,000 metric tons of gas per annum in cylinders and bulk. It has one of the largest LPG infrastructures in Pakistan with cylinder filling plants strategically situated throughout the country and a nation-wide network of distributors and customers. The LPG is marketed under the brand names of Pearl Gas and Super Gas. PARCO Pearl Gas has expertise in fulfilling the needs of industrial customers through Super Gas Bulk solution," he said. Through its extensive network, Yasser Mumtaz said, PARCO Pearl Gas provides cheap, alternative energy to remote areas replacing wood, kerosene and cow dung used for cooking.

About PARCO: Pak Arab Refinery Ltd (PARCO) is a joint venture between Government of Pakistan and the Emirate of Abu Dhabi, incorporated as a public limited company in 1974. 60% of the share holding is by the Government of Pakistan and 40% by the Emirate of Abu Dhabi through its Abu Dhabi Petroleum Investment Company L.L.C. (ADPI), a subsidiary group of International Petroleum Investment Company (IPIC). PARCO's major business activities are: refining, transportation, storage and marketing. PARCO is an integrated energy company, and is a key player in the country's strategic oil supply and logistics. With a refining capacity of 100,000 BPD, combined storage capacity of over one million metric tons, a marketing joint venture with TOTAL (France), a technical support venture with OMV (Austria), a nationwide LPG network, PARCO has emerged as the strategic fuel supplier to the country with a broad portfolio of operational ventures. The organization encompasses Pakistan's largest refinery and 2000 kms of cross country pipeline network, including its subsidiary PAPCO. With continued support of the Emirate of Abu Dhabi, PARCO has been able to realize a number of energy projects that have contributed significantly in enhancing the country's economic growth, saving foreign exchange, transferring technology and providing employment.■

Rao Khalid calls for declaring "Energy Emergency" in Pakistan

By M. Naeem Qureshi

Rao Khalid Ahmad Khan, Director Business Development and General Administration, NSR Energies (Pvt) Ltd, has said that energy crisis, which is worsening day by day, can only be resolved by declaring an 'emergency', adding that coal-based power plants would play a key role in enhancing power generation in the country.

Talking to the media at Energy, Oil & Gas Exhibition & Conference at Lahore Expo Centre, Rao Khalid Ahmad Khan said that NSR Energies, one of country's fast growing energy solutions providers, is working on the number of projects including coal-based power plants in Pakistan.

He said that one of projects completed successfully by NSR includes Hunza Sugar Mills (Steam Turbine Project), adding that this project is running from last four months and the management is enjoying the benefits of 100% China's top quality

steam turbine. He informed that NSR's boilers' business is flourishing with each passing day and currently his company is market leader in this business with whopping 53% share.

He informed that contracts awarded to SPERI/NSR include 6.2MW Fatima Energy Multan and 8MW Waste Heat Recovery Power of Flying Cement (for re-engineering and designing of the complete power project). Apart from these, contracts for KAPCO Muzaffargarh and 6MW Nishat Dyeing Mills (Ferozpur Road Lahore) have also been awarded to NSR Energies. "Contracts for 2.25MW Pakistan Energy Commission and 1.15MW Master Textile Mills are under process," he said.

He said that NSR team is committed to the best business practices and always endeavors to achieve results beneficial for itself, its clients and the society at large. He concluded by quoting NSR President Farooq Amjad Meer's message: "Business without credibility is a short-lived affair, whereas for us at NSR Energies, the credibility is much more important than the immediate business benefits."■

Thar Coal Fired Power Generation

Commercial production to start by 2018

The commercial production from Thar coal fired power generation plant would be ready by June 2018, provided the financial closure is completed by March 2015, it was announced by the Chief Executive Officer of Sindh Engro Mining Company (SECMC), Shamsuddin Ahmed Sheikh.

"We are the biggest investors in energy and coal mining with an investment of $2 billion in the country", Sheikh told a group of senior journalists representing various newspapers and news-agencies during their visit to Tharparkar coal mines recently.

The visit was organized by Engro Company to enable the journalists to see themselves the progress of the project of national importance.

Shamsuddin told the reporters: "Prosperity is inevitable" for the people of Pakistan and Thar through exploration of the seventh largest coal mine resources blessed by Allah Almighty to this country."

He said that this year both Prime Minister Nawaz Sharif and former President Asif Ali Zardari jointly inaugurated the Thar coal mine for cheap generation of electricity to the people and all the political parties including Pakistan Tehreek Insaf (PTI) were supporting this mega project of national interest.

Shamsuddin appreciated the federal government for including Sindh Thar coal project in Pak-China Economic Corridor and one of the priority areas in the economic development of the country.

Sheikh urged the government for implementing the incentive package announced by the Economic Coordination Committee of the Cabinet (ECC) including concessionary import of machinery and other equipments required for the exploration of coal mining at Thar. He also urged the relevant authorities for the clearance of dumpers arrived at Karachi Port so that the excavation process is expedited. He said by 2030 Pakistan would need 113,695 MW of energy while its prosperity and development was linked with availability of energy. The SECMC chief said that current installed capacity of energy in the country was 20,213 MW.

He regretted that neighboring India (Bama district Gujrat) had been using their coal reserves for the past 50 years for generation of electricity adding "70 percent of India's electricity comes from coal."

Abul Fazl Rizvi, Director Mining, SECMC briefs the media about the Thar Coal project

He said that Pakistan's coal is better than India in terms of heating value, sulfur, ash, moisture and stripping ratio.

Shamsuddin said that in the first phase, 330 MW would be generated and in the second phase another 330 MW coal fired electricity would be generated for producing cheap and affordable energy to the people in the country.

He added for road infrastructure work had been started on 3 out of 6 segments for road rehabilitation from Thatta to Islamkot while transmission line 500 KVA HVDC 250 km had been approved and National Transmission and Distribution Company (NTDC) has assured timely availability of the lines.

Sheikh also informed that construction of Islamkot Airport is going on, as per plan; work on terminal building had started and the airstrip was expected to be ready by mid-2015.

He added that 6000 acres of land had been acquired out of which 3000 acre was private land and Rs180,000 per acre compensation had been given to the affected people of Thar land.

Shams said that two more villages of Senhri Dars and Thariyo would come under the mining area and the displaced people would be relocated in a model village to be developed for the affected people full of health and education and other facilities.■

Islamabad media visits SECMC rescue center. Seen in the picture are Abul Fazl Rizvi- Director Mining, SECMC and Jivan Das, CSR Manager

NFEH holds first ever CSR consultative session in Lahore, Islamabad & Karachi

NFEH announces to hold CSR Excellence Award and Summit on 16th January in Islamabad

National Forum for Environment and Health recently held a broad-based nationwide consultative sessions in major cities including Lahore, Islamabad and Karachi to understand how best to serve the communities under CSR Practices in Pakistan.

ISLAMABAD SESSION:

This session held in Islamabad Club on 29th Sept. Naeem Qureshi briefed the participants about the NFEH Activities including the launch of Sarsabz Karachi which has now turned to bigger campaign named as Sarsabz Pakistan with an inaugural activity of this at the Governor House, Punjab.

The importance of this second CSR Consultative Session in Islamabad was an exclusive affair due to the presence of former Chief of FBR - Mr. Abdullah M. Yousuf . He said companies can align their CSR activities with philanthropy. He learned that over 80 percent of donations came from within China and this dramatic rise in giving comes largely from the increasing number of Chinese wealthy who embraced philanthropy.

The participants quoted examples of: Engro Women Empowerment (FLEW), 50% increase household income through this project, Bank Alfalah Poverty Alleviation, safe drinking area. Beyond Philanthropy approach serving communities and doing successful business

Later, Tariq Cheema appreciated the ideas shared by the Keynote Speaker and announced the forum is open for discussion. Zafar Iqbal Qadir said that engaging CSR into business for sustainability in the need of every corporate company operating in Pakistan.

Mr. Ilyas Fazil shared his experience from oil and gas industry and said that CSR to communities comes under basic human rights. He quoted CSR examples of Shell Pakistan - Education Mentor Program, Citizen Foundation's Rahbar Program under CSR Initiatives successfully running in Pakistan.

