

MONTHLY **Energy** UPDATE

ISSN 2309-6578

Special Report:
Annual Environment
Excellence Awards 2014

Environmental Degradation

**Privatization of OGDCL
Controversial Nandipur
power project**

Exclusive Interview:
S.M. Muneer, CEO, TDAP

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September 2014



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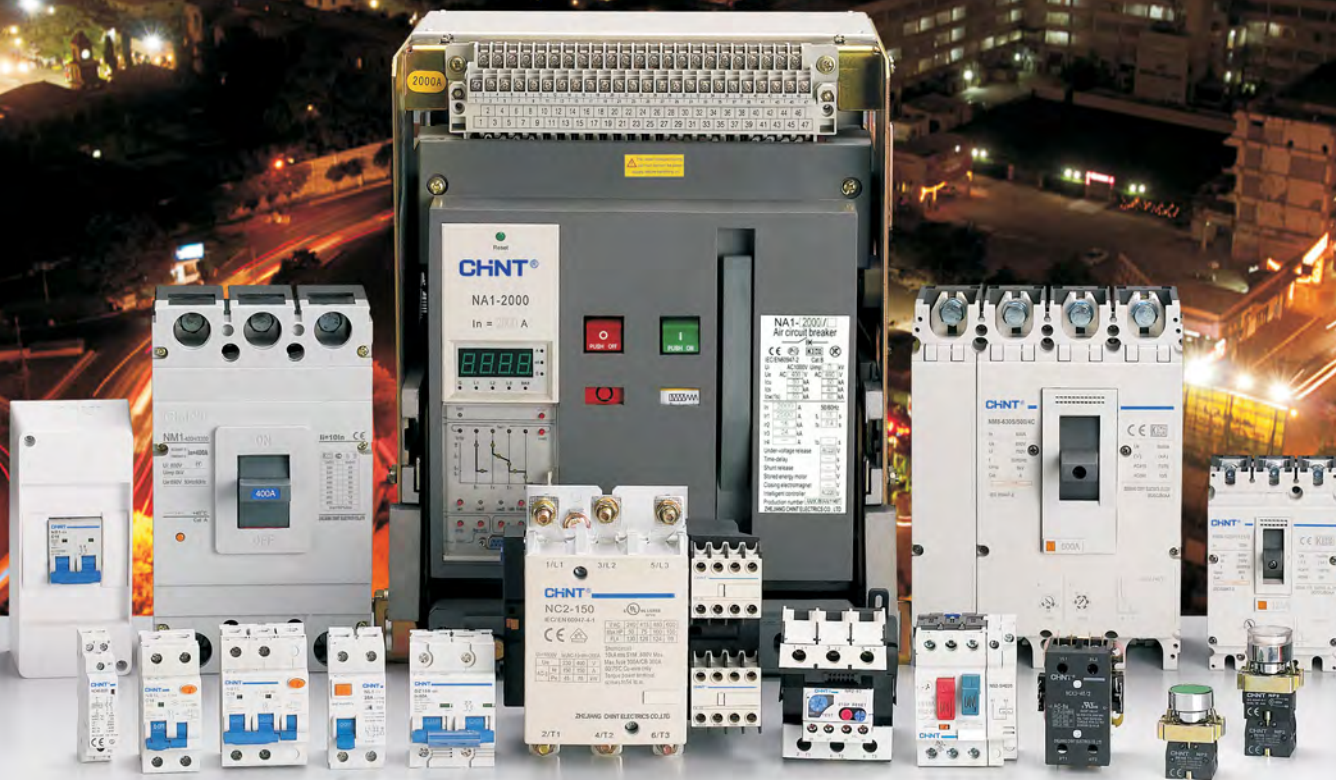
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#06



NATIONAL FORUM FOR ENVIRONMENT & HEALTH

SPECIAL REPORT

11th Annual Environment Excellence Awards 2014

EXCLUSIVE INTERVIEW



S. M. Muneer

CEO, Trade Development Authority of Pakistan
Vice Chairman, MCB Bank
Chairman, DIN Group

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Environmental degradation and its impact on economy

By Ismat Sabir

Nandipur Power Plant controversial project

YES

NO



#18

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From the editor's desk...

Political instability to worsen energy crisis

The political instability in the country driven with street power and a blend of agitation to slow down the development phase of energy projects and mainstream economic activities.

The politics of sit-in and street power are bound to invite military intervention but sanctions from various international diplomatic agencies and their subordinate funding arms are on the cards to cease or cause to delay in materializing plans of electricity power projects for long time hence miseries of the masses will go beyond imagination.

Government vision to generate 10,000 MW electricity by 2020 is an ambitious target but recent move of the Finance Minister Ishaq Dar to complete the projects within the span of three to four years in collaboration with financial support of Chinese government could make a difference for a bright present and future of the country.

Unfortunately, the visit of the Prime Minister is at risk due to the political scenario which was in deep crisis posing threat to so-called democracy and improving economic progress of the country.

The economy incurred billion of rupees losses as a result, businesses turned to standstill, tax collection slowed down, rupee depreciated, stock exchange nosedived and foreign investors and investment, more importantly, kept them away from the highly potential country.

The energy is the soul of all economic activities being continued to expand for growing GDP but this dream could not be come true unless practical measures are not taken rightfully.

The government whether it is a democratic or run like a kingdom, or it could be maintained by military through imposing martial law, the practical measures are all needed to ensure for progressive economy with a lifeline of energy supplies to it.

Any political setup if retained in the country should first address the shortfall of 4,000MW in the country coupled with supplies of natural gas to lucrative and earning sectors. Then, it should work and facilitate in development energy sector and its allied areas on priority basis.

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Monthly Energy Update

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Environmental degradation and its impact on economy

By Ismat Sabir

Pakistan is facing environmental problems, both brown and green. Moreover, the economic policies are also affecting incentives for the environment. Since the 1980s, Pakistan has introduced some market orientated structural reforms of the economy that will affect environment too.

A researcher Tahir Hasnain enumerated Top 10 Environmental Issues in Pakistan:

1. Tree Plantation

Need for tree plantations in urban centers that would help in maintaining good environment and clean healthy environment. So there is an urgent need to plant trees in big cities, especially.

2. Forest Cutting Banned

In 1992 Government announced a policy and banned forest cutting but the policy was not successful. Therefore, there is a need that the government should announce the strategy to make sure that investment comes in and trees are treated as the environmental commodity not just as the item of fuel but for healthy society.

3. Pollution spread from factories

There is a need of cooperation from the factories. The Federation of Pakistan Chambers of Commerce and Industry (FPCCI) should take a lead in this regard. After the implementation of WTO, Pakistan has to meet the environmental standards and unless it does not one can not export goods abroad.

There is also pressure from the lenders; almost

all the banks of the world say that the industries that do not meet the environmental criteria will not be given money. Therefore, Pakistan must try to enforce the law of land and for that it has to start a voluntary self monitoring program because it is not possible to send inspectors to every industry in the country.

4. Greenhouse effect and Pakistan

The planet has been affected with the greenhouse gasses which are affecting life and sustainable environment on earth. However, Pakistan is a very small contributor in greenhouse effect; contributes only 0.2pc greenhouse gases of the whole world.

Pakistan knew about these conditions and has taken lead on this issue at the international level. Pakistan is a signatory of the "Kyoto Protocol". The Kyoto Protocol is a document signed by about 180 countries at Kyoto, Japan, in December 1997. The protocol commits 38 industrialized countries to cut their emissions of greenhouse gases during 2008-12 to levels that are 5.2 percent below 1990 levels. Pakistan needs to develop a strategy and attract investment to come to Pakistan on this issue. The industries in Pakistan should also be involved; if one actually invests in projects and get carbon credit that is going to be credited on commodity exchange. It is the first environmental commodity of the world and the predictions of the World Bank are that this market is going to be in the range of \$5 to \$10 billion a year on this carbon emission.

Pakistan is facing environmental problems, both brown and green. Moreover, the economic policies are also affecting incentives for the environment. Since the 1980s, Pakistan has introduced some market orientated structural reforms of the economy that will affect environment too.

5. Carbon monoxide emissions in Megacities

Carbon monoxide emission levels in Karachi and Lahore have considerably exceeded WHO's recommended levels. But it happens only during crowded hours not 24 hours a day. A Clean Air Program must be initiated to ensure safe level carbon monoxide emissions especially in megacities.

6. Pollution in Karachi

Karachi is a very crowded city housing people from all parts of the country, therefore, the level of noise pollution and air pollution is very high in the city.

The number of vehicles is increasing day by day, because getting a car has become so easy with the emergence of bank leasing options. Although it is a good sign of economic growth but due to lack of infrastructure, pollution issue has increased which is quite alarming. To tackle the situation there is a need to develop a 'Clean Air Program'.

7. Old vehicles

Running of old vehicles on road are also one of the causes of air pollution. The "Clean Air Program" should also include old vehicle retiring program. In developed countries the older the car gets the more tax they have to pay.

8. IT Technology

Exploiting for Environment protection the government should use IT technology. There must be software programs developed for registering industrial data on environment.

9. Lack of Qualified Researchers

There is lot of demand for environmental managers especially from the lenders, World Bank and ADB.

10. Message for the youth

This environmental movement is your movement and we can fight environment degradation through a movement because of the young people of Pakistan. If we want to make a better Pakistan for upcoming generation, youngsters should take part actively and learn about the environmental issues and try to tackle the problems.

Economic policies should be developed that could ensure sufficient allocation of financial resources however it is not a sufficient condition for creating appropriate environmental incentives.

Two types of policies can be used to deal with environmental problems, command and control policies and incentive or market based policies. Command and control policies involve government mandating of environmental quality standards on emissions, technology type or input use. Incentive or market based policies use prices to try to affect pollution and resource use. Despite the advantages

of market based approaches, Pakistan like many other countries mostly followed control policies. But these policies have often failed to achieve results because poorly regulating institutions lack the financial and technical resources to implement these policies effectively.

Pakistan's brown environmental problems include industrial waste water pollution, domestic waste water pollution, vehicle emissions, urban and industrial air pollution, and marine and coastal zone pollution. Economic policy failures are contributing significantly to many of these problems.

The Green environmental problems affect irrigated agriculture, rain fed agriculture, forests, and rangelands. In irrigated agriculture, economic policies, such as subsidies on irrigation water, have provided incentives for farmers to over use water in their production practices, thereby exacerbating the problem of water logging and salinity.

Definition of Green House Effect

The green house effect is a natural process by which the earth retains some of the energy of the sunrays, and utilizes it

Motor Vehicles on the road

Year	Total	Motorcycles/Scooters	Rickshaws
2001-02	2561.9	2481.1	80.8
2002-03	2737.1	2656.2	80.9
2003-04	2963.5	2882.5	81.0
2004-05	3146.4	3064.9	81.5
2005-06	3868.8	3791.0	77.8
2006-07	4542.9	4463.9	79.0
2007-08	5126.3	5037.0	89.3
2008-09	5456.4	5368.0	88.4
2009-10	5501.2	5412.1	89.1
2010-11	5558.6	5468.8	89.8
2011-12	6114.5	6015.7	98.8
2012-13	5900.5	5800.0	100.5
Percentage Increase in 2012-13 over 2001-02	130.3	133.8	24.4

to warm it enough to sustain life on it. This process is mediated by the presence of some gases in the earth surroundings that form a layer around it, and are known as "Greenhouse Gases" (GHGs) Enhanced Green House Effect- Global warming.

Effects of Global Warming

Deforestation and rangeland degradation have resulted, in part due to lack of property rights in communal forests and lack of incentive for local communities to participate in forest management decisions.

Freshwater or industrial pollution is mostly unchecked and may get worse unless economic activity is underpinned with sustainable development. Efforts are underway to attain goals of sustainable social and economic development, ensuring water, food, energy and environment securities, without over exploiting forests and ecosystems. Environment degradation is linked to poverty in Pakistan.

The main elements of environmental degradation are air and water pollution, ozone layer depletion, deforestation, desertification, vanishing bio diversity and land degradation have resulted in climate change and ecological imbalance.

Experts estimates that environmental degradation may cost Pakistan's economy over Rs365 billion every year of which inadequate water supply, sanitation and hygiene accounts for Rs112 billion, agricultural soil degradation Rs70 billion, indoor pollution Rs67 billion, urban air pollution Rs65 billion, lead exposure Rs45 billion and land degradation and deforestation Rs6 billion. Some other environmental experts believe that the environmental degradation cost may increase beyond Rs450 billion.

The challenges in environmental sector include:

Water and air pollution causing widespread diseases, adaptation to the impact of climate change for energy, water and food securities and Clean Development Mechanism (CDM).