Hamid Majeed Abbasi, Manager CSR, Fauji Fertilizer pointed out that political instability and law and order situation are become big and continuous hurdles in CSR serving area. Further, Rs100 million's fund is being invested in education, Sona Public School owned by FFC and their education standards are like Oxfords and LUMS, IBA and other high profile business and engineering schools.

Bashir Malik said that the 60-70% people are drinking unhygienic water in Pakistan; in this case hospital cannot be helpful to provide medicines or minimize illness / diseases. Mr. Nadeem Ashraf, Vice President, NFEH presented vote of thanks.

KARACHI SESSION

Another CSR Consultative Session was held on 14th October, 2014 at Karachi Gymkhana. The keynote speaker on the occasion was Commissioner Karachi, Mr. Shoaib Ahmed Siddiqui. Representatives from various corporate government and private organizations, hospitals and media participated in the open panel discussion including SSGC, Toyota (Indus Motors), Dewan Group, Shan Foods, National Bank of Pakistan, Lotte Chemical, Dalda, Patel Hospital, Dubai Port World, Ziauddin Hospital, Health Television, Metro One News, British Council, Feroz 1888, National Industrial Parks, Security Papers ltd, Yunus Textile Mills, TCF and Swiss Consulate. Commissioner Karachi said that government and corporate partnership to be made effective in promoting the CSR culture in Pakistan. We have been striving hard to provide the betterment for the citizens.

Naeem Qureshi, President National Forum for Environment and Health [NFEH] with an announcement of launching of CSR Award-2014 for 'best CSR programs by corporate organizations" said that this award aimed to bring a socially responsible image of Pakistan's corporate sector for communities. For the development of CSR culture in Pakistan. Shahbaz Islam, Mirza Ishtiaq Baig, Malik Khuda Bukhsh, Dr. Buland Iqbal, Jamshed of Pharmevo and Emad Uddin of Dewan Motors also presented their views.

LAHORE SESSION:

This was the first ever moot of its kind held at PC Lahore on Sept 26, 2014 where 25-CSR activists participated in the Consultative Session and shared their views in revamping the CSR Activities, Managing Funds and improving Distribution Processes for better and timely deliveries to the less deserving people especially in the rural areas of Pakistan.

Mr. Naeem Qureshi, President NFEH highlighted about the objectives of meeting to the participants including how corporate sectors think, act and plan their CSR activities and how they ensure best practices in delivering the funds to the real deserving people not to dummies. Mr. Bashir Malik, Chairman Bin Qutub Foundation briefly shared his views about utilization of CSR Funds into the rural development and stressed upon the need of collaborative efforts in providing continuous support to less deserving people.

Pakistan State Oil joins Forbes 2000 list of companies

Based on extraordinary business performance, Pakistan's oil market leader and flagship national company - Pakistan State Oil (PSO) joined the globally prestigious club of world's biggest publically traded companies on Forbes 2000 list. For this purpose, Forbes screens the companies in four metric: sales, profits, assets and market value with a minimum cut off value in order for a company to qualify. In terms of revenue in comparison with that of US Fortune 500 companies, PSO as Pakistan's largest company in terms of turnover would rank around 211th.

During the Financial Year ended June 30, 2014, (FY 2014), PSO recorded all time high sales revenue, operating profit, after tax earnings and market capitalisation. The Company's profitability growth during the year has also been the highest in its operating history. PSO crossed Rs 100 billion mark of market capitalisation to be one of the few Rs 100 billion plus 'large cap' companies of the Karachi Stock Exchange, and its Outlook was upgraded by PACRA from 'Stable' to 'Positive' with AA+ and A1+ long-term and short-term credit ratings.

These all time high performance benchmarks were achieved by PSO without any increase in margins during the year and despite higher finance cost borne by the Company owing to higher power sector receivables during the year. To manage this situation, the Company optimised the sales of its products to strike an effective balance between growth and profitability while realising substantial cost efficiencies in administration, distribution, and marketing; limiting increase in expenses in this regards to 3% as compared with 14% average increase in expenses over the last three years and against an inflation of 8.5% during FY 2014.

As one of the largest taxpayers in Pakistan, PSO made its highest ever contribution of Rs 289 billion to the Government exchequer in the form of duties and taxes during FY 2014, which was 10% higher than that made during the previous year. During FY 2014, the Company successfully met the challenge of timely and continuous supply of fuel oil for electricity generation despite the circular debt issue vis-à-vis huge receivables from the power sector by efficiently managing the supply chain, inventory and finances.

During the year, the Company improved its refining base by increasing equity stake in Pakistan Refinery Limited from 18% to 22.5% and completed the ground work for diversifying into LNG import business by developing the structure for the LNG project in consultation with all stakeholders. Various system based controls were introduced and a number of business functions were automated during the year. SAP system was upgraded, enabling the Company to utilise new features available in Enterprise Core Component Version 6 leading to improved ERP utilisation (by 15%), cost efficiency, reporting integration and information reconciliation.

In comparison with that of US Fortune 500 companies, PSO as Pakistan's largest company in terms of turnover would rank around 211th.

An Online Order Management System (OOMS) was implemented, enabling PSO's customers to login to their e-portals and place orders for products, make payments and view accounts status. This system helped PSO to reduce operational cost, enhance controls, eliminate potential irregularities due to human intervention, and improve payment collection by establishing online connectivity with the banking network across the country.

During the year, a human resource development initiative for capacity building and leadership development was launched by signing an MoU with Suleman Dawood School of Business (SDSB) of the Lahore University of Management Sciences (LUMS). An internship program for the students of universities across Balochistan was also launched.

As a responsible corporate citizen, PSO is committed to fulfilment of its responsibility towards the society, with a particular focus on supporting the distressed and deprived segments of society. The Company accordingly made all time high contribution towards CSR and supports promotion initiatives during FY 2014. PSO contributed Rs 40 million to the Prime Minister's Relief Fund for the Internally Displaced Persons from North Waziristan in addition to donating a portion of its employees' salaries for this noble cause. PSO also extended support to fellow citizens affected and displaced by floods by providing relief items to meet their nutritional and shelter needs in the month of October 2013. PSO dispatched a relief convoy containing 25,000 mineral water bottles, 1800 ration bags, 1000 mosquito nets and 270 tents. These items were distributed amongst various relief camps in the vicinity of Awaraan, Balochistan. Besides, the Company extended active support and donations to a wide-range of more than thirty organisations engaged in development and humanitarian support efforts in the fields of health, education and community building, which include Child Aid Association, SOS Children's Village, Sindh Institute of Urology and Transplantation (SIUT) and Fatimid Foundation, among others. PSO has also extended support to Pakistan Hockey Federation and will act as a sponsor for various domestic hockey tournaments organized by PHF to promote hockey as national sport in Pakistan. PSO realises that in addition to being directly accountable to its shareholders, it is responsible to a wide group of stakeholders for supporting sustainable development and expanding economic opportunity.■

EU Report

7 Ways to be More Organized

1. Use files or folders to place all your Personal documents. Segregate your documents and place different kind of documents in different files. For example utility bills, educational documents and purchase receipts to be placed in three different files. If you want you can scan (or take a picture from your mobile) and put it in your email for quick reference. Make sure your password is safe! Advantage: Saves time and avoid stress to find the relevant document.
2. Differentiate between urgent and important tasks. Important tasks sooner or later will come out to be either very fruitful (if you have given them proper attention) or would be a complete disaster (if you have avoided them). Advantage: Attending Urgent tasks in timely manner will ensure healthy outcome in terms of family, personal, financial or professional life. You may want to read my article at http://paradigmwisdom.blogspot.com/2012/01/learn-to-differentiate-between-urgent.html
3. You need to closely observe your Time stealers. the routine tasks which takes away a lot of time but do not produce real good results should be optimized. Advantage: You will have more control on your time and arrange it for family self matters.
4. Place your things at right locations. Allocate proper drawers, boxes, cabinets, Files, balcony for accessories. Advantage: you don't have to waste your time when you need something.
5. Google Calendar is a great service which sends you email and SMS for any event which you store in your online Calendar. You can set reminders for next car service, tires replacement, remembering birthdays anniversaries and so on. Advantage: you will save money by avoiding disasters (car malfunctioning etc), you will have healthy family relations (birthdays etc)
6. Make a to-do list. Maintain it on daily/weekly basis. Use 'post-it' notes for shopping list. Advantage: Critical tasks will not be missed. Unnecessary market revisits will be avoided.
7. If you are Muslim, your Prayers timings can make you punctual and give you the convenience to organize a lot of events in-between two prayers. You can become a role model for others by being organized this way.

Stay organized for a concrete grip on your life starting today.

6 Sleep Secrets For Your Best Beauty Rest

1. Sleepify Your Room: Designing a sleep friendly bedroom is arguably one of the most effective ways to ensure a healthy night's rest. When choosing wall colors and decorations, choose ones that you love but make sure you save the bright yellows and pinks for other rooms in your house.

2. Be Loyal To Bedtime: Establishing a sleep schedule that works with your life, in addition to setting your alarm for the same time every morning, can allow your body time to develop natural waking and sleeping cues.

3. Restful Rituals: Create a ritual for your body to recognize.Try setting a consistent sequence for yourself, whether it's taking a showering or indulging in a warm bath, brushing your teeth, then listening to soothing music before your head hits the pillow, make sure it stays the relatively similar each night.

4. Workout Zzzs: Exercise in the form of a brisk walk the hour before bed or a light yoga sessioncan help the body boost the effect of natural sleep hormones such as melatonin. Postmenopausal women oftentimes have a difficult time sleeping well, and according to Harvard Medical School, those who exercised three-and-a-half hours a week had an easier time falling asleep than those who exercised less.

5. Eat, Drink, And Be Sleepy: Eat and drink certain foods within an hour before bedtime to help the body produce the right hormones and suppress the ones that'll keep you up late into the night. Pouring yourself an 8-ounce glass of warm milk before bed may sound like an old wive's tale, but there is rhyme and reason behind this drinkable sleep potion.

6. Ban Screens: Eectronics, which showed be prohibited from the bedroom to deter you from checking emails, watching late-night television, or mindlessly perusing through social media newsfeeds, which all leads to undesirable mental stimulation before bed.

6 Sleep Secrets For Your Best Beauty Rest

1. The pace-setting leader expects and models excellence and self-direction. If this style were summed up in one phrase, it would be "Do as I do, now." The pacesetting style works best when the team is already motivated and skilled, and the leader needs quick results.
2. The authoritative leader mobilizes the team toward a common vision and focuses on end goals, leaving the means up to each individual. If this style were summed up in one phrase, it would be "Come with me."
3. The affiliative leader works to create emotional bonds that bring a feeling of bonding and belonging to the organization. If this style were summed up in one phrase, it would be "People come first." The affiliative style works best in times of stress, when teammates need to heal from a trauma, or when the team needs to rebuild trust.
4. The coaching leader develops people for the future. If this style were summed up in one phrase, it would be "Try this." The coaching style works best when the leader wants to help teammates build lasting personal strengths that make them more successful overall.
5. The coercive leader demands immediate compliance. If this style were summed up in one phrase, it would be "Do what I tell you." The coercive style is most effective in times of crisis, such as in a company turnaround or a takeover attempt, or during an actual emergency like a tornado or a fire.
6. The democratic leader builds consensus through participation. If this style were summed up in one phrase, it would be "What do you think?" The democratic style is most effective when the leader needs the team to buy into or have ownership of a decision, plan, or goal, or if he or she is uncertain and needs fresh ideas from qualified teammates.

AMAZing

Futuristic Floating City In China

Atlantis may not be the only city in the ocean after architecture firm AT Design Office gets its newest blueprint approved. This innovative city plan was commissioned by the China Communications Construction Company (CCCC) as a possible eco-friendly city expansion alternative to continuing on land. With the amount of pollution, deforestation, and other detrimental environmental impacts that are a part of our current city development system, the Floating City was created as an attempt to minimize our carbon footprint for a sustainable future. The Floating City plan is modeled after a current project that CCCC is working on. They are in the process of building a bridge that will link Macau, Hong Kong, and Zhuhai. AT Design Office will use pre-existing technology and elements of the bridge construction plan in their Floating City. AT Design Office's proposal is to create concrete molds and casts of the necessary hexagonal building blocks that will be floated out to the project site. The Floating City will have an above ground layer and an underwater layer. There are two designated areas for greenery and gardens, plus a network of walkways and tunnels that will allow people to traverse the city. AT Design Office is opting for electric cars to reduce pollution and they have ports for submarines to dock. They also have a series of canals and waterways that will allow boats to operate as a means of transportation. The city will have a farm, a hatchery, and a waste disposal center in order to be entirely self-sufficient. AT Design Office has plans for a hotel and an entertainment hub that will appeal to residents and visitors alike. The city's link to the outside world will be an enormous cruise dock that will facilitate travel and tourism. If this plan becomes a reality, then floating cities may very well be the wave of the future.

Flying Car Cruise Around the Skies of Slovakia

In 1928 motoring pioneer Henry Ford said: 'Mark my word. A combination airplane and motor car is coming. You may smile. But it will come.' Now an incredible flying car that will allow drivers skip traffic jams and take to the skies has been unveiled. The vehicle can be driven on normal roads as well as being flown as a two-seater airplane, as it is able take off and land at any airport, 'opening the door to real door-to-door travel,' according to the Slovakian company behind it.Named the Aero Mobil 3,the hybrid invention was unveiled at a technology conference in Vienna.

The vehicle has a maximum speed of 100mph when driven as a car, but in airplane mode can soar through the skies at 124mph. The prototype is part of an ongoing project by the AeroMobil Team led by co-founders Stefan Klein and Jurak Vaculik, who are based in Bratislava, in Slokavia. Tatiana Veber, AeroMobil spokesman said: 'We have been developing the concept of a flying car since 1990. 'Our first model looked quite bizarre and it would have problems in the regular use. 'That was a signal to improve the concept of the flying car in a way to become an integral part of the regular road traffic. 'We got a positive feedback from several experts in avionics, which appreciated design and the technical solution of the process of transformation.

The car is constructed to be fuelled at regular gas stations using the fuel for Rotax 912 ULS engine.' The company claims the vehicle can be parked in a standard parking space and can be driven on normal roads. When used as a car, the vehicle has a range of 540 miles and measures just over two metres wide. Built from light-weight steel framework and carbon coating, when converted into a plane, the vehicle measures just over eight metres wide and six metres long to accommodate two people.

Three wheel, six seater bike made by Pakistani

Improving your maintenance strategy with online condition monitoring

By Brett Burger, Senior Product Manager for Smart Grid Systems, NI

Everyone who owns a car is familiar with routine maintenance to perform oil changes, tire alignments, and inspection of critical systems such as the brakes. Car manufacturers recommend a scheduled maintenance strategy based on number of months or number of miles driven. But it turns out that you could be changing your oil too frequently, wasting time and money, or if you're driving in dusty conditions, not frequently enough. Scheduled maintenance can even miss other impending issues with your car. Real-time diagnostics can help car owners optimize maintenance for cost and time. While the automobile industry still has a long way to go, operators of industrial capital equipment cannot depend solely on scheduled maintenance and are moving towards a predictive maintenance strategy.

In today's fast-evolving global economy, companies that rely on capital rotating assets are facing increased reliability concerns, and unexpected downtime and maintenance can lead to significant cost and safety repercussions to the extent where it can easily affect a company's bottom line. More than ever, organizations need a dependable predictive maintenance strategy to ensure reliable production and customer satisfaction. Condition-based maintenance solutions help alleviate these risks and can lead to millions of dollars in ROI.