According to Pakistan Economic Survey 2013-14:

It was recommended that to implement the Action Plan of National Climate Change Policy and adequate sharing of responsibilities at all levels, in the wake of 18th Amendment, consultation with federal and provincial Environmental Protection Agencies, civil society and private sector should be involved in order to better implementation the policies. Involvement of private sector and NGOs under public private partnership for effective and efficient conservation and management of natural resources should be activated. The government is also implementing various other policies and programmes, many of which have come out of the National Environment Action Programme (NEAP).

Some key policies and programs that have stemmed from NEAP are:

Air and Water Quality Monitoring, Clean Drinking Water for All, Pakistan Wetlands Programme, National Sanitation Policy, Sustainable Land Management to Combat Desertification in Pakistan, Environmental, Rehabilitation and Poverty Reduction through Participatory Watershed Management in Tarbela Reservoir and Energy

Under MDG 7, Pakistan aims to promote sustainable

development, halve the proportion of people without sustainable access to improve drinking water and basic sanitation, and bring about a significant improvement in the lives of slum dwellers by 2020.

Environment challenges and issues are linked with an imbalanced social and economic development in recent decades. This challenge is further compounded with rapid urbanization due to a shift of population from rural to urban areas. Thus, all major cities of Pakistan face haphazard, unplanned expansion that is increasing pollution. This unchecked growth has led to creation of slums area around cities and low lying area. Since the municipal authorities and utility service providers have limitations in extending their facilities, urban congestion is the prime reason of ever deteriorating air and water quality, solid waste management and loss of biodiversity indicated a study.



Environmental degradation is linked to poverty in Pakistan.

Poverty and rapidly increasing population and growing urbanization is pressuring the environment. The environment and poverty issues can not be ignored unless effective and practical solutions are not taken. Therefore, there has been a dire need to work on poverty alleviation.

The level of gases like Carbon Monoxide (CO), Sulphur Dioxide (SO₂), Ozone (O₃) and Hydrocarbon (HC) are still within safe limits though some pockets of high concentration are found in congested places, which give short term exposure to public.

The main causes of air pollution are abrupt increase in number of vehicles and inefficient automotive technology, use of unclean fuels, uncontrolled emission of industrial units, emission of brick kilns, burning of garbage and presence of loose dust.

Motorcycles and rickshaws, due to their two stroke engines, are the most inefficient in burning fuel and contribute most to emissions. The two wheeler industry is growing very fast in Pakistan and it has increased by 143 percent in 2009?10 when compared with the year 2000?01. Rickshaws have grown by more than 34.4 percent while motorcycles and scooters have more than doubled over the ten years. ■

S. Arabia's gas initiative fails to pay off

By Syed Rashid Husain

Saudi Arabia's decade-long 'Gas Initiative' is unravelling - with considerable impact on global energy balance - as galloping domestic consumption seems eating into the exportable crude surplus of the Opec kingpin - Saudi Arabia.

Launched by the then crown prince, and now King Abdullah ibn Abdul Aziz, way back in September 1998, when during an hour long private meeting with senior executives of seven US oil majors he invited them to help develop the kingdom's energy resources. But things have turned 'sour' since.

Initially, the three mooted gas projects focused on a \$15 billion scheme to develop gas reserves in South Ghawar field and two minor \$5bn ventures that involved gas production for petrochemical, power and water desalination projects.

However, internal opposition and drawn out negotiations, as well as questions about the Aramco reserve estimates, stifled the early euphoria.

The initiative ended up with only a handful of projects, led mainly by Russian, Chinese and European firms. US oil majors, who had originally negotiated for participation, interestingly abstained. The revised gas projects entailed exploration and processing of the non-associated gas found in designated blocks in the Rub Al Khali (Empty Quarter).

In October 2003 Royal Dutch/Shell and France's were awarded the Shaybah gas project, covering a 200,000 square kilometre. In May 2004, Russia's Lukoil was awarded stake in 29,900 sq km Block A and China's Sinopec was awarded stake in 38,800 sq km Block B. Italy's ENI and Spain's Repsol-YPF, were awarded the 52,000 km, Block C.

The entire scheme is now in doldrums.

Early last month, Shell announced ending investments in the project. ENI, Repsol and Total - have also abandoned gas search. China's Sinopec too had reportedly suspended operations in the Empty Quarter.

The relatively high cost of developing challenging deposits while gas sales prices fixed at a fraction of probable production

costs were discouraging Shell and others, industry sources were quoted by Reuters as saying.

Low domestic gas pricing has been an issue here. Saudi Aramco corridors in Dhahran have been abuzz with voices calling for changes in the price regimen. The country will not be able to develop the known gas resources in the Empty Quarter desert until the government raises the domestic gas price, Saudi Aramco CEO and President Khalid Al Falih was quoted in press as saying.

"One challenge we have is the pricing of gas is very low in Saudi Arabia and does not make unconventional gas or tight gas in the Rub Al Khali economic," he argued.

Al Falih says he hopes the gas price issue "will be addressed by the government in due course." However, he refrained out from providing any timeline.

The focus is now shifting to unconventional resources. Saudi Oil Minister Ali al-Naimi had estimated the country's unconventional gas reserves at over 600 trillion cubic feet, more than double the proven conventional reserves of 288 trillion cubic feet. Saudi deserts may hold as much as 645 trillion cubic feet of technically recoverable shale gas, the world's fifth-largest deposits, estimated Baker Hughes Inc.

Russia's Lukoil was reportedly interested in tapping unconventional gas deposits in the Empty Quarter. "This is tight gas. The negotiations are under way," a spokesman for Lukoil Overseas said.

And in order to make unconventional gas economically viable, Saudi Aramco is endeavouring to reduce the cost of producing natural gas from so-called tight rock formations, targeting Saudi Aramco, is now targeting a cost of \$2 to \$3 per thousand cubic feet of tight gas, Adnan Kanaan, of Aramco's Gas Reservoir Managing department said.

With domestic gas demand to almost double by 2030 from 2011 levels of 3.5 trillion cubic feet per year, finding new resource is a key challenge to the energy managers of the kingdom, today. ■

courtesy: Daily Dawn



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By Shafiq Butt

Heavy ecological cost of coal power plant

At though the Sahiwal coal-fired power plant to be built near Chak No 76/6-R, Qadirabad, is expected to generate 1,320MW electricity to help overcome power crisis, it will have an enormous ecological cost too.

The first phase of the plant to be set up on 1,002 acres of agricultural land will be the lush green vegetation in the project area.

It is learnt that total 9,302 fruit and wild trees will have to be cut down, 36 tube-wells and three water channels used for irrigation will be dismantled, along with flattening of 783 acres of farmland with standing crops of wheat, maize, cotton, before the beginning of construction work on the site of the power plant.

As a result of cutting such a large number of trees an uncounted number of birds will also lose their habitat.

The land on the right side of Lower Bari Doab Canal is being acquired by the provincial energy department from various private owners under the Land Acquisition Act 1894.

The land's price was determined by District Price Assessment Committee (DPAC) headed by district collector with consent of 372 owners. Along with the land price, it was also agreed between the owners and DPAC that farmers would also be paid for their standing crops, forest or wild trees, fruit trees, watercourses and tube-wells before giving its possession to the department.

Dr Khalid Javed owns just nine acres of the total 2001 acre land being acquired by the department for Rs18.6 million.

Mr Naveed, Dr Khalid's brother who is caretaker of these nine acres land told Dawn that there were total 150 mango trees, five Jaman trees, 49 Sumbal (Safada) trees and 550 guava plants on the piece of the land that would be cut down.

"I have given (cutting) contract to an okara-based contractor", he said. This reporter witnessed 20 workers ruthlessly felling lush green trees standing on Dr Khalid's land. The contractor's Munschi (accountant) who was supervising the felling of total 754 trees hoped his workers would bring down the whole green canopy



within two weeks.

According to DPAC evaluation mentioned in its 'Recommendation Report' published on Jan 31, 2014, every land owner will be paid Rs4,054 per fruit tree, Rs1,118 per wild tree, Rs181,350 per tube-well, Rs57,492 per acre of standing crop and Rs75,449 per water channel irrigating the land.

District Collector Dr Sajid Mahmood said the amount was accessed and agreed between district government and 372 private land owners.

"It was decided in principle that the district government, keeping in view the standard, will evaluate each piece of land and pay additional money (for trees, crops, tube-wells and water channels) along with the actual land price", the DC added.

This may be a good deal for those selling their lands to the department but definitely not for the ecology of the area.

Jawad Chishti, an Islamabad-based public policy environmentalist says the coal power plant will damage "vegetative cover" in the area naturally available in the form of trees, shrubs, crops and fruit plants, besides depriving the birds of their sanctuary. ■

IMF wants energy prices raised for environmental reasons

The International Monetary Fund (IMF) has said that energy prices in many countries are inaccurate because they do not reflect environmental damage, notably climate change, air pollution and various side effects of motor vehicle use such as traffic accidents and congestion. Whether on energy or any other product, prices should provide consumers with an accurate assessment of the actual costs associated with the product, emphasises the IMF in a new report named "Getting Energy Prices Right: From Principle to Practice". A number of countries rely too much on general income, payroll, and consumption taxes for their fiscal objectives, and too little from taxes on energy use. In fact, fiscal policies should be centre stage in getting energy prices to reflect the harmful and environmental side effects associated with energy use, points out the report.

"Fuel tax reforms can yield substantial health, environmental, and fiscal benefits," said Vitor Gaspar, head of the IMF's Fiscal Affairs Department. "According to our estimates, moving from existing to efficient fuel prices, at a global level, would reduce pollution-related deaths from fossil fuel combustion by 63 per cent, mostly from reduced coal deaths, reduce energy-related carbon emissions by 23pc, and raise revenues equal to 2.6pc of GDP," he said.

The report stresses that energy tax reform need not be about raising new revenues, rather, reform could focus on restructuring the tax system away from taxes that are likely to be most harmful for efficiency and growth, such as income taxes, and towards carefully designed taxes on energy - smarter taxes rather than higher taxes.

According to the report, getting energy prices right involves extending motor fuel taxes, which are already well established and easily administered in many countries, to other fossil fuel products, such as coal and natural gas, or their emissions, and aligning the rates of these taxes with environmental damage.

The report notes that impacts on vulnerable households can be lessened through targeted measures like strengthened social safety nets, which are a more effective way to help these groups than holding down energy prices, given most of the benefits of low energy prices accrue to higher income groups.

"In our study, we offer practical guidance for countries on how to go about quantifying the harmful side effects of energy use, and to show what this implies for corrective taxes on coal, natural gas, gasoline, and road diesel, for over 150 countries," said Ian Parry, Principal Environmental Fiscal Policy Expert at the IMF and lead author of the report. ■

Nandipur Power Plant controversial project

YES

NO

By Ismat Sabir

The 95MW electricity power plant, Nandipur would now cost Rs57.38 billion or Rs5.62 million less than the Rs63 billion that the company had earlier demanded with Rs23 billion as original cost and Rs40 billion as compensation because the plant has been delayed for two years in the regime of Pakistan Peoples Party.

In June, the newly elected PML-N government began renegotiations to revive the project but it raised the project cost. The project is based on furnace oil and opposed to be based on diesel. The officials said that the furnace oil treatment plant was not part of the original procurement, therefore, an order was placed and delivery was expected within 3 months. However, there is no possibility that the Nandipur power plant can generate electricity without the furnace oil treatment plant. Not only that, subsequent to the installation of the treatment plant, extensive test runs and certification process by the manufacturers and regulators must take place

Not only the generation cost would be too high for its operation, but also more time would be required to start production. Abid Sher Ali, the Minister of State for Water and Power, stated that the plant is non operational due to the cost of producing per unit electricity from diesel as this fuel is too expensive for generation of electricity. The plant was supposed to generate electricity at the most at Rs24 per unit by consuming high speed diesel; but

it has produced at colossal Rs42 per unit surprisingly.

The project has been delayed by the former Law Minister Babar Awan who has not given approval of the Nandipur project for two years, from March 2010 to March 2012, which increased the cost to \$85 million. The machinery was lying at Karachi port and the agreement was about to termination of the construction contract by Chinese Dongfang Electric Corporation. Moreover, the company demanded an additional \$40 million, over and above the 23 million dollar project cost estimated in 2008, for losses it bearded. The Punjab Chief Minister Shahbaz Sharif blamed that the delay in approval was due to the PPP led coalition government which was anti Punjab and Nandipur is in Punjab. He also accused Babar Awan of demanding a commission which was not forthcoming.

After wasting seven years, the plant was inaugurated on 1st June 2014 and expected to be completed in seven months advance of its scheduled date of completion, 31st December 2014. The first units of the plants to come online was run on diesel fuel for five days after its inauguration, but closed down for being too expensive. The cost of the Nandipur project also went up to Rs59 billion compared to the initial estimate of Rs23 billion.