The Electrical Power Research Institute has calculated comparative maintenance costs in US dollars per horsepower (HP) for different maintenance strategies. According to the research, a scheduled maintenance strategy is the most expensive at $24.00 per HP. A reactive maintenance strategy is the second most costly at $17.00 per HP, but it can also be dangerous. A predictive maintenance strategy is the most cost-effective at only $9.00 per HP and cuts the risk of secondary equipment and human damage from catastrophic failures.

1. What Is Condition Monitoring?

Condition monitoring is an aspect of predictive maintenance that provides all of the information you need to make maintenance scheduling decisions. It involves comparing key measurement indicators, such as vibration and power consumption, to baseline normal behavior to determine if there is any equipment health degradation. It consists of data collection, signal processing, and analysis to provide a complete picture of machine health.

2. Online Automated Condition Monitoring Versus Manual Diagnostics

Traditionally, condition monitoring is applied through routine manual diagnostic rounds. However, trends such as lower cost sensors and automated monitoring systems and the emergence of Big Data analytics are fueling the adoption of automated solutions. Applying online condition monitoring to both critical rotating assets, such as large turbines in power generation, and auxiliary rotating machinery, such as compressors, pumps, and fans, in a given production environment provides the greatest insight into the overall reliability of the fleet of assets or plant, helping a company to thoroughly understand their operations and make business decisions.

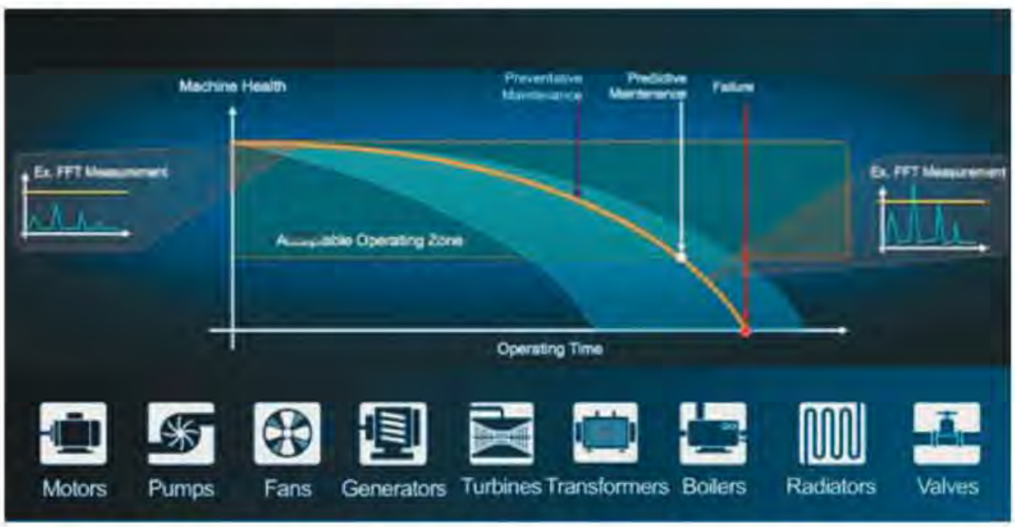


Figure 1. Condition monitoring enables you to implement a predictive maintenance strategy by taking regular measurements from sensors attached to a rotating asset and comparing them to a baseline to detect health degradation.

NATIONAL INSTRUMENTS

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For large, expensive capital equipment and rotating machinery, the cost of implementing an online condition monitoring solution is easily justified.

1. The most important benefit is an increase in revenue, which comes from maximum uptime and optimal efficiency of production machinery. Properly functioning machines guarantee maximal yield, and by monitoring production machines, you can also detect flaws in product output based on machine behavior, reducing scrap and raw material use while increasing product quality.
2. You can also see reduced costs through such a system. With strategic repairs, the operating and maintenance costs of machines with a condition monitoring system can significantly drop. The system can also identify developing faults with enough lead time to properly schedule maintenance during planned downtimes, avoiding expensive plant shutdowns.
3. By monitoring various performance parameters, the condition monitoring system can actually help warn of impending risks of failure and help to avoid serious injury. Online monitoring systems also prevent workers from having to enter dangerous environments to take measurements.

There are numerous reasons for companies to move from offline, manual data collection to online, automated monitoring and diagnostics for their predictive maintenance process.

Workforce optimization: Manual diagnostic rounds can be extremely time-consuming and require significant travel and setup time, leaving less time for specialists to actually analyze data and assess required maintenance. In addition, many industries are reporting that qualified predictive maintenance and vibration specialists are nearing retirement. Online condition monitoring helps ensure that specialized personnel are spending maximal time on the highest value tasks.

Fewer gaps in data: When performing manual rounds to collect data, companies typically can only collect a few measurements for any given piece of machinery a month, if at all. A typical power generation utility takes over 60,000 measurements per month. In certain cases, line operators manually noting data values can make mistakes or even copy previous results. Online monitoring removes these errors and helps ensure continuous data collection.

Improved diagnostics: By using a single database, more historical trend and baseline data is available for predicting faults with greater statistical significance. In addition, with manual diagnostics, the interpretation of a fault is often based on the experience and knowledge of a specialist, and this experience can significantly differ from one specialist to the next.

3. Considerations for Choosing a Condition Monitoring System

Before choosing a condition monitoring system, it is important to understand what types of machines and which failure modes need to be monitored. The breadth and number of machines and the types of measurements needed to detect the failures will form a basis for your decision.

Once this is identified, consider the following when choosing a vendor for your condition monitoring solution:

1. The flexibility of the solution to scale with your evolving needs, such as support for new types of algorithms, support for a wide variety of I/O and emerging sensors, and ability to scale to large numbers of systems.
2. The openness of the platform to allow you to gain access to the raw engineering measurements and extend the solution to meet your maintenance program requirements.
3. Interoperability with third-party hardware and software packages so that you can integrate with existing CMMS and ERP systems and any database historians or process management enterprise software used.
4. The breadth and quality of the company's product offering, including ruggedness of hardware and number of algorithms available.
5. The price of the monitoring hardware and the software solution, and how well it allows you to scale your online condition monitoring solution to cover the bulk of your rotating machinery assets.
6. The services offered to help facilitate your end-to-end solution from your asset to your IT infrastructure, either directly or through a network of partners.

NI introduces the new NI InsightCM™ Enterprise, a ready-to-run software solution with tightly integrated and flexible hardware options for online condition monitoring applications. You can use it to acquire and analyze measurements, generate alarms, visualize and manage data and results, and simplify remote management for large deployments of monitoring systems. This platform possesses all the mentioned-above features that are required for effective and efficient condition monitoring; from flexibility, openness, interoperability, to ruggedness, as well as full technical support from NI.

When implementing a large-scale condition monitoring system, there are three main technology considerations that come into play, and that are covered by NI InsightCM™. The first is data management, which involves using an app- ropriate data structure, database considerations for easily mining data, alarming capabilities, and implementing an aging strategy.

The second is data analytics, which includes application-specific algorithms and higher-level predictive analytics or prognostics. It involves both real-time decisions and embedded intelligence closer to the sensor source and performing at-rest data analytics on servers using aggregated data from multiple machines.

As the number of data acquisition or monitoring systems increases, data management and data analytics become more complex and a third consideration becomes increasingly important: systems management. Remotely managing large numbers of monitoring systems helps to increase reliability, serviceability, and availability of the overall solution, so that you can perform tasks such as viewing the health of all of your systems, connecting to the network and acquiring accurate data, and remotely configuring channels and uploading firmware application images to your systems.

For years, NI has helped companies gain insight into the health of rotating machinery and make business decisions to successfully implement predictive maintenance. Now with more technological advances and development, NI is able to provide a system solution for remote condition monitoring that responds to the technological needs and considerations for large-scale condition monitoring systems.

NATIONAL INSTRUMENTS

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Legal Aid Society to Open Contact Center

ZRG, the leading provider of unified contact center solutions, has signed an agreement with the renowned social welfare NGO Legal Aid Society to provide state-of-the-art contact center technology for the Legal Aid Advisory Center in Pakistan. This upcoming contact center will provide helpful information and expert opinions on legal matters free of cost to the poor and underprivileged, especially among women, children and minorities.