Minister of Power Abid Sher Ali said that Nandipur power plant is in working condition and its first turbine is producing

95MW. The unit would be converted from diesel to furnace oil till September which will help to decrease its per unit rates.

The project is being setup at left bank of Upper Chenab Canal, within the premises of the existing small Hydel Power Station, Nandipur and Gujranwala, in the province of Punjab, Pakistan. The project is being constructed by China. The project was estimated to be completed by December 2014.

History

In January 2008, Pakistan Electric Power Company (PEPCO) signed Rs329 million contracts with Dong Fang Electric Corporation of China to construct the Nandipur Power Project and paid it a 10 percent down payment. By mid 2010, much of the work was to be completed and it was expected to be completed on schedule in April 2011. However, the project suffered delays as the summary sent by the Ministry





of Water and Power for legal opinion of the Ministry of Law and Justice, remained pending for two years from March 2010 to March 2012. As a result, machinery worth \$85 million remained stuck up at the Karachi Port for over two years. In September 2012, the president of Dongfang Electric Corporation Zhang Guorong terminated the contract for the construction of the Nandipur power project, saying his company had suffered losses because machinery worth \$85 million had been waiting for clearance at the Karachi Port. The company also demanded \$40 million as compensation for losses suffered because of depreciation and damages on machinery stranded at the Karachi Port.

In June 2013, Ministry of Water and Power started renegotiating the contract with Dongfang Electric Corporation to resume work on the Nandipur Power Project. After negotiations, the firm agreed to resume work on the power station. On July 8, 2013 engineers of Dongfang Electric Corporation arrived in Karachi to inspect the machinery lying at the Karachi Port and secure its release. Later on, work on the Project was restarted.

The cost of the project was risen from Rs23 billion (\$329 million) to Rs57.38 billion (\$574 million). Prime Minister Nawaz Sharif inaugurated the first turbine of the project.

The second units of 425-525MW will start supply 95.6MW to the national grid system in August, said Muhammad Mehmood, the managing director of the project.

PTI was the first to protest the project and said it is an example of how not to set up an energy project lacking logistical and infrastructural planning. The PTI leaders have alleged massive corruption committed in executing Nandipur power project. They said the Nandipur power project is the biggest fraud of the PML-N government had committed.

NTDC said that the plant was taken online too soon because of political reasons, the project was not ready and technical and legal criteria for operation were not fulfilled. But for the publicity purposes by the Sharif brothers they inaugurated pre mature project and spend public money on failed projects that produce no power or income at all.

Transparency International (TI) Pakistan highlighted inconsistencies in the Nandipur power project, asked the government to fix responsibility on the people behind unsolicited award of contracts and the delay, which has caused a loss of over Rs13.87 billion to the public money.

An increase of Rs21.208 billion in the cost in the revised PC-I had to be paid even if the project would have been completed on time. According to the revised PC-I, additional payments of Rs12.325 billion were being made to the contractors, of which compensation for the delay is Rs6.538 billion and the cost of

additional work items is Rs5.787 billion. The exchequer has suffered a loss of Rs13.837 billion because of the delay caused by the Ministry of Law and Justice.

Project cost estimated at Rs58.416 billion is based on the rupee-dollar parity of Rs96 and the final cost after completion of works is likely to cross Rs60 billion on the back of currency fluctuation, said TI Pakistan. According to Amendments 1 & 2, the capacity of the project, a combined cycle power plant, is 425MW, and not 525MW.

Enhancement of gross capacity by 25pc from 425MW to 525MW with gas fuel is very ambitious as experts opinion taken by TI Pakistan indicated the capacity increase may not be over 10pc due to the use of gas fuel. As the revised PC-I was prepared in December 2012; the gas station was added under the previous government policy. But as the policy has shifted under the present government to "new power plants based on Hydel, coal, and wind and solar only", the gas station may be deleted to save public money.

Lessons should have been learnt from the case of two gas based Rental Power Plants' (RPP) contracts awarded in 2006, but both the plants did not operate for a single day and the government ended up paying billions of rupees in rent for five years, about \$8 million per month, as gas was never made available.

The TI also asked the government to exercise strict controls in finalizing the cost of tentative provisions amounting to Rs13.336 billion in the revised PC-I of 2013. Moreover, Amendment 2 does not include handling of fuel and ash, waste water treatment and equipment of Rs1.372 billion, neither any civil work structure enhancement at a cost of Rs1.647 billion. Owing to non inclusion of foregoing costs, the interest during construction will be substantially reduced.

It said all insurance guarantees and policies should be placed with National Insurance Company of Pakistan to safeguard public money. In order to save taxpayers money sunk in the project, work on it should be completed expeditiously in spite of the faulty award process.

The government's latest strategy to change power transmission cost was announced by the government at Rs220 million though actually Rs570 million was spent, the rest was pocketed by the corrupt rulers, Rashid said.

The system is an example of inefficiency and bad planning. There are four power plants of over 800MW available in Lahore but remained closed most of the time. The policy on the construction of dams including Bhasha and Kalabagh is a political landmine. The Nandipur Project Director Muhammad Mehmood was already hired on controversial grounds but awarded a Tamgha-e-Imtiaz. ■

The privatization of gold mine OGDCL on the cards

The Government is bent on selling national assets through privatization of State-owned organization as it now working to offload stakes of its renowned and profitable entity of energy sector Oil and Gas Development Company (OGDCL) to target inflows of \$850 million to \$1 billion.

The profile of OGDCL is outstanding on the back of its stable and expanding operations and business in overall energy sector of the country coupled with its strong balance sheet, assets and functions. It is due to the fact that the company's shares are also traded as hot dog at the local and international equity markets and investors prefer capitalizing their money in the shares of country's leading company of oil and gas exploration.

OGDCL is one of the few organizations which is listed in London Stock Exchange. It has been listed at all three stock markets including Karachi Stock Exchange, Lahore Stock Exchange and Islamabad Stock Exchange. The company maintains and develops highest number of oil and gas wells including the biggest field of Qadirpur.

Looking at the financial performance of the company one will say it a gold mine in which the government could mint billion of rupees easily with reasonable investments.

The state-run OGDCL posted a record Rs124 billion profit in 2013-14, up 36 per cent over the previous year. The country's largest petroleum operator reported 17pc growth in pretax profits recently by the end of financial year 2013-14, resulting 36pc growth in net earnings.

Despite of many challenges including unrest in the field areas of Baluchistan, Khyber Paktoonkhawa and Sindh, the expansion in the business and earning continued to improve unabated.

The company recorded improvement in its production volumes, reaching an average daily net crude oil and gas production of 41,330 barrels and 1,173 million cubic feet (mmcf) as against 40,101 barrels and 1,108 mmcf respectively in the previous year. Moreover, average daily production of LPG also increased by 25 tonnes.

The company's sales revenue increased by 15.1 per cent to Rs257.014 billion compared to Rs223.365 billion in the last year. Its net profit after taxation in-

creased by 35.8pc to Rs123.915bn against Rs91.273bn profit earned the preceding year.

This translated into earnings per share of Rs28.81, enabling the board of directors to declare cash dividend of Rs3 per share (30 per cent) totalling to Rs9.25 per share (92.50 per cent) for the year ended June 30, 2014. (It has already paid Rs6.25 per share cash dividends before these final results). In comparison, the company paid Rs8.25 per share (82.50 per cent) during 2012-13.

The political scenario has been grim which put the process of privatization on the back-burner though the government has already completed its homework and gained enough experience to executive its shares sell-off on fast track basis in September.

Regardless of its delays in process due to political unrest in the capital, economic managers and analysts said that privatization of profit-making state-owned companies is a option of totally loss deal. It is because the shares sell-off might pave the way of inflows of handsome receivable to the country and national exchequer but it will lead to sharing of significant profits and earning of the company with investors of different countries.

If any foreign company holds shares in OGDCL, it will influence in the decision of the boards and management first. Secondly, it will repatriate profits on every month to its home country which will cause outflow of foreign exchange on long-term and regular basis.

Economic managers termed the decision of OGDCL privatization a measure of short-term gains to achieve economic benefits in the tenure of current political regime keeping national interest at stake.

Besides the national interest, the livelihood of hundred thousands workers are at stake who are uncertain about their future. Although strong resistance and protest campaigns were seen in the previous regime when only Qadirpur field was decided to privatize but later the plan was shelved by the PPP-led government.

The government has appointed financial advisers including Merrill Lynch International, Citigroup Global Markets Limited and KASB Bank Limited for the privatization process that is predicted to be very successful if happens due to company's lucrative business portfolios and the recent shares sell-off of Pakistan Petroleum Limited (PPL). ■



Era of nationalising energy assets coming to an end

Monopoly of Mexico's state-owned Petroleos Mexicanos' (Pemex) on the energy riches of the country has come to an end. On Aug 11, Mexican President Enrique Peña Nieto signed a bill into law ending the 76-year state control over the country's vast oil and gas resources.

The new law introduces profit- and production-sharing contracts for foreign companies, as well as licences that allow companies to be paid with the oil and gas that's extracted in mining projects.

As per details, Pemex would be allowed to keep 83 per cent of the country's proven and probable reserves, including current oil fields and discoveries awaiting development. However, Pemex will only be permitted to keep about a fifth of prospective resources, including the as-yet undiscovered deposits. Pemex had initially requested for 31pc of prospective resources.

Upon the passage of the bill, Nieto underlined optimism. "With this reform we can extract deepwater oil and more effectively use our great shale deposit to obtain gas that allows us to generate electricity at a lower cost. The country will reduce its dependency on foreign supplies and will guarantee its energy security."

However, sections of the Mexican society appear uneasy. Left-wing legislators have been strongly criticising the privatisation bill during debates. "This is not an energy reform, this is a clear dispossession of the country's oil," underlined Dolores Padierna, a senator of the leftist Party of the Democratic Revolution (PRD), the third largest party in Mexico's Congress.

Mexico has an estimated 60 billion untapped, onshore and deep-water barrels of crude oil. The most promising part of fields to be explored and most appealing to major US oil majors, are the deep waters of the Gulf of Mexico. Bidders will be vying for the estimated 27bn barrels of deepwater oil reserves in the Gulf of Mexico. The Mexican side of the maritime border is largely unexplored and has no oil in production, a striking contrast to the level of activity in US waters.

Oil majors preferred to remain tight-lipped during the entire process, so as to avoid accusations of interference in a

politically sensitive issue. Reports now say, Pemex was planning to partner with Exxon Mobil, Chevron, Shell, BP and Brazil's Petrobras for deepwater drilling.

The areas up for grabs reportedly include a broad mix, from deep waters to mature fields and nonconventional reserves such as shale gas. The Ministry of Energy in Mexico has estimated a \$100bn in investment is needed over the next 10 years to develop Mexican shale resources.

The prolific Eagle Ford shale formation in Texas extends south across the border into Mexico's Burgos Basin and accounts for two-thirds of Mexico's shale gas resources. Mexican recoverable shale gas resources are reported to be touching 600 trillion cubic feet mark - the 6th largest in the world. Mexico is also estimated to have 13bn barrels of recoverable shale oil resources.

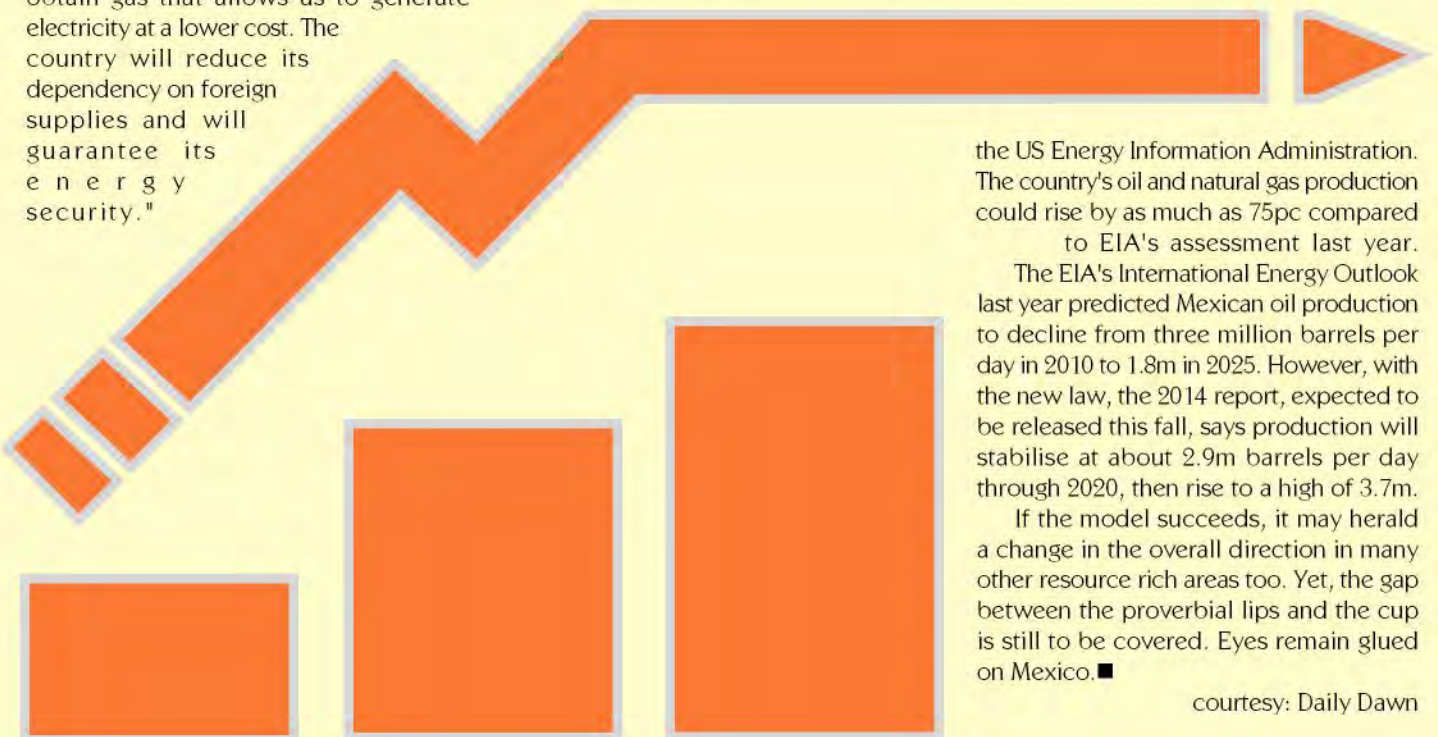
The policy shift could produce a bonanza of cheap oil and gas in the Americas. "Profound" change could be coming to Mexican oil production, says

the US Energy Information Administration. The country's oil and natural gas production could rise by as much as 75pc compared to EIA's assessment last year.

The EIA's International Energy Outlook last year predicted Mexican oil production to decline from three million barrels per day in 2010 to 1.8m in 2025. However, with the new law, the 2014 report, expected to be released this fall, says production will stabilise at about 2.9m barrels per day through 2020, then rise to a high of 3.7m.

If the model succeeds, it may herald a change in the overall direction in many other resource rich areas too. Yet, the gap between the proverbial lips and the cup is still to be covered. Eyes remain glued on Mexico. ■

courtesy: Daily Dawn



The energy shortage needs to be addressed on priority basis

The Pakistan would soon prosper and become an Asian Tiger

S. M. Muneer

CEO, Trade Development Authority of Pakistan
Vice Chairman, MCB Bank
Chairman, DIN Group

By M. Naeem Qureshi

EU: How can we further improve Business, Trade and economic development in Pakistan?

SMM: I personally believe that Pakistan has a lot of potential for a sustainable economy. Almighty Allah has blessed us with four seasons, plenty of water, hardworking manpower and many more. In this scenario, our government needs to take necessary measures to win the confidence of the business community. The government should offer lower taxation with enhanced tax base, friendly environment for trade and industry, good law & order, minimization in bureaucratic obstacles. The energy shortage needs to be addressed on priority basis.

EU: you are the former president of (FPCCI) and presently patron-in - chief of (KATI). What are the main achievements of these organizations?

SMM: FPCCI being the apex body of the trade and industry is playing an active role in the development of national economy by eradicating the obstacles in the way of trade and industry, through constant dialogue with the government. FPCCI always extend advises to the foreign investment and stimulate economic activity in the country. As far as, Korangi Association of Trade and Industry (KATI)



S. M. Muneer, son of the Late S. M. Din, belongs to the respectable business community of Chiniot, and was born on April 17th, 1945. He is currently Chairman of Din Leather Pvt. Ltd. And Din Textile Mills Ltd. He is also Vice Chairman of Muslim Commercial Bank. He is also on the board of Governors of various reputable universities. He is currently Chief Executive Officer at Trade Development Authority of Pakistan.

is concerned this is the representative body of the Korangi Industrial Area which is the largest industrial zone of Pakistan. KATI is assisting the entrepreneurs in developing the large, medium and small scale industries in Korangi Industrial Area by providing conducive environment in shape of good law and order, better infrastructure and sustainable cordial relations with the Federal, Provincial and Local Governments.

EU: In your opinion what steps are imperative for controlling the law and order situation in Karachi and elimination from Pakistan?

SMM: In my opinion the Federal Government with the collaboration of Provincial Government has launched targeted operation in Karachi which so far has yielded good results in the elimination of targeted killing and street crimes. This is pertinent to say that government has appointed a team of competent and honest police officers at the upper level, who in collaboration with the rangers are conducting the targeted operation in a professional way. As far as terrorism is concerned, this is a very complicated issue which has deep root causes; in order to address this menace the Federal Government has taken steps in the right direction by building the consensus among all the

with the militant groups and I am hopeful that this strategy would achieve desirable results.

EU: Pakistan has been recently granted GSP plus status. How can the Industrialist and Business community benefit from GSP plus status?

SMM: The GSP plus status is a great achievement for Pakistan, as it allows almost 20 percent of Pakistani exports to enter the EU market at Zero Tariff and 70 percent at preferential rates. This status would enable Pakistan to enhance its exports in the fourth coming year. Our industrialists, in order to earn good reputation in the international market, need to utilize this opportunity by exporting good quality products, which will further enhance the demand of Pakistani products. I would congratulate our governor Punjab Mr. Mohammad Sarwar, Minister Commerce, Mr. Kurram Dastageer Khan and the Prime Minister Mian Muhammad Nawaz Sharif for the tremendous achievement.

EU: In the past strategic planning was formulated in the form of five years plan, your opinion concerning revival of the activity?

SMM: All over the world, Governments plan their fiscal policies on long term basis. In Pakistan we had made several five years plans, but most of them could not be implemented due to various reasons, that's why our policies has been formulated on ad-hoc basis, which lead our country into chaos like situation. In Pakistan, we had only one successful five-year plan during the period from 1960 to 1965, which led us to remarkable industrial growth, improvements were made in science and technology railways, communications and transport sectors, moreover due attention was given to private sector, industrial development and agricultural sector. The unemploy-



S. M. Muneer is an enthusiast when it comes to social welfare. He has worked on the following projects to date:

- An Active Member and Chairman of Chinot Anjuman-e-Islamia, a social welfare society running many dispensaries, maternity homes, schools and hospitals in Karachi, Faisalabad and Chinot. Recently the Trust has completed a big hospital of about 150 beds in Korangi Area.
- Convenor, Quaid Foundation (Mohammad Ali Jinnah, To spread Quaid's message)
- Founder Life Member of Pakistan Hypertension League Karachi.
- Member of World hypertension League
- Member Board of Governors "Professional Education Foundation" since 14/04/2010, (PEF) is a registered trust giving scholarships to brilliant students whose parents cannot finance the expenses of their education, currently 300 students on role and studying leading universities of Pakistan with a targeted increase of 150-200 students every year.
- Recently constructed a very modern girls College in the name of "Din College" in Chinot and the college is working under the auspices of Chinot Anjuman Islamia. This College was inaugurated in September, 2004 by Governor of Punjab Lt.Gen.(R) Khalid Maqbool.
- Din Group through its Chairman Mr. S. M. Muneer donated Rupees One Crores in the President Relief Fund after earth quake on 8th Oct., 2006 and also donated Rs. One Crore for Flood Relief in 2010.
- Director of "Make-A-Wish Foundation International - USA since 18th Sept., 2008.
- Patron-In-Chief "Friends of Burns Centre" Civil Hospital Karachi since 8/10/2004.
- Trustee of "The Legend Trust" under chairmanship of Governor of Sindh since 7/11/2006. The job of this Trust is to help the re-known artists for their grievances.
- Founder Member of "Trust for Vaccines & Immunization" (TVI) since Dec., 2009.

ment was tackled with the industrialization of the country.

I am confident that if our government revives formulating five year plans and works on long-term strategic planning, we can achieve sustainable economic development.

EU: your views on Islamic Banking, which is considered by many as camouflaged version of interest-based banking?

SMM: Although Islamic Banking in Pakistan is in its initial stage but it has gained confidence of the consumers, therefore almost every bank has launched Islamic banking in addition to the conventional banking. I do not agree with the alleged observation that this system is a camouflaged version of the interest-based banking. Infact, the Islamic banking in Pakistan is working under the stringent control of the state bank, which requires the Banks to appoint a Shahriah board that is headed by an accredited Islamic Aalim who approves and monitors the products and transactions of the bank in order to verify Shahriah compliance. Therefore I am of the opinion that Islamic Banking in Pakistan is working in its right direction, yet to go a long way.

EU: Please give us your kind message for our reader

SMM: We must try our best to make our country a better place to live, we should strengthen the hands of our elected government and our Prime Minister Mian Muhammad Nawaz Sharif who is our last hope, by following law of the land, paying taxes, imparting education and observing good civic sense. I am confident that if our Government and business community mutually continue to boost the trade and industry and provide facilities to the agriculture sector, the Pakistan would soon prosper and become an Asian Tiger. ■



Iraqi oil and US motives

The US is once again active in Iraq, militarily. The US intervention comes hardly two-and-a-half years after Obama fulfilled his campaign pledge and pulled last troops out of Iraq.

But why bomb Iraq now? A debate is raging. And the oil connection to the entire spectre is too evident. John B. Judis, the veteran editor of the *New Republic*, insists, oil "lies near the centre of American motives for intervention."

Columbia School of Journalism Dean Steve Coll observed in the *New Yorker*, that "Obama's defense of Erbil, the capital of the semiautonomous Kurdish region, is effectively the defense of an undeclared Kurdish oil state."

It's no secret that Iraqi Kurdistan has an abundance of oil reserves and a number of US global oil majors are active there. Chevron has three "production sharing contracts" with the Kurdish government, covering a combined 444,000 acres, north of Erbil, where it's in the early testing and drilling stage.

Erbil, the centre of US military action, is thus important. The city of 1.5 million people is largely viewed as the administrative centre for the Kurdish regional oil industry and a quarter of Iraq's oil production nationally. The oil reserves are so large in this region that Kurds often claim that, if they were to break off from Iraq and establish their own country, the new nation would stand as the ninth largest

oil producer in the world.

The region has two large oil fields in particular - Taq Taq and Tawke.

Kirkuk also sits next to a "supergiant" oil field containing an estimated 10 billion barrels of oil.

Iraq is currently the world's seventh-largest oil producer, churning out some 3.3 million barrels per day in April. By June of this year, Iraqi Kurdistan was producing 360,000 barrels per day - about 10 per cent of Iraq's production (and about 0.5pc of the world's supply). And much more was expected.

In a 2009 State Department cable leaked by Wikileaks, one foreign firm said Kurdistan "has the potential to be a world-class hydrocarbon region."

IS was threatening this key producer. And Erbil is an oil boomtown full of Western companies. Besides ExxonMobil and Chevron, many oil and gas firms large and small companies are drilling in Kurdistan.

The investment of these companies were in danger due to IS advancing into the oil belt. As per press reports, Exxon Mobil had to evacuate from Iraq (read Kurdistan) amid growing instability due to militants. The company has undertaken a "major evacuation" of its staff, Reuters reported as early as June, citing comments from Dhiya Jaffar, head of Iraq's state-run South Oil Co.

Jaffar also said then BP too had

evacuated about 20pc of its staff in Iraq. US oil producer Hess Corp has also suspended oil-drilling operations in Iraqi Kurdistan and started to evacuate non-essential staff amid spreading violence in the region, its minority partner Petroceltic said. Canada-listed Oryx Petroleum too had to suspend its operations in the country.

The decision to suspend operations follows announcements on evacuations and interruptions of production from other oil companies active in the region, including Afren and Taqa, as violence spread with the advance of Islamic State militants.

Washington hence could not have afforded to abandon Erbil at this stage. As John B. Judis writing for the *New Republic* says: "If the Islamic State were to take over Erbil, they would endanger Iraq's oil production and, by extension, global access to oil." And interestingly as American action in and around Erbil caused crude markets to stabilize. In normal circumstances, a military action in oil rich region causes markets to spike. Not this time. "In essence we find US air strikes more bearish than bullish for oil as act finally draws a line for IS and reinforces both the stability in south Iraq and in Kurdistan," Oliver Jakob, a Swiss oil analyst, told Reuters.