"The Legal Aid Advisory Contact Center is being launched as part of the Enhanced Democratic Accountability and Civic Engagement (EDACE) initiative", says Barrister Haya Zahid, Project Director, Legal Aid Society. "The purpose of the advisory service is to empower the masses by enhancing the level of awareness of fundamental rights, enforcement mechanisms and remedial measures available under the law."

The new contact center will be a first of its kind legal advisory services in the region offering free services to the public. Assistance will be available in languages including Urdu, Sindhi and English. The service will cover the entire province of Sindh, Pakistan. The center plans to open the phone lines in the very near future.

Honorable Justice (r) Nasir Aslam Zahid, Chairperson of Legal Aid Society and Mr. Ayub Butt, CEO of ZRG are shaking hands after the agreement signing session. Key members from both organizations are congratulating each other.

Legal Aid Advisory Center will operate under the guidance of a capable team of prominent legal industry professionals. With names like Justice (R) Nasir Aslam Zahid as the Chairman, Justice (R) Arif Khilji as Chief Advisor, Senior Advocate Mr. Kamala Wasim as Executive Director and Mr. Asad Jamil as Project Consultant.■

SSGC renovates schools under CSR initiative

SSGC considers education to be the key element in its Corporate Social Responsibility (CSR) initiative and focuses on renovating and reconstructing government educational institutions through brick and mortar support.

This was reiterated by SSGC's Sr. General Manager (Management Services), Major (R) Mohammad Akhtar, while addressing the teachers and pupils of Rashid Minhas Secondary School and Major Ziauddin

Elementary School, located in Nazimabad No. 1 and No. 2 respectively. Mr. Rehan Zafar, MPA, one of the legislators of the area, on whose recommendations the schools were renovated, inaugurated the renovation works in these schools as Chief Guest.

The schools were refurbished under SSGC's CSR initiative for the year 2013-14 at a total cost of Rs. 5.3 million. The scope of the renovation work included construction of new rooms and washrooms, including screening of roofs, internal and external plastering along with paint jobs in all classrooms and corridors, provision of electrical fittings and equipping them with new doors and windows.

SSGC's DGM/In-charge (Corporate Communications), Shahbaz Islam while briefly outlining the salient features of the projects, thanked MPA Mr. Rehan Zafar, administrations of KMC and schools for collaborating well with the Company's concerned teams.

School children warmly welcomed the guests. Also present on the occasion were Kamran Nagi, GM (Projects and Construction), Asghar Sahto DGM (P&C), Salman A. Siddiqui, DGM (Corporate Communications). Muhammad Ali Gohar, Dy. Chief Manager (CCD) and in-charge of CSR unit who organized the inaugural ceremonies with his team, was also the master of ceremony.■

KE to Sponsor Women's Football in Pakistan

K-Electric was pleased to announce that the company has become the first corporate to sponsor a women's football club. An MoU signing ceremony was held at the KE House and the signing took place between K-Electric (KE) and BUFC (Baloch United Women's Football Club). This goes in line with KE's vision of supporting the youth and giving them a platform to perform on. K-Electric CEO, Nayyer Hussain on this occasion said, "Women should also be given the same opportunities as men, and KE will work with BUFC's women's team in order to support them in all ways possible'. BUFC's women's team President, Rubina Irfan on this occasion added, "It is a privilege to have KE as a sponsor and supporter, we would ensure that the team gives 200% instead 100% in order to achieve success in women's football".

Giving details the press statement added that KE will support BUFC's women's team through providing assistance in the area of coaching, training and providing football equipment.■

Wish granting of 20 ailing children at Governor House Lahore

A wish granting ceremony of 20 ailing children of Make-A-Wish Foundation Pakistan was held at Governor House, Lahore . The Governor Punjab Chaudhary Muhammad Sarwar who is also the Trustee of the Foundation, was the Chief Guest and granted the wishes of the ailing children and presented them gifts they wished for, like computer, TV set, mobile phone, cricket kit, digital camera etc.

Governor Punjab lauded the noble work of the Founding President Make-A-Wish Pakistan Ishtiaq Baig doing for children suffering from life threatening illnesses. He said that these children are his VIP guests today and the doors of the Governor House will always be open for Make-A-Wish children.

Ishtiaq Baig thanked Governor Punjab for his usual support to Make-A-Wish Pakistan and its cause. He said that by inviting these children, the Governor has removed the impression that the doors of Governor House are open only for the classes. He said that it is an honour for Make-A-Wish to join hands with Governor House in granting the wishes of the unfortunate children.

The wish granting was also attended by, Brig. Shaukat Malik, Misbah Momin, Dr. Mirza Ikhtiar Baig, Zareen Yousufzai, Shireen Yousufzai, Fiza, Fawad Farooq, Noreen Haider, Waris Baig, Heads of the partner companies of MAW, wish children, their parents and volunteers.■

Wish granting of 20 Make-A-Wish ailing children

Make-A-Wish Foundation Pakistan organized wish granting of 20 children suffering from life-threatening illnesses. Commissioner Karachi Shoaib Ahmed Siddiqui presented the gifts to the ailing children.

The gifts presented to these unfortunate children ranged from moderately-priced items to really expensive ones that were also difficult to procure. For instance, a sufferer of haemophilia had expressed the desire for a Macaw parrot.

Founding President Make-A-Wish Pakistan Ishtiaq Baig said they had to get in touch with a pet shop owner who managed to have a Macaw imported from Brazil . The Foundation bore all the expenses and fulfillment of the Customs formalities. The Macaw, with the gaudy turquoise plumage, was on display in a cage at the event.

Commissioner Karachi Shoaib Siddiqui began his profound and thought-provoking speech with Shelley's quote: "Our sweetest thoughts are those that tell of tragedy." Dwelling further on the quote, he said that it were tragic moments that brought the noble aspects of human nature to the fore, that saw a spurt of love of one human being for another suffering one. He lauded the efforts of the Make-a-Wish Pakistan for its noble endeavours.

Ishtiaq Baig thanked the guests and said that since its inception the organization has granted thousands of wishes of ailing children. Although many children are not among us today but we are glad that their wishes were fulfilled before they passed away.■

SC screens 1.2 million children in Pakistan

This screening project, known as Pakistan Urban Paediatric (PUP) Eye Care Programme, was launched in Pakistan in 2011. It was implemented in Karachi, Lahore, Faisalabad, Multan and Rawalpindi, with government and non-government partners within the framework of National Eye Health Plan of Pakistan. This project has increased eye health awareness in schools and adjacent communities. Standard Chartered, since the launch of the Seeing is Believing programme in 2004, has invested approximately USD 2 Million to help alleviate avoidable blindness from Pakistan. The Bank has funded some 566,000 cataract operations to date and have helped 3 million people for various eye ailments. As a result of this programme, there has been a 20 percent reduction in cataract blindness in Pakistan. In recognition of the Bank's efforts, the Government has also made SC a partner of the National Steering Committee for Eye Health.■

SECMC and TCF signed MoU for the development of schools in Thar

Sindh Engro Coal Mining Company (SECMC) and The Citizens Foundation (TCF) signed an MoU for development of 9 schools in Thar. In the picture (L-R) Jiwan Das - CSR Manager SECMC, Syed Abul Fazal Rizvi - Director Mining SECMC,Ahsan Zafar Syed - Director Power Projects, Asad Ahmed - CEO TCF, Mushtaq Chapra - Chairman TCF, Ms. Nilofer Saeed - Director TCF, Mr. Shamsuddin Sheikh - CEO SECMC and Mr. Ahsan Jameel - Director TCF■

NFEH launched Tree plantation campaign Sarsabz Pakistan

After an overwhelming response of Sarsabz O Pursukun Karachi- Tree Plantation campaign, National forum for environment and health inaugurated Sarsabz Pakistan- Tree Plantation Campaign on national level from Governor House Lahore.