History is full of oil wars. Let's be forthright, Mr Obama. Another one has just been added to the list. ■

courtesy: Daily Dawn

Thar coal project on the road of development



Physical work ongoing since May 2014. With EPC Contractor finalised, project moving swiftly towards Financial Close. At optimum mine capacity of 4,000MW, Thar coal can yield a power tariff of approximately Rs 6 per unit - this is the cheapest among the options currently available, as compared to residual fuel oil or imported coal.

Thar coal reserves hold the key to Pakistan's energy security with 175 billion of indigenous coal reserves buried under the desert. Pakistan is fortunate to have abundant coal reserves that are equivalent to the combined oil reserves of Iran and Saudi Arabia in energy equivalent terms, and have the capacity to produce 100,000 MW of electricity for 200 years.

The Sindh Engro Coal Mining Company (SECMC), a joint venture between the Sindh government and Engro Corporation, has been working on the project for the past 4-5 years. Engro, as manager of the project, has been working on the technical and commercial aspects, whereas the Sindh government is developing the req-

By Shamsuddin A. Shaikh

Pakistan is fortunate to have abundant coal reserves that are equivalent to the combined oil reserves of Iran and Saudi Arabia in energy equivalent terms, and have the capacity to produce 100,000 MW of electricity for 200 years.

uisite infrastructure for the project.

As the developer of Thar Block II, SECMC plans to expand the mine in phases and reach a sustainable capacity of coal output for the production of 4,000MW in 10 years, which will remain available for the next 50 years.

In the first phase of the project, mine of 3.8 million tonnes per annum capacity will be developed and the coal will be utilised by a mine-mouth power plant of 660MW. The total investment for the integrated project is estimated to be US \$1.9bn. The company has achieved substantial progress on both projects. All technical and environmental studies have been conducted and NOC from environmental authorities (SEPA) have been received. China Machinery Engineering Corporation (CMEC) has been selected as EPC engineering, procurement and construction (EPC) contractor. As a world-renowned engineering contractor, CMEC is ranked among China's top 10 contractors by the business turnover and has business

reach in more than 150 countries and regions. CMEC has already been involved in various projects in Pakistan as EPC contractor including Saif Power (225MW), Muzaffargarh Thermal Power Plant (320MW) and Guddu Thermal Plant (210MW - involved in design, supply, and installation and commissioning). The EPC contract on turn-key basis has been finalised.

Six thousand acres of land has been acquired, for which no resettlement is required. Work for the 113m cubic metre overburden removal in Thar Block II was started with a local contractor on April 30. Use of a local contractor will help expedite the work before the Chinese EPC contractors are mobilised, saving 3-4 months in construction time.

The groundbreaking of the project was jointly performed by Prime Minister Nawaz Sharif and former President Asif Ali Zardari on 31st January 2014. The presence of both gentlemen greatly enhanced the project's profile. The project has been declared as one of national significance by the prime minister, and assured full support of the government.

The development of regulatory and pricing regime for Thar coal by Thar Coal & Energy Board is also under way, and the reference coal tariff for Thar coal is expected to be announced as early as end of this month. Nepra has already announced acceptable power tariff for Thar coal-based power generation.

The government of Sindh, on the other hand, as the joint venture partner and developer of Thar, has been diligently working on the necessary infrastructure development. Operations in Thar require critical infrastructure, which includes a fresh water supply scheme and an effluent disposal line for disposal of groundwater. These are being executed as per the project requirements.

Sindh government, through the Sindh Irrigation and Drainage Authority (SIDA), is developing freshwater supply from Nabisar, which will support 1,200MW of power generation. Work is ongoing at a fast pace, and 50pc work of Phase I has already been completed, with the installation of a reverse osmosis plant at Nabisar. Meanwhile, the tendering process for Phase II is also completed. The scheme is expected to be completed by end of 2016, much before the requirement of the power plant in December 2017.

But there are some concerns on the effluent disposal line, which was expected to be finalised by June, and the contract has not been awarded yet. The Sindh Government has, however, assured SECMC of its timely availability, and as per the project schedule, the line is now required by July 2015. SECMC has been made responsible for supervising the technical specifications for both the projects.

Despite several challenges relating to land acquisition in populated areas, the widening and rehabilitation of the road network is also proceeding at a fast pace, with expansion work being done on bridges, culverts and bypasses of small cities. To further reduce travel time, an airport is being constructed in Islamkot, whose airstrip has been completed and the construction of terminal building has to be initiated. It is expected to be completed by end-2015.

Moreover, for the bankability of projects and timely execution and reliable operations of critical infrastructure, the provincial government is drafting an implementation agreement, with adequate coverage in case of non-performance, which will be signed with the SECMC. Other infrastructure requirement such as the transmission line, which is the responsibility of the NTDC, has also been assured.

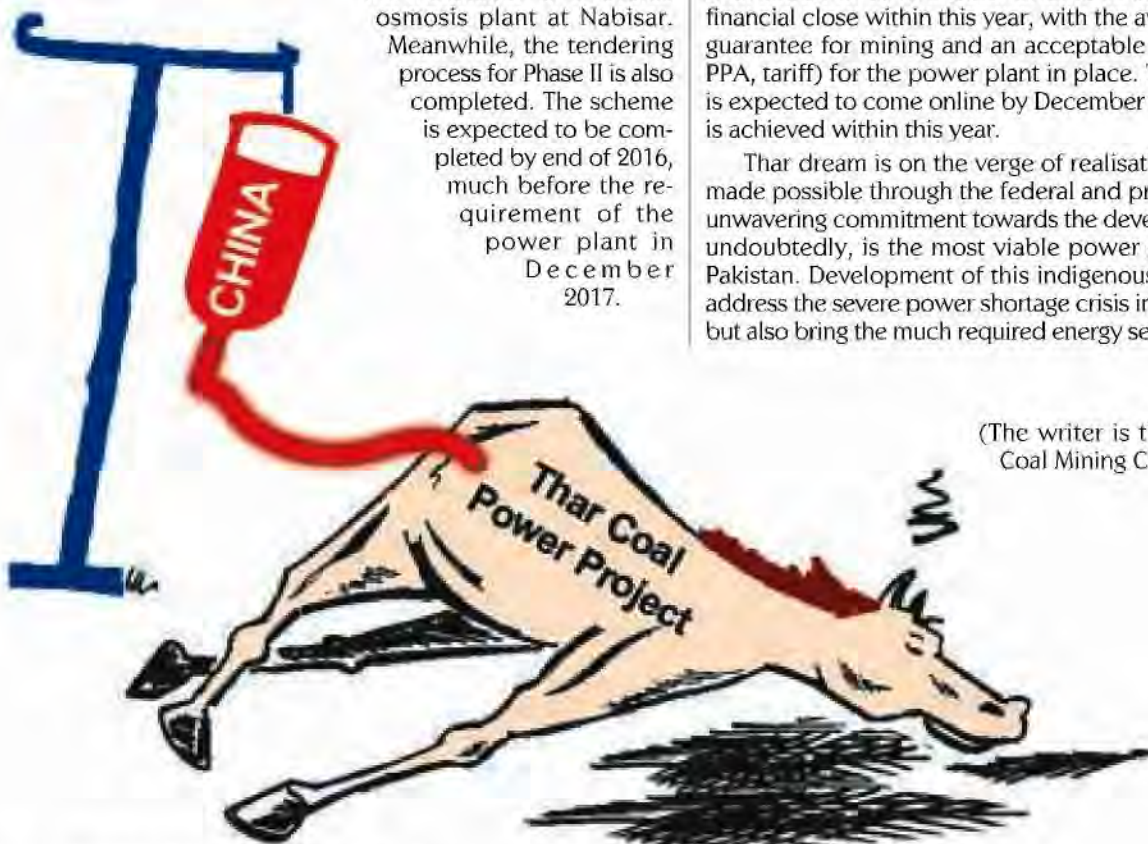
The federal and Sindh governments are also facilitating the SECMC in achieving financial close. With their support, the Thar coal projects of SECMC have been listed among 'Prioritized Projects' under the China-Pak Economic Corridor based on readiness. The Chinese government has already approved 14 power projects that have the ability to generate 10,400 megawatts (MW) of electricity.

China and Pakistan have agreed to give due priority to the development and utilisation of indigenous resource in Pakistan and is not only willing to provide the technical expertise for exploiting these resources but also help in financing these projects.

Discussions are ongoing with Chinese and local banks for the finalisation of term sheets. SECMC is confident of achieving financial close within this year, with the availability of sovereign guarantee for mining and an acceptable security package (IA, PPA, tariff) for the power plant in place. The integrated project is expected to come online by December 2017, if financial close is achieved within this year.

Thar dream is on the verge of realisation, and this has been made possible through the federal and provincial governments' unwavering commitment towards the development of Thar. Thar, undoubtedly, is the most viable power generation option for Pakistan. Development of this indigenous reserve will not only address the severe power shortage crisis in medium to long term, but also bring the much required energy security to the country. ■

(The writer is the CEO, Sindh Engro Coal Mining Company)



By Yasir Ameen

Will CCP decision bring justice to masses?

Late but right, Competition Commission of Pakistan (CCP) has issued a cautious statement termed it "opinion" against the discriminatory application of Inland Freight Equalization Margin (IFEM) which has put one at the disadvantage zone and the other in the favorable advantage.

The commission in simpler words states that oil refineries are denied to give benefit of IFEM whereas Oil Marketing Companies (OMCs) have been minting money from years getting full share of IFEM with the policy cover of Oil and Gas Regulatory Authority (OGRA) and Ministry of Petroleum and Natural Resources (MPNR).

Reluctantly, it based a verdict that the authority and ministry concerned should give level playing field to all players of the oil sector including OMCs and refineries though it clearly reached out the conclusion that discrimination is visible with refinery companies which will be given justice come what may.

The tone of the CCP is entirely different from its previous verdicts which were bold and decisive as in the case of ICH dissolution in telecom sector and cartelization in cement sector. But what should be stance of the commission which is opposing the government and policymaker in very soft tone.

The supreme judiciary should intervene into the matter and give judgement of withheld cases, directing the government to eliminate the discriminatory attitude with the refineries who are denied to give benefit of IFEM. The decision is not just ease but it is billion of rupees game which reflected heavily at the OMCs which has been getting undue benefits.

IFEM is the cost of inland movement incurred by (i) a refinery for transportation of crude oil from source to refinery; and (ii) by an oil marketing company for transportation of finished product from supply point to depots in the country. Purpose of IFEM is to maintain the same prices of Motor Gasoline (Petrol), High Speed Diesel Oil (Diesel), Light Diesel Oil (LDO) and Kerosene Oil across the country.

OGRA has denied the transportation cost of crude oil to the refinery on two major grounds that two Economic Coordination Committee (ECC) decisions coexist wherein one decision has disallowed crude transportation to the Refinery whereas the other has allowed the same and MPNR did not seek approval of ECC regarding rescinding latter's earlier decision; and the refinery has availed certain investment incentives, therefore, it cannot be given the benefit of IFEM pool.

It is an irony that the ECC has allowed the refinery reimbursement of operational cost of its Single Mooring Point, OGRA denies to reimburse the same and has taken the stance that the Refinery is saving wharfage charges as it imports crude oil through its own SPM. Therefore, allowing the operational cost of SPM may lead to the double reimbursement to the Refinery. The Commission in its Opinion has referred to a letter issued by OGRA to the Commission whereby it states that in case of local crude, the producers supply the crude to the local refineries at the refinery gate, therefore, no freight is incurred by the refineries, however, as per the pricing mechanism approved by the Federal Government the ex-refinery price allowed to refineries include the wharfage



element.

This means a refinery situated in hydrocarbon rich area and using local crude oil, does not have to pay crude oil transportation, but it is still given ex-refinery price containing wharfage element. Inclusion of wharfage element in ex-refinery price and operational cost of SPM are two different matters. Hence, reimbursement of operational cost of SPM is justified on the same principle by which transportation cost is reimbursed to other refineries from the IFEM pool.

It stands clarified that an informed decision has been made at the forum of ECC while allowing the Refinery reimbursement of transportation cost from IFEM. It was observed in the author's opinion that investment incentives are given to allow players to enter the market/or expand their business. Investment incentives cannot be offset by denying benefits normally given to existing market players.

It is good that CCP at last issued a statement over the malpractices in oil businesses but it should be kept in the mind the millions of consumers who are unjustly paying IFEM on each liter of petrol products.

IFEM is the transportation cost hence it should be borne by OMCs, refiners and its dealers equally instead of consumers who pay extra cost despite higher taxes on petroleum products. Overall ex-factor cost, a consumer pays GST, Petroleum Development Levy, Commission of OMCs and Dealers and IFEM.

In March 2010, Justice Bhagwandas Commission on oil prices, contending that the freight charge was meant for equalization of transportation cost and not a source of profit for oil refineries and marketing companies, hence it recommended Ministry of Petroleum and Natural Resources (MNPR) to abolish IFEM and reduce the retail prices of petroleum products.

Unfortunately, the issue was not addressed neither there is any consideration and deliberation of the government to pass on relief to millions of consumers who are bound to pay higher taxes and undue charges.

The removal of IFEM will have opposite impact on the retail prices and then the inflation situation in the country but not any government dares to take measures which is in the favor of the masses. ■

Why power is similar to fast food

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

You're far from home, it is late and you're hungry. It is not the time to explore the local cuisine. Instead, you need food - and fast. While exiting the road for your hotel you see a sign that looks similar to one a block from your home and, having visited the restaurant before, you have preset expectations including the menu selection, general pricing information and even quality of the food and service. When it comes to fast food, standards are helpful in comparison to electrical power standards, which are vital. Standards for power are critical for end users to realize scalability and efficiency. As an example, it is more manageable for a company designing powered devices to design with a few global standards in mind rather than an array of disparate power grids. For government entities and utility companies, standards help grow the system in a way that preserves quality. France has a power grid mostly fueled by nuclear generation, Germany has a huge install base of residential solar, the United Kingdom has large off shore wind farms and Canada has a strong use of hydroelectric plants. The infrastructure to generate and move energy is immense and without standards these separate, yet in many ways interconnected grids, would be more expensive to operate. It makes no difference whether it is wind, solar, liquid natural gas (LNG), coal or pumped-hydro that generates energy as long as when it mates with the grid it meets the standard. In this sense, standards can facilitate innovation by establishing a common goal and leaving the specific method up to scientists and engineers around the world. Most often an average energy customer simply wants to toast a bagel or watch TV. Of course, more advanced energy customers are interested in running a manufacturing plant or fabricating the latest silicon wafer.



Figure 1. Power grid

The Importance of Power Quality

Most people think of power quality in two states - (1) power is on and everything is fine or (2) there is a black out. This is an incomplete view of power quality, as there are a multitude of measurements that can be made on an electrical network to determine overall quality. As a simple example, almost any device plugged into the wall includes a label indicating the power level and frequency for which it was designed. An abnormal operation typically occurs well before black out conditions, especially with computers. The Computer and Business Equipment Manufacturers' Association (CBEMA) published a curve to help designers, utilities and computer system owners understand at what levels power begins to have a negative effect on computer equipment, such as data



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corruption or spurious reboots. Power quality standards are a balancing act -- too stringent and they are unattainable and too lenient and they serve no purpose.

Power Quality Is Only As Good As Its Measurements

When setting standards it is important to follow through and measure them. The power quality measurements discussed, are just a few examples of the many engineering calculations used to determine the quality of power supplied.

Got An Issue? Measure It & Fix It.

The quality of the instrument measuring power can help determine overall quality while the quantity and location of the measurements can help determine the root cause of an issue. Many power quality problems are caused by consumers or distributed generation facilities that are spread out over the grid. A steel mill, manufacturing plant or solar farm a few miles away can cause power quality problems based on the types of loads they put on the grid. Aside from being good stewards of power, these entities may choose to clean up their energy usage to avoid monetary fines. Utility companies will fine large power consumers if their usage negatively impacts the grid. To fix this, these entities can monitor power and take corrective actions to prevent power quality issues and fines.



Figure 2. The FPGA and Real Time processor built into the NI CompactRIO controller help engineers keep up pace with the evolving needs of the grid.

Flexibility is Key With Changing Standards

The update of worldwide power grids is a colossal feat of engineering that will take place over the next few decades. Part of this effort involves new technology, research and advancements that can improve how energy is distributed across the network. This is part of a grand engineering challenge that scientists, engineers and researchers are working toward worldwide.

Advanced technology impacts standards that evolve over time, as best practices are determined or as new capabilities are unlocked with the latest technology. NI provides the technology that allows engineers to develop a system that provides full visibility and management of the power distribution grid at the facilities. This system will consist of modular hardware such as NI CompactRIO (shown in figure 2) and the graphical system design software LabVIEW. It will enhance the quality of service of the daily grid operations and maintenance tasks, reduce downtime by providing smart dispatch alerts and provide statistical and historical data that helps in evaluating operational performance and technical strategic planning.

Accuracy, safety and efficiency are critical characteristics of the power industry. It is then crucial to have complete visibility and management of the power grid distribution network, in order to manage it effectively. It has become necessary to constantly monitor operational performance and keep record of the data history for evaluation purposes. The user should react directly to alerts as well as, develop and implement more precise strategic plans that will allow safer and more efficient operations. This system will allow more flexibility, efficiency and productivity as well as decrease the overall maintenance cost. ■

Roadmap to overcome power crisis

The electricity tariff in Pakistan is biting the domestic consumer, industry, agriculturist, traders and cottage industry. Power tariffs in Pakistan are the highest in the region hovering at 16 cents per unit, which is over 50% higher than India and Bangladesh. This has put us at a great disadvantage in terms of exports and investment. The advantage of GSP plus trade incentive granted to Pakistan is slipping away on account of lack of power availability and inaffordability.

Pakistan's global ranking of ease & cost of doing business slipped to 110th from 107th among 189 countries. Power availability and its cost is a major deterrent. With the withdrawal of subsidy on power, as per the agreement with the IMF, the tariffs will escalate further resulting in dire social and business consequences.

There are primarily two factors, which determine the power tariffs:

1. The cost of power generation, of which fuel is the main component (fuel mix) followed by plant efficiency (APCF - Annual Plant Capacity Factor)

2. The governance of the power sector in managing the technology and the financials like receivables, cash flow, margins and similar.

Pakistan started well in the 1960's by opting to adopt hydro energy as its main source of power. This trend continued up to late 1980's wherein the power tariff in Pakistan was one of the lowest in the region. Thereafter, the power mix began being dominated by thermal power plants based on furnace oil (RFO), HSD (diesel) and gas. Attractive tariffs and quick payback on investments with IRR over 18% prompted the entry of IPPs into Pakistan energy market followed by Rental Power generation. At the same time Wapda was restricted to pursue new hydro projects. This lethal combination of decisions by our policy makers proved to be a disaster for Pakistan, the effects of which we are witnessing today in shape of unrelenting circular debt and chronic loadshedding.

The remedy which now needs to be applied is to bring on grid only the power which is cost-effective and affordable. In the face of multiple challenges only the right actions can make good the wrongs of the past couple of decades and create a sustainable and feasible power sector.

The present energy mix in the power sector mainly comprises of Thermal 65% (oil 36%, gas 29%), Hydro 31%, Nuclear 4%, whereas, wind has managed a footprint with around 100 MW. Coal and other renewable energy options are hardly on the map but have a potential to be an important and feasible component of a future energy mix.

Our energy mix is appalling when compared with others in the region: Malaysia's generation is based on oil 2%, gas 45%, hydro 13%, coal 35% and renewable 5%. India's generation is

based on oil 1%, gas 12%, hydro 11%, coal 58%, nuclear 9% and renewable 8%.

This comparison explains why our power tariffs are the highest in the region. It is criminal negligence and lack of planning on part of our successive governments for having condoned this situation for so long and having complied with the vested interests at the expense of the nation.

Pakistan's overall generation mix cost is Rs 12 per unit. Of which generation on Hydro costs Rs 3 per unit, generation on RFO costs Rs 17 per unit and on HSD it costs Rs 23 per unit. With rising and unpredictable oil prices and depleted gas supply, our 65% dependence on thermal energy is not sustainable.

Our strategy for healthy and affordable energy mix should be to revert back to the situation in the 1960's and have hydro the main source of power whereas thermal, renewable & nuclear power should serve as a base to bridge the marginal gap between supply and demand and manage seasonal peaks.

We will do well by rationalising the transmission and fuel transportation costs, if we position the hydro generation in the north, thermal (coal and LNG based) in the centre and thermal

(coal & LNG based) and wind power in the south. We also need to pay attention to the national grid which needs extension and up-grades

new projects in hand, which are in different stages of implementation, includes around 29,000 MW of hydro power, 1200 MW of wind power, 1400 MW of Nuclear Power, 1500 MW of coal based power plants & around 850 MW of renewable energy with a depleting trend in oil based thermal plants (List of project published in the issue of part 1 dated 01/8/2014). This

power mix scenario is great and promises a healthy energy mix whose positive effects are likely to gradually start to be translated to the consumers in midterm period (2016-2018) and with full effect felt in long-term period starting 2020 and beyond with robust growth in hydro power.

For short-term improvement in the energy mix, the inefficient RFO and HSD based power plants should be converted to coal and LNG which will provide a cost benefit of 50% and 25% respectively resulting in better tariffs and some ease in chronic circular debt and incessant loadshedding. Over 3500 MW of inefficient power is sitting idle. Its best suited for the said repurposing.

Reduction in the cost of the power generation through a better energy mix should be the focal point of our energy policy. The government's first priority should be to get on grid as soon as possible all the power plants which are in the pipeline. The government will do good to establish a special task force to remove irritants and facilitate early completions of these projects. In parallel the government should work to initiate other green field energy projects in coal, LNG, LPG, solar, biogas and similar. ■



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Move Forward with Confidence

By Muhammad Bashir Chaudhry

Punjab's initiatives in coal base projects

Punjab has sizeable coal reserves, estimated at 235m tonnes, of varying quality in the Salt Range. Most of the mining activity is manual and primarily targeted for brick kilns and the cement industry.

The main limitation is the absence of bankable data for different blocks of coal for complete and consistent exploitation. There is chronic under-reporting of current extraction, limiting the options for its consideration as fuel for power generation. Coal and hydro are the preferred sources for generating electricity, as they are relatively cheaper than other fuels.

According to the provincial Annual Plan and Strategy 2011-12, the target for coal-based projects is to generate or initiate 900MW - against 3,206MW from all sources - over the next three years.

The primary focus will be on private sector projects, where the provincial government will enter into a power purchase agreement as well as an assured coal supply agreement with private power producers. Procuring and supplying coal will be the responsibility of the government-run Punjab Mineral Company. The power producers, however, will have a freedom to select their coal supply sources.

The situation regarding Punjab's possible coal sources are briefly as follows:

- o Salt Range coal: The primary focus is on expediting the four existing private sector feasibilities for 50MW plants each, being processed by the energy department. There are, however, uncertainties about the quality and quantity of the coal. Based on the final results of Snowden Study on coal reserves, an expression of interest (Eoi) may possibly be invited for additional 100-200MW coal-based projects on mine-mouth basis or in industrial estates.

- o Balochistan coal: The target for power generation is 250-300MW in D G Khan district. Under a facilitation accord, a coal purchase agreement has been signed between the Punjab Mineral Company and the Chamalang Coal Mines Industrial Cooperative Society (backed by Balochistan's mines and minerals department) for supply of a minimum of 2,400 tonnes of coal per day, as per agreed specifications. Since supplying of such a large amount of coal from Balochistan has not yet been demonstrated on a reliable basis, the plant will be designed to handle imported coal and/or biomass as an alternative.

- o Imported coal: Another 300MW of electricity generation is targeted through imported coal from a plant in South Punjab (Rahim Yar Khan or Sadiq Abad tehsils). Besides, imported coal-based power plants are proposed to be set up at the Sundar Industrial Estate Lahore and the M-3 Industrial Estate Faisalabad. The key determining factors would be port space available for imported coal, rail transport capacity, water for plant cooling and inter-connectivity with Wapda's grid system.

Given the uncertainties in terms of logistics, the plant would initially be developed as a public sector project, but the option

for private sector investors joining in, once such uncertainties are removed, would be encouraged.

Besides, the prime minister has laid the foundation stone of two 660MW coal-fired power projects in Sahiwal district towards the end of May. These plants are expected to be completed within a record period of 30 months.

Meanwhile, Nishat Chunian Power Ltd has signed a letter of interest issued by the Punjab Power Development Board for setting up a 660MW coal-based power project at Jhang. Construction is to start in the middle of next year.

The Eols invited by the Punjab Power Company Ltd, operating under the provincial energy department, gives the impression that the Punjab government is following the security package framework - i.e. sharing of risks and rewards among different counterparties - that had earlier been agreed to by the federal government in the case of independent power producers (IPPs).

Such a package may have serious risks, including that of the dreaded circular debt, as was in the case of IPPs. It should be subjected to further debate and review before a final decision is made to adopt it. At the stage of mobilising local and foreign loans for these projects, the creditors may ask for guarantees from the federal government, in addition to from the Punjab government.