Governor Punjab Chudhry Muhammad Sarwar inaugurated campaign Sarsabz Pakistan. Dr Mirza Ikhtiar Baig, Mr. Mirza Ishtiaq Baig, Muhammad Naeem Qureshi President National Forum For Environment and Health , Ruqiya Naeem - General Secretary NFEH, Shahid A Khan vice president NFEH (Lahore) Bashir Malik Advisor & chairman Bin Qutub Foundation were also present.

The prestigious Tree Plantation Campaign was inaugurated with the aim to plant 300, 000 plants initially in all over the Pakistan with the sense and responsibility of Ownership , till to date NFEH has planted 240, 950/- trees in various parts of Karachi under Sarsabz O Pursukun Karachi campaign in collaboration with commissioner Karachi & Sindh forest department. ■

First biodiversity park to open in Murree soon

The country's first biodiversity park being developed in Murree is in the final stages of completion and will become functional in three months, officials in the Environment Protection Department (EPD) told.

The officials said the first of its kind facility was spread over 40 acres and its purpose was to keep the flora and fauna intact. The Punjab government would spend Rs90 million on the project. Camping will be an integral part of the park where nature lovers would be able to enjoy clean, pollution-free air. The park is likely to feature waterfalls, hiking and jogging tracks, a comprehensive information centre and scenic beauty.

An official of the EPD on condition of anonymity confirmed that entrance to the park would be ticketed, however the price was yet to be determined. The 40 acres of the park would be fenced by the government and other collaborative firms, he added.

The officials said the EPD initiated a project titled 'Development of Biodiversity Parks' in collaboration with city district governments, district governments and business communities in 2008. The project was aimed at developing biodiversity parks of Dera Ghazi Khan, Kasur, Cholistan and Murree to spread awareness among the masses regarding importance of biodiversity.

The Housing & Urban Development Department was planning to establish a housing scheme at Dharjawa Road near Sunny Bank, Murree over 40 acres. Instead, the Punjab government decided to approve a biodiversity park there.

Eventually, the International Union for the Conservation of Nature (IUCN), a globally popular inter-governmental body, was provided with terms of reference framed by the EPD and tasked with designing, landscaping and establishing the biodiversity park in Murree after an approval from the chief minister. ■

Shazad Dada joins Standard Chartered

Shazad Dada, the new Chief Executive Officer of Standard Chartered, has taken charge of his responsibilities.

Shazad joins from Barclays Bank Pakistan and is a seasoned banker and a prominent capital market professional with over 20 years of diverse experience with renowned financial institutions in the United States and Pakistan. Prior to working at Barclays, he spent more than 15 years at Deutsche Bank in New York where he specialised in the Mergers, Acquisitions and Corporate Advisory Group and was Head of Media M&A practice in the Americas. He then moved to Pakistan as Chief Executive Officer of Deutsche Bank in Pakistan.

Upon joining, Shazad Dada said, "Pakistan is well-placed to be a key market for Standard Chartered. As a leading International bank with a strong commitment to the country, we are well positioned to participate in the continued growth of the industry. I look forward to working with the team to deliver the quality of services that our clients have come to expect from us."■

PSO shows concern over mounting circular debts

Pakistan State Oil

The Board of Management (BoM) of Pakistan State Oil Company Limited (PSOCL) convened recently at the PSO headquarters has reviewed the Company's performance for the first Quarter (Q1) of the financial year 2014-15 (FY2015).

In the period under review, PSO's Profit after Tax (PAT) has been Rs 5.2 billion, which is 59% higher than the budgeted PAT of Rs 3.3 billion for Q1 FY 2015. The budget was based on the fact that a bulk of interest income from IPPs received in the first quarter of last year is expected to be received in a steady stream on a sustainable basis during this year. PSO retained its market leadership in Black Oil and White Oil, and successfully met the demand of fuel across the country despite the hardships and supply chain disruptions faced because of the power sector's inability to pay for fuel in a timely manner. Accordingly, the turnover of Rs 355 billion during Q1 FY15 has been 5% lower than that of Rs 364 billion during SPLY largely due to the effects of circular debt, floods and civil disturbance in certain areas on the vast retail network of PSO.

The sales portfolio was managed by restraining fuel oil sales in view of liquidity issues posed by increasing power sector receivables and no discounts on sale of HSD were given during the period under review. Despite improvement in gross profit as percentage of sales, the bottom line of the Company was negatively impacted upon by the burden of increased mark-up of Rs 2.3 billion vs. Rs 0.5 billion during SPLY on account of the circular debt. The impact was mitigated by the lower exchange loss of Rs 875 million vs. Rs 3.7 billion during SPLY due to devaluation of the Pak Rupee. The Board expressed concern over increasing receivables from the power sector despite best efforts for recovery thereof made by the Company and the relevant Ministry. The matter is under resolution.■

Shareholders commend PSO's business performance

Shareholders of Pakistan State Oil (PSO), the nation's oil market leader and the largest company in Pakistan in terms of turnover applauded the company's extraordinary business performance during FY2014 at the company's 38th Annual General Meeting (AGM). The shareholders expressed their utmost confidence in the company's management and their efforts to provide value addition to the stakeholders. The shareholders approved the financial statements together with auditor's report for the fiscal year ended June 30, 2014 besides payment of final cash dividend of Rs 4 per share in addition to the earlier interim cash dividends of Rs. 4 per share (equivalent to 80%) and issuance of bonus stock at the rate of 10%. These impressive numbers won tremendous appreciation from the shareholders who stated that they were proud to be part of such a high-performing and well managed company. The meeting was chaired by PSO BoM Chairman - Mr. Mujahid Eshai and Managing Director & CEO of PSO, Mr. Amjad Parvez Janjua presented the performance highlights of the company.■

17th ANNUAL GENERAL MEETING

OGDCL surpasses record profit

The 17TH Annual General Meeting (AGM) of OGDCL presided by Zahid Muzaffar, Chairman of the Board of Director and attended by Iskander Mohammad Khan, Prince Ahmed Omar Ahmedzai, Rehmat Salam Khattak, Hamid Farooq alongwith Muhammad Rafi MD/CEO OGDCL to review the performance of financial year 2013-2014 and election of new board members here today at a local Hotel Islamabad.

The sales revenue of OGDCL remained Rs. 257 billion with annual growth of 15%. Profit after tax for the first time in the history of OGDCL surpassed to Rs. 100 billion reached to record level of Rs. 134 billion showing an impressive growth of 36%. The earning per share was increased to Rs. 28.81. The OGDCL contributed Rs. 132.26 billion in the national exchequer on account of corporate tax, dividend, royalty, general sales tax and excise duty etc.

Zahid Muzafar, Chairman Board said that OGDCL being the largest Exploration & Production Company of Pakistan in terms of exploration acreage, recoverable hydrocarbon reserves and oil & gas production, continued to deliver robust financial results coupled with steady operational performance during the year 2013-14. OGDCL acquired 29 new exploratory blocks and the current concession portfolio consists of 62 owned and operated joint venture exploration licenses along with holding working interest in 6 blocks operated by other E&P companies.

He apprised the shareholders that OGDCL succeeded to acquired 1807 line kilometer of 2 Dimensional (2D) and 867 sq.km of 3 Dimensional (3D) seismic data during the last financial year on fast track seismic data acquisition process. OGDCL further carried out 1013 line kilometer of 2D and 301 Sq.Kilometer of 3D seismic data in the first quarter of current financial year. OGDCL has carried out spuding of 17 new wells which include 8 exploratory and appraisal wells and 9 development wells during the year 2013-2014 and made 2 Oil & Gas discoveries.At present OGDCL is contributing 50% of total oil production and 29% of total natural gas during the same period.

OGDCL contributed for rehabilitation of earthquake affectees of Balochistan Rs. 50 million in addition to Rs. 250 million contributed in Prime Minister fund for flood 2014 and Rs. 80 million in Prime Minister fund for IDPs, during the year 2014-15.

Zahid Muzafar further assured to the share holders that on the basis of operational and technical expertise the company would continue to undertake new development activities to add reserves and optimize production with the aim to enhance energy security of Pakistan.

He welcomed the shareholders and thanked Government of Pakistan to repose confidence of the GOP to the present management and Board of Directors. He also lauded the performance of OGDCL employees working at all levels for their hard work and relentless efforts due to which successful year has been marked in the history of the company.■

IUCN holds media sensitization seminar on transport

A media sensitization seminar on sustainable transport and existing issues in Pakistan's transport sector was organized by IUCN, the International Union for Conservation of Nature, under the Pakistan Sustainable Transport (PAKSTRAN) Project.

The PAKSTRAN Project is being implemented by the Government of Pakistan, through the Government of Sindh (Transport Department), Government of Punjab (Urban Unit, Planning and Development Department) and IUCN. As part of this Project, IUCN has the mandate for creating awareness among the public and for capacity building.

The event, attended by media personnel, government representatives, experts in sustainable transport, aimed at creating awareness amongst the media, and mustering support for the introduction and public awareness of sustainable transport concepts.

Speaking on the occasion, Mr. Mahmood Akhtar Cheema, Country Representative, IUCN Pakistan, said that to address the transport and related problems in the country, IUCN has partnered with the government to carry forward the agenda of sustainable transportation in Pakistan. With a specific focus on the seminar's significance for Lahore, Mr. Cheema noted, "Lahore is the second largest urban centre of Pakistan - and a provincial capital with a booming population. The transport demand is immense and with rising incomes the demand for higher quality transport is increasing drastically."■

Lafarge Pakistan set to revolutionize the industry

Lafarge Pakistan held a launch ceremony for its exciting new product - Stallion, a specialized Ordinary Portland Cement. The new product Stallion, an early setting cement, has been formulated to meet the needs of the precast industry
people including precasters manufacturing various precast elements that range from concrete blocks to tough tiles, roof slabs to girders and pipes among others.

The objective of the event was to introduce Stallion cement as the panacea for local precast needs by highlighting its key attributes and unique product qualities. Director Marketing, Rizwan Jamil on the occasion said, "Pakistan's cement industry remains quite basic due to lack of initiatives by the players. Lafarge Pakistan is committed to lead the change by bringing new innovative value offerings tailored to meet the specific needs of various customer groups."

Participants across various business segments showed immense satisfaction with Stallion's qualities and endorsed it. The product is currently available for the precast channel in Rawalpindi and Islamabad and will be launched in other markets in the next few months. Mirza Sheeraz Zahoor, Brand Manager Stallion, said, "Developing new innovative products that work to make a process easier for professional builders, is core to our business ethos. Customers will greatly benefit from Lafarge Pakistan's first-of-its kind quick setting cement as jobs will now be finished earlier."■

ATC on Energy to be held in Islamabad

The preconference meeting of Annual Technical Conference ATC 2014 was held in Karachi. The meeting was chaired by Mr. Khurshid A. Minhas Chairman of ATC 2014 and Mr. Abdul Wahid Chughtai, President PAPG, in connection with administrative and event sponsorship of the upcoming conference (ATC) 2014 scheduled to be held on November, 25-26 2014 in Pakistan China Friendship Centre, Islamabad. The conference will be jointly organized by Pakistan Association of Pakistan Geoscientists (PAPG) and Society of Petroleum Engineer (SPE) on the theme of "Energy Challenges of Pakistan and E&P Strategies".The Pakistan Association of Petroleum Geoscientists and Society of Petroleum Engineers will organize the Annual Technical Conference (ATC) titled "ENERGY CHALLENGES OF PAKISTAN AND E&P STRATEGIES". It will be the premium event of Pakistan's E&P Sector, service providers and regulators and a forum for presentation of research work from industry and universities, introduction of innovative technology and an opportunity to discuss prevailing technical issues and problems, academia interaction with industry, investment opportunities and above all a sharing of operational knowledge and experiences.■

By Muhammad Yasir

Oil production up 19%, gas down 1% in 1QFY15

Pakistan's oil an average production increased tremendously by 19 percent in the first quarter of 2014-15 (1QFY15) to stand at 94,000 barrels of oil per day (bopd) as compared with 79,000 bopd in corresponding period last year, whereas the average gas production during the period dropped 1 percent to 3,955mmcfd versus 3,977mmcfd in 1QFY14.

Overall, the hydrocarbon production in Pakistan, which stood at an average 787,000 barrels of oil equivalent per day (boed) in 1QFY14, averaged 799,000 boed in 1QFY15, up merely 1 percent in 1QFY15 as per statistic provided by exploration and production of companies to local equity research centre.

The net realized prices on oil sales are 5.5x higher than that on gas. Hence, revenue growth from higher oil production outweighs revenue-loss from decline in gas production for exploration and production companies in Pakistan. However, in 1QFY15, Arab Light prices averaged $103.4/bbl versus $108.6/bbl in similar period last year, while 2% average Rupee appreciation against US-Dollar also failed to favor local E&P players.

Oil and Gas Development Company (OGDC) achieved 4 percent improvement in total production with the 2 percent growth in average oil production and 4 percent higher gas in 1QFY15, showing cumulative hydrocarbon production of OGDC was up 4 percent to stand at 259,000 boed as compared to 250,000 boed in corresponding period last year.

The company benefited from higher production in blocks like Nashpa and Tal, where cumulative average production contributed 17,000 bopd (41% of OGDC's total oil production), up 30 percent from 13,000 bopd in 1QFY14.

During the period, company's average gas production increased to 1,221mmcfd versus 1,174mmcfd in 1QFY14; up 4 percent. The major growth in gas production came from 58 percent higher output in Uch, contributing 314mmcfd or 26 percent of company's total gas production.

Pakistan Petroleum (PPL) recorded average production of 157kboed versus 160kboed in 1QFY14; down 2 percent. Its average oil production registered highest growth of 23 percent averaging 14,000 bopd versus 12,000 bopd in 1QFY14.

On the contrary, gas production declined 4% to average 802mmcfd versus 834mmcfd in similar period last year. Driven by volumetric growth in Tal and Naspha, PPL's oil production grew substantially during the period. However, this impact was mainly offset by 25mmcfd decline in gas production from Sui.

In FY14, cumulative hydrocarbon production of Pakistan Oilfields (POL) was down 5% at 19, 000 boed as compared to 20, 000 boed in corresponding period last year. Its oil production posted an increase of 15 percent as it stood at 6,413bopd versus 5,563bopd in 1QFY14. This was mainly due to higher production from Tal block, which contributed 68 percent to POL's total oil production versus 57 percent in 1QFY14. The company's average gas production dropped to 70mmcfd versus 81mmcfd in 1QFY14; down 13 percent.■

OGDCL makes another discovery of hydrocarbons

Oil & Gas Development Company Limited (OGDCL) has discovered another oil discovery from its exploratory Well - Jarwar well # 1, which is located in District Tando Allah Yar, Sindh Province in NIM Block with OGDCL ownership - 95% and Government Holding (Pvt) Limited - 5%. This is the second oil discovery which OGDCL has made within the short span of two months.

The structure of Jarwar Well # 01 was delineated, drilled and tested by using OGDCL's in house expertise. The well was drilled down to the depth of 1473 Meter, targeting to test the hydrocarbon potential of Upper Sand of Lower Goru Formation.

Significant reserves of hydrocarbon have been found at Jarwar Well #01. Selective Interval (B-Sand) of Lower Goru Sand member have been tested delivering 480 BAARREL PER DAY oil through down hole jet pump. The discovery of Jarwar Well # 01, will add to the hydrocarbon reserves base of the OGDCL and GHPL.

Muhammad Rafi, the Managing Director and CEO of OGDCL further expressed that OGDCL had reached the 100th landmark of hydrocarbon well discovery at Soghri-1 located in district Attock under the Soghri Exploration License in the month of September, 2014 and the Prime Minister of Pakistan had inaugurated the discovery on 17th September, 2014. Soghri Well is currently producing 220 barrels per day of condensate and delivers 17 million cubic feet of gas per day. OGDCL is Pakistan's premier and largest Oil & Gas Exploration and Production Company which contributes 55% of Pakistan's oil output and 30% of Natural Gas output. OGDCL is the top tax paying company in Pakistan with annual tax payments surpassing Rs. 50 billions.■

SSGC's Panel Discussion on Energy Crisis

Panelists participating at a panel discussion organized by SSGC in collaboration with NED Univerasity of Engineering and Technology, Karachi, stressed on exploring renewable resources as one of the key solutions for Pakistan's energy troubles. The interactive panel discussion entitled 'Energy Crisis - Solutions for a Brighter Tomorrow' was held on October 16, 2014, at an NED auditorium and featured the University's faculty members and SSGC's senior officials as panelists.