Being highly capital intensive, involving long-term obligations, new large coal-based power projects, including the two 660MW Sahiwal plants, should be justified on the following parameters: technology suitability with highest efficiency; environmental impact; comparable capital costs of plants, with a single country procurement under suppliers/tied credits vis-à-vis the ICB process and financed from untied/mixed sources; average agreed tariff comparable with tariff for similar coal-based projects; benefits of long-term public-private (local and foreign) partnership; and annual debt servicing and the cost of government guarantees and obligations.

The National Power Policy 2013 neither elaborates on issues surrounding operational strategy, nor does it lay out detailed implementation plans. As such, more work is needed at various levels, including at that of provincial governments, which aspire to play a bigger role in power generation and/or gas production and management after the 18th amendment.

The provinces also want to use locally produced electricity within their respective boundaries, so that loadshedding may be reduced. They may also ask for a certain role in privatisation of different gencos and discos currently operating in their respective territories.

There is a need to align the ministries involved in the energy sector and improve the governance of all related federal and provincial departments as well as of regulators for better coordinated efforts. ■

Published in Dawn, Economic & Business, July 21st, 2014



US energy outlook undergoing a major overhaul

By Syed Rashid Husain

Debate on 'resource nationalism' is taking centre stage in Washington. With US crude output growing rapidly and the country emerging as the world's top producer, there seems growing emphasis in Washington on controlling the newly found resource - and use it as a foreign policy tool.

At the EIA's 2014 Energy Conference last week, challenges haunting the policymakers and the energy markets were discussed and argued in detail.

Artificial market barriers are preventing the US from using energy as a tool for international diplomacy, US Rep. Fred Upton, chairman of the House Energy and Commerce Committee, said.

Analysis: US oil output set to increase further

"It's a new era of energy abundance, and we need to usher in a new era for energy policy (to match)."

He emphasised that those in the world with energy have the power to influence global affairs. We have (finally) an opportunity, to use energy as a diplomatic tool and ensure US allies gain access to US oil and gas reserves rather than being "held hostage" to global instability, he said. He hence urged the US government to drop many of the policies adopted in the 70s and instead embrace its newfound energy wealth - including unleashing "energy diplomacy" on the world stage.

Some in Washington, now want the newly found assets as a foreign policy tool - what a turnaround in stance indeed.

Others too expressed similar sentiments, though more with a market perspective. Continuing the crude export ban doesn't make sense because the US has spent decades fighting resource nationalism in other countries and promoting free trade, Jason Bordoff, of the Centre on Global Energy Policy at Columbia University's School of International and Public Affairs pointed out.

The US could find its light crude oil production growth stymied if it doesn't allow more of it to be exported, others warned. A "day of reckoning" is approaching, underlined John R. Auers, executive vice-president of Turner, Mason & Co. Consulting



Engineers. This day would come, he said, when US crude production exceeds refining capacity to a point that prices become so heavily discounted to comparable overseas grades that producers decide not to increase production further.

IHS Vice-Chairman Daniel Yergin agreed. "The rationales for a crude oil export ban are gone, but the ban is still in place," media quoted him as saying.

"We see a risk of a \$15-25/bbl domestic light crude discount being locked in during the next couple of years, potentially limiting additional investment."

The US has preached to other countries for decades about the need for free flow of resources. How can we say to Japan that it can't import any of our LNG but must not buy Iran's oil?"

However, Maria van der Hoeven, executive director of the International Energy Agency (IEA) cautioned that the optimism about US energy security, rooted in abundant supply of fossil fuels alone, is misplaced. Her message was clear. "Coal, nuclear and wind are all essential for keeping the lights on." And "although things look bright (at the moment), this is no time for complacency."

And she had a firm reason. US light tight oil production will reach a plateau over the next decade, which means the US will be forced to rely on the Middle East, she argued. And the focus will particularly be on turmoil-stricken Iraq.

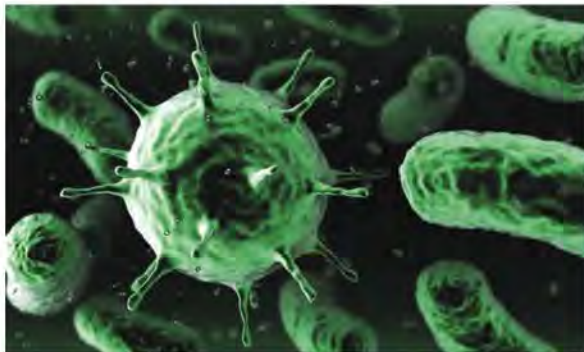
Good friend, Antoine Halff, the head of the International Energy Agency's Oil Industry and Markets Division, pointed at the shifting trade from crude to products globally. The IEA's midterm Oil Market Report forecasts "a very dramatic refining transformation in the next five years" with "very significant growth in Asia, particularly east of Suez, and relatively minor growth in Latin America," he said at the conference.

Energy markets are changing. US energy outlook is undergoing a major overhaul. The world's largest crude consumer, needs to take lead, not only in conserving climate but also in ensuring that it follows what it has been sermonising for decades - market forces should rule the energy markets. ■

courtesy: Daily Dawn

AMAZing

Bacteria Could Grow into Solar Panels

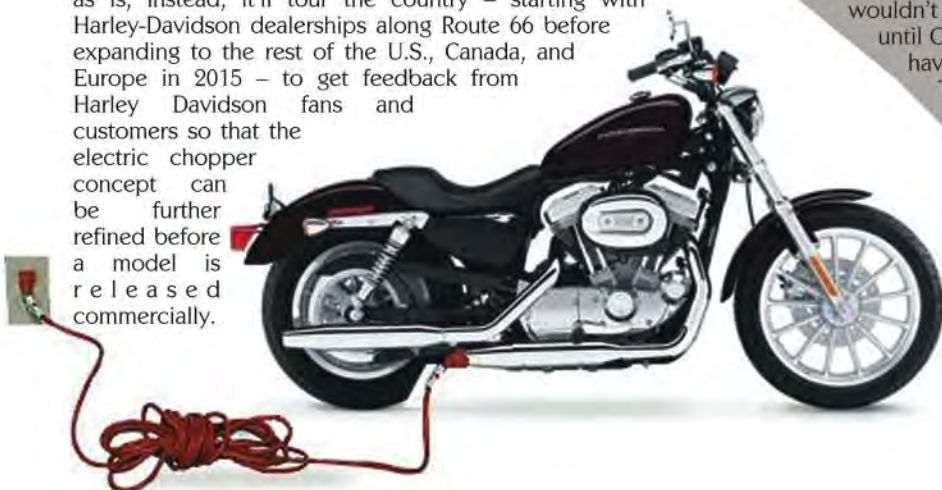


The idea of cheaper and easier to manufacture solar panels is something that many companies have been working towards for a long time now. Solar panels are without a doubt one of the most promising forms of renewable energy which means it could be the future of power. Unfortunately the cost and complexity keep holding back the technology, at least until now.

A group of researchers at MIT successfully grew a number of circuits using bacteria and other cells, these circuits could then be developed into functional solar panels. The process is completely new and unlike anything that has been done before, but the team believes that this could be the future of production due to the efficiency. By adding or removing additional pieces to the bacteria as necessary it is possible to grow them into whatever circuit is desired, and the best part is that they can conduct electricity while also using solar energy. This is an absolutely astonishing scientific breakthrough that has the potential to really change the future, only time will tell whether or not it becomes usable in the real world.

Harley Davidson produce it's First Electric Bike

You know that electric transportation has truly arrived when even icons of the gas-burning world are switching over to electrons. Harley Davidson has unveiled Project Livewire, its first electric motorcycle and a big deal for a company that takes pride in using old technology. They're being smart about going electric; Livewire won't be sold as is, instead, it'll tour the country – starting with Harley-Davidson dealerships along Route 66 before expanding to the rest of the U.S., Canada, and Europe in 2015 – to get feedback from Harley Davidson fans and customers so that the electric chopper concept can be further refined before a model is released commercially.



Ice Bucket Challenge craze causes shops to 'run-out' of ice



Freezer shelves at many stores are lying empty after brave customers rushed to stock up on ice in order to take part in the Ice Bucket Challenge. In order to raise money for a Motor Neurone Disease (MND) charity, participants have a bucket of ice cold water thrown over them within 24 hours of being nominated by a friend or family member. But now stores in Hampshire are among many that have been drained of ice reserves following a flood of sales.

Tina McDonough, 58, a customer sales assistant at Co-operative in Portsmouth said staff had to turn people away because they ran out of ice. "We ran out at the weekend and had to turn a few people away of all ages" said Ms McDonough. "It was rainy so nobody was having Pimm's o'clock - it was definitely to do with the Ice Bucket Challenge." Supermarkets have been ordering in extra supplies of ice to meet the demand. A spokesman for Tesco in Portsmouth said: "There has been a massive drive in sales of ice for the store. "Normally in summer we sell two or three cases a day and in each case there are about six bags. "But at the moment we're moving 20 cases in a few days. "A lot of the time it has been young customers buying them to do the Ice Bucket Challenge." Social media users have also complained about not being able to get their hands on any ice, and offered alternatives, such as using frozen peas.

Apple to announce iWatch on Sept. 9

iWatch concept via Ciccarese Design. Apple is, as we're all aware, rumored to be working on a new wearable device, the iWatch, which has seen its fair share of rumors in the past few weeks. According to a new report from Re/code, Apple is ready to announce the highly anticipated iWatch on September 9th, alongside the two new iPhones. The same source reported the iWatch wouldn't see the light of the day until October, but it seems Apple may have changed their plans.



The report further mentions the iWatch will use the HealthKit and HomeKit features unveiled for iOS 8 at the WWDC conference. HealthKit is a health and fitness related feature, which is connected to the Health app in iOS 8. HomeKit app will make use of connected devices for home automation systems. Re/code is not sure how these will be utilized at the moment. Some rumors have hinted Apple could delay the launch of the purported iWatch to early 2015, and even if they do it a little earlier, it may hit retail in limited quantities.

Energy update in the spotlight

Energy update, Pakistan's premium and globally recognized magazine on energy sector, is the fast growing publication among its readership across the world mainly since it had been digitalized last year with online edition for its increasing audience.

According to statistics of Google Analytics, the daily viewership of the magazine stands more than 2000 per day with the increasing pageviews and visits through different countries.

Most of the magazine visitors belong to developed countries including USA, UK, China, KSA, UAE, Germany and Turkey.

The magazine which is mirror of Pakistan's energy sector is now gaining attention of investors of energy sector based in different countries of the world who keep them abreast with the local developments related to hardcore issues of energy, environment and efficiency.

The magazine duly understands its responsibility and informs its local and global audience with latest development, burning issues, forthcoming trends in the policymaking and business of the government and private sector.

Energy update has been publishing for past eight years with prominent experts, stakeholders, investors and industrialists are its contributors and readers.

We vow that we will provide our readers with best news, views and interviews. Your recommendations and feedback are welcome.

To keep yourself abreast with the latest developments in energy sector, visit: <http://energyupdatemag.blogspot.com/> ■

Pageviews by Countries



Entry	Pageviews
Pakistan	1327
United States	496
United Kingdom	94
Russia	93
China	47
United Arab Emirates	36
Germany	27
France	26
Indonesia	23
Turkey	15

The 3rd International Energy, Gas, Oil & Power Exhibition & Conference

FAKT Exhibitions is once again preparing for EGO Pakistan 2014 - The 3rd International Energy, Gas, Oil and Power Exhibition & Conference. The event is scheduled from 18th to 20th September at the Lahore Expo Centre. In a short span the event has marked itself as Pakistan's Premier Energy Exhibition. This year the event will host over 100 Exhibitors from over 15 countries including China, Germany, India, Iran Italy, Japan, Turkey, UAE and UK etc. The event is expected to be visited by over 10,000 trade visitors from all over Pakistan.



Pakistan is one of the rapidly growing countries with a high potential to become the world's largest economies in the 21st century. Countries worldwide are aware of the potential resources of Pakistan and are investing in the research and development of energy sector.

Pakistan has a huge potential for generating renewable energy from sources such as solar, wind, water and Biomass. These untapped cheaper options can produce huge energy levels to meet increasing demands. Pakistan also has vast potential in conventional sources like coal and oil.

EGO Pakistan is designed to explore different perspectives of energy sources. FAKT Exhibitions (PVT) Ltd. takes the stance to reveal the immense potential of Pakistan's energy sector that can be the best choice for alternate energy.

EGO Pakistan 2014 provides one platform to showcase the technologies and innovative services in generation, distribution

and storage of energy. EGO Pakistan focuses on decentralized technologies of renewable energies and combines heat and power generation, presenting intelligent solutions for the integration of energy systems. FAKT Exhibitions (PVT) Ltd. believes that energy and environmental policies are inextricably linked. All energy production and consumption has environmental impacts. Whilst it is often tempting to overlook the environmental impact, the challenge of producing and using energy resources sustainably and protecting our natural environment equally represents an opportunity to pursue sustainable economic growth.