Spreading the message about the need to conserve energy to the students and faculty members, panelists who participated in this healthy exchange of dialogue were Abdul Majid Malik, SGM (Distribution-North), Saeed Larik, GM (Distribution-Central) and Shahbaz Islam, DGM/In-charge (CCD/OD) from SSGC's side. NED was represented by Professor Anjum Khalid (Mechanical Engineering Department) and lecturers Mr. Adnan-ul-Haq and Eng. Fahimuddin from Petroleum and Chemical Engineering departments. The discussion was moderated by Syed Imran Ahmed, Chief Manager, Corporate Communications, SSGC. The heartening feature of this timely discussion was that panelists focused both on non-renewable as well as renewable resources to overcome Pakistan's energy conundrum. There was a general consensus amongst all the panelists that the fundamental reasons behind the current crisis included inability to see the bigger picture, absence of a long term vision, late technology implementation, wrong planning and flawed decisions related to allocation of natural resources.

While on the topic of alternative solutions, Dr. Khalid was of the view that that solar water geysers can act as a substitute for the conventional gas geysers for the primary aim of saving up on gas and gas bills. He said that by collaborating with a reputed institution like NED on solar water geyser project, SSGC can help promote building energy efficiency, energy conservation and space heating in a very cost effective way.

In his key note address, Prof. Sarosh Lodhi, Dean Civil Engineering and Architecture appreciated SSGC for its efforts in linking up industry with the educational institutions to find solutions for issues common to all. Also present on the occasion were NED's Sohail Fazil Usmani, Controller Students Affairs and SSGC's Salman A. Siddiqui, DGM (Corporate Communications). ■

Dr. Mirza Ikhtiar Baig Chairing 25th meeting of Procurement Infrastructure Sub Committee of Pakistan Textile City.

MOL Group launches drive to attract Best HR in Pakistan

MOL Group, the leading international Oil and Gas Company is launching a new E&P talent acquisition and development program for students and graduates in the fields of geoscience and petroleum engineering. Students at selected universities in 14 countries ranging from Pakistan, UK and Central Europe to the Middle East can apply via the UPPP online simulation game from 1st to 23rd October 2014. The top three teams will then get the opportunity to join MOL Group and start their careers through the 18-month "UPPP Technical Placement Program". Top three teams at the competition will win a total of □20,000 prize.

On 14th October MOL Group will be present at the NED University Karachi and on 15th October at Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (GIKI) Topi, KPK to inform about the UPPP program. Students will get the golden opportunity to meet HR managers and make a good first impression in speed interviews. In addition, on October 14th Alexander Dodds, Executive Vice President for Exploration & Production, MOL Group will host a webinar at Universities to give insights into MOL Group and the UPPP contest. Furthermore, students will have the chance to talk to Alexander Dodds to get first-hand information about MOL, working for MOL and the program UPPP.

"We are proud of our new UPPP Program, that offers qualified top talent the opportunity to join MOL Group's Upstream division. UPPP is dedicated to those students who are open to real-life challenges and dare to enter an exciting challenge", said Zdravka Demeter Bubalo, HR Vice President of MOL Group. There are two rounds to the game and students must be in teams of three to apply. The first round is an online simulation game where participants have to solve industrial and strategic challenges in virtual scenarios. The tasks involve case studies taken from real situations within MOL Group's E&P portfolio. The second round is the live final. ■

PTCL and CAA sign nationwide online connectivity agreement

Pakistan Telecommunication Company Limited (PTCL), the largest Information Communication Technology (ICT) services provider in the country, has inked an agreement with Pakistan Civil Aviation Authority (PCAA) to provide ICT services, as managed model nationwide. Kamal Ahmed, Chief Digital Services Officer, PTCL and Air Vice Marshal Khawar Hussain, Deputy Director General, PCAA, signed the agreement for establishment of the state-of-the-art communication system at Civil Aviation headquarters in Karachi.

The project will facilitate Air Traffic Controllers in transmitting and receiving data in real time over the redundant last mile connectivity for PCAA radar sites and airports in a faster and reliable manner. The implementation of new system will also help in enhancing audio communication between Air Traffic Controllers and Pilots in a manner that all the communication will take place in real time without any distortion. The setup will provide an efficient, scalable, reliable communication system to meet all the operational and business requirements of Civil Aviation Authority.

Kamal Ahmed, Chief Digital Service Officer, PTCL while commenting at the signing ceremony said, "We are delighted to partner with Civil Aviation Authority and would like to appreciate CAA for its trust in PTCL's sophisticated ICT infrastructure and services. PTCL possesses full capacity to deliver such a strategic and innovative communication system to Civil Aviation Authority. ■

Opportunities for reducing carbon emissions explored

Opportunities towards reducing carbon emissions were explored at a three-day training organized by the Climate Change Division, Government of Pakistan, and IUCN, the International Union for Conservation of Nature, in Karachi recently.

The session focused on identifying opportunities with regard to carbon financing in the transport sector. Carbon financing is a global mechanism and explores opportunities to reduce greenhouse gas emissions, which carry a price, if traded in international market. Hence, projects that reduce such emissions can bring additional stream of revenue, besides other environmental, social and sustainable development benefits.

Participants in the trainings included representatives from Lahore Transport Company, Sindh Transport Department, Economic Affairs Division, Punjab Metro Bus Authority and Ministry of Water & Water.

The PAKSTRAN Project is being implemented by the Government of Pakistan, through the Government of Sindh (Transport Department), Government of Punjab (Urban Unit, Planning and Development Department) and IUCN.■

PPL, NED launch Extended Internship Programme

In a pioneering case of industry-academia collaboration in the local oil and gas sector, Pakistan Petroleum Limited (PPL) together with NED University of Engineering and Technology, Karachi, launched a 12-month Extended Internship Programme (EIP) with an orientation ceremony.

As part of PPL's Corporate Social Responsibility programme under the umbrella of the Memorandum of Understanding signed between the company, NED and Norwegian University of Science and Technology earlier this year, EIP will cater to a cross section of society with special consideration for marginalized communities, particularly in PPL's concession and operational areas.

through a transparent, merit-based process managed professionally by NED despite pressures from various quarters, will be given professional academic training, including laboratory sessions at NED, followed by full-time on-job training at PPL for one year.

(L to R) Executive Director PPL Asim Murtaza Khan, Vice Chancellor NED Prof. Dr. Muhammad Afzal Haque and DMD & COO PPL Moin Raza Khan at the orientation of Extended Internship programme

The first-ever effort of its kind, the EIP is expected to go a long way to address human resource constraints for technically qualified professionals in the oil and gas industry and may have a multiplier effect provided it is replicated by other oil and gas companies to accommodate more and more candidates.■

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ISO 50001 can be easily integrated into existing Quality, Safety and/or Environment Management Systems, for all types of organizations aiming to monitor and improve their energy efficiency. Several management systems can be audited during the same audit, optimizing costs.

Pioneer in Energy Management Systems: ISO 50001 is based on standards for which Bureau Veritas Certification is accredited by DANAK in Denmark and SWEDAC Sweden.

Leader in Sustainable Development Certification: Bureau Veritas Certification is a leading certification body in Sustainable Development schemes, with expertise in environmental preservation and social accountability.

Network: A global presence in more than 140 countries means clients benefit from both international expertise and in-depth knowledge of local standards.

Mark of Global Recognition: The Bureau Veritas Certification mark is a globally recognized symbol of your organization's ongoing commitment to excellence, sustainability and reliability.

for further information

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