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Telenor initiates relief efforts for IDPs in N. Waziristan with PKR 10 million

Aimed at extending relief and assistance to the Internally Displaced Persons (IDP) of North Waziristan, Telenor Pakistan has announced a contribution of PKR 10 million through its emergency response partner, Pakistan Red Crescent Society (PRCS). The contribution will be utilized by PRCS to provide clean drinking water and Wash facilities for 3 months to IDPs residing in Bannu District.

Expressing his solidarity with the IDPs, Muhammad Aslam Hayat, Chief Corporate Affairs Officer, Telenor Pakistan said, "Telenor Pakistan stands by the IDPs in their time of distress and being a responsible corporate citizen we take it as our prime responsibility to provide all-out support to the affected people. Having discussed the ground realities with PRCS, we are channeling our contribution specifically for the provision of clean drinking water and sanitation facilities to reduce the risk of waterborne and hygiene-related diseases amongst IDPs. Telenor Pakistan has always responded to the call of distress in any part of the country whenever required, which is testament to our corporate social responsibility and commitment to Pakistan."

With Telenor Pakistan's contribution, PRCS will provide clean drinking water to approximately 15,000 individuals by setting up Water Filtration Plants along with Hygienic Sanitation to approximately 1,500 individuals by setting up WASH facilities. This initiative will not only help check the instance of life threatening diseases amongst children and eminent disease outbreaks, but will also assist current and new influx of vulnerable women & children secure access to clean water and decent sanitation. ■



Standard Chartered organises wellness session



Standard Chartered hosted a wellness session for less privileged children from SOS village in Karachi. Staff volunteers facilitated learning sessions and subsequently accompanied the young enthusiasts on a shopping spree that enabled them to get new Eid clothes from a local departmental store.

Volunteers welcomed children falling in age bracket of 3-19 years, in three batches. Staff members delivered lectures on wellness, personal financial management and identifying counterfeit currency notes. These sessions were followed by an art activity where the kids got the chance to embrace their creative sides as the volunteers mingled within the batches and learned about the success and aspirations of these talented young minds. ■

Standard Chartered organised a Grand Iftaar children

One of the main pillars of our brand promise, Here for good, is contributing effectively to the communities in which we work and live. Standard Chartered recognises the integral importance of building and supporting sustainable communities, not only for its own stakeholders but for the public at large.

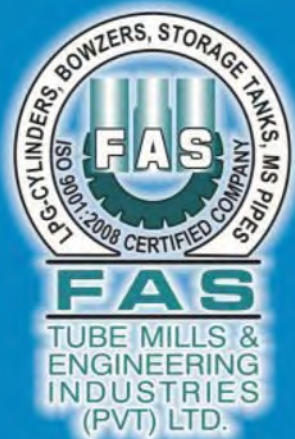
As part of Standard Chartered's sustainability efforts, the Bank organised an Iftaar for 1200 less privileged children of HOPE foundation.

More than 70 volunteers also participated in the Iftaar, engaged children in fun filled activities and also distributed goody bags.

In addition to the many activities, magic show and puppet show was also organised for them.

The evening ended with much excitement as the children were gifted with new clothes to wear on Eid before they departed for their homes. ■





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E&P sector records handsome profitability

Oil & Gas Exploration and Production (E&P) sector concluded a handsome financial performance in the financial year of 2013-14 with a full year profitability witnessed an impressive growth of 31%YoY to Rs 188.2 billion compared to Rs144.1 billion in FY13.

The notable growth in earnings during FY14 can be attributed to 9%YoY growth in average level of oil production, 25%YoY lower exploration cost on reduced dry well write-offs and healthy other income that is up 11%YoY).

On a high note with a robust 88%YoY growth in profitability to Rs49.1 billion in the last quarter of the outgoing financial year. Moreover, 7pps reduction in effective tax rate further added to the growth in profitability. Despite the strong trend in earnings growth.

Going forward, industry experts believe the E&P sector is gearing up for an eventful year owing to completion of major development projects (KPD?TAY, Sinjhor, Uch?II), ii) tie-in of previous successful exploration attempts (Gambat South, Ghauri, Naushahro Firoz), iii) ramp-up of production from TAL, Latif and Adhi blocks and start of exploration in newly awarded concessions (priced at USD4?6/mmbtu).

E&P sector performance was also impressive in terms of its production of oil and gas through exploratory and development wells. The oil production in FY14 stands at 65,000bpd compared to 58,000bpd last year, representing a growth of 12%YoY.

Consequently, oil production of the country surged by 18%YoY to 95,800bpd oil in June 2014. The notable surge in production can be attributed to 63% higher production from TAL block courtesy start-up of Makori East GPF facility coupled with ramp-up of production from Maramazai and Mamikhel fields and 41 uptick in production from Nashpa.

This coupled with 6%YoY depreciation in average PKR/USD value and stable oil prices led to a 16%YoY growth in topline to Rs 412.4 billion. At the same time, gas production weakened by 4%YoY owing to production decline at Sui, Kandhkot, Sawan and Manzalai thus limiting the upside in topline.

Higher Other Income + Lower exploration expenditure further lifted bottomline for the E&P sector which realized healthy other income in FY14 (up 11%YoY) to Rs27.4 billion on account of higher interest income owing to increased holdings in PIBs and TFCs by PPL and OGDC.

Also, exploration cost of the sector declined by 25%YoY to Rs17.7 billion primarily due to reduced number of dry well write-offs and ii) muted seismic activity. As far as investment perspective, the momentum in earnings growth will continue in FY15 on account of completion of major development projects and tie-in of new finds Gambat South, Ghauri, Naushahro Firoz).

Going forward, the kick-off of exploration activity in new concessions (awarded under Petroleum Policy 2012) and exploitation of tight/shale gas reservoirs will usher a new era of growth in the E&P sector. ■

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PSO makes record breaking profit in FY14

PSO recorded all time high sales revenue, profit after tax and earnings per share. Sales revenue stood at Rs 1.4 trillion compared to Rs 1.29 trillion during the Same Period Last Year (SPLY), registering a growth of 9%. After tax earnings rose by 73% to Rs 21.8 billion as compared to Rs 12.6 billion during SPLY. Earnings per share increased to Rs 80.31 from Rs 46.52 during SPLY.

The Board of Management (BoM) of Pakistan State Oil Company Limited (PSOCL) convened on Wednesday at the PSO headquarters, to review the Company's performance for the Financial Year ended June 30, 2014 (FY2014).

PSO maintained its market leadership position during the year under review with 73% share in Black Oil market and 53% in White Oil market, while registering a growth of 5% in sales over liquid fuels last year. The Company realized substantial cost efficiencies, whereby the distribution and marketing expenses increased merely by 3% as compared to 14% average increase in expenses over the last three years and against an inflation of 8.5% during FY 2014.

Recovery of interest from power sector consumers and interest on Pakistan Investment Bonds also contributed towards increase in the bottom line, which was nevertheless, mitigated by increase in finance cost by 26% due to power sector receivables viz-a-viz circular debt and net exchange loss of Rs 1 billion due to devaluation of PKR. The BoM expressed concern over



Pakistan State Oil

increasing receivables from the power sector and advised the management to pursue the recovery thereof through continued follow-up with the customers and the concerned government offices.

the PSO BoM announced a 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%. Combined with the earlier interim cash dividends the total cash dividend for the year stands at Rs 8 per share.

The Board unanimously resolved to place on record its commendation for the management of PSO, particularly Mr. Amjad Parvez Janjua MD-PSO, for achieving outstanding yearly's results for the Company, which are all time high in the history of PSO. The Board also resolved to appreciate the PSO team on maintaining continuity of supply of petroleum products across the country, especially, during Eid, Ramazan and periods of civil disturbance. The Board also extended gratitude to the Government of Pakistan, particularly ministries of Petroleum and Natural Resources, and Finance for the support and contribution they extended to PSO which enabled the Company to achieve its business and performance objectives.

The management expressed gratitude for the valuable guidance and support provided by the BoM and assured the Board of the continued commitment and contributions of PSO team towards development and growth of the Company. ■

Shoaib Warsi appointed as Managing Director of SSGC

Consequent to Mr. Zuhair Siddiqui's resignation from the office of Managing Director, Sui Southern Gas Company, the Ministry of Petroleum and Natural Resources has appointed Mr. Shoaib Warsi as the new MD of the Company. The notification of Mr. Warsi's appointment was issued by the Ministry on Thursday after the former MD submitted his resignation on personal grounds after leading the organization for around two years.

Mr. Shoaib Warsi brings in high level of professional experience as his marathon association with the gas utility spans over 37 years, mainly with Company's Distribution and Transmission divisions spread over its franchise areas of Sindh and Balochistan. Having completed his MS in Environmental Engineering from NED University and BE (Mechanical) from Sindh University Jamshoro, he came into the folds of SSGC in 1977 as Trainee Engineer.

Over the years he made his way up the organizational cadres and went on to serve as GM (Distribution), SGM (Distribution-North), SGM (Unaccounted-for-Gas) and last served as Senior General Manager (Transmission). Mr. Warsi has been largely attributed in Company's accomplishments in design and construction of a number of strategically important pipeline network projects, system reinforcement, pipeline rehabilitation schemes, Town Border Stations (TBSs) and Customer Meter Stations (CMSs).

Mr. Warsi has been actively involved in the design of Automatic Pressure Management System (APMS) for installing on Pressure Regulating Stations (PRSs) to maintain optimum pressures in the distribution network for reduction of gas losses and has represented the organization in many national and international conferences. He enjoys excellent personal rapport with Company's stakeholders including industrial and trade associations. ■



Dr. Baig nominated at Consular Security Committee

In view of the current security challenges faced by the Diplomats and Consular Corps worldwide. The President of World Federation of Consuls (FICAC) Hon. Arnold Foote, has constituted FICAC

Consular Security Committee to coordinate with the relevant international bodies and countries dealing with the diplomatic security matters to play in championing security for Honorary Consuls worldwide. The Committee is headed by the President World Federation of Consuls with following members worldwide.

Dr. Mirza Ikhtiar Baig, who is the Hon. Consul General of Yemen in Sindh and President Consular Corps Sindh Karachi is representing Pakistan as Director on the board of World Federation of Consuls will be responsible South Asia Region along with Hon. K. L. Ganju from India in the FICAC Consular Security Committee. ■





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"Currently DG Cement is involved in implementation of various CDM based innovative energy efficient technologies which will not only result in conservation of fossil fuel sources but help abate climate change by reducing Co2 emissions to the tune of 500,000 tons per annum; one of such initiatives is already registered as CDM project with UNFCCC while others are very close to registration"



NATIONAL FORUM FOR ENVIRONMENT & HEALTH

SPECIAL REPORT

11th Annual Environment Excellence Awards 2014

About NFEH: National Forum for Environment & Health (NFEH) wants to do more that is stated aim of advocacy and awareness generation and would like to acknowledge such socially responsible and environment-friendly organizations that have made an investment in our further by consciously adopting policies that promote sustainable development and have struck a balance between profitability and responsibility.

This was the philosophy behind the institution of the Annual Environment Excellence Awards, for which a stringent criteria has been devised and a judge of impeccable credentials brought on board. The purpose was to not only acknowledge the efforts, but also to hold them out as role models whose efforts could be replicated by others as a tool to spread the message of environmental awareness.

NFEH, is a purely Non-Governmental, Non-Profit Organization, established on June 05, 1999 with the aim to facilitate, promote and help create environmental, healthcare and educational awareness among the masses in general, and youth and children in particular. NFEH is affiliated with the United Nations Environmental Program (UNEP) and supported by the Ministry of Environment, Government of Pakistan.

NFEH has been success fully organizing various interactive events to meet these objectives.

Annual Environment Excellence Awards were instituted ten years ago and have elicited a very enthusiastic response from the industry. These awards have become the benchmark for the standards that need to be followed.

Aims & Objectives of Environment Excellence Awards

The Annual Environment Excellence Awards are designed to recognize and promote the organizations which make an outstanding contribution to sustainable development. They aim to highlight policies, practices, processes and products from all sectors of business in the country which help achieve 'economic and social development without detriment to the environment and natural resources upon the quality of which continued human activity and further development depend.' ■

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NATIONAL FORUM FOR ENVIRONMENT & HEALTH

SPECIAL REPORT

11th Annual Environment Excellence Awards 2014

MESSAGES



Muhammad Nawaz Sharif
Prime Minister, Pakistan

It is indeed heartening to note that the National Forum for Environment & Health (NFEH) is organizing the 11th Annual Environment Excellence Award 2014. Our future is linked to our environment and heightened awareness is needed to spread the message that it has to be protected and preserved for posterity. However, we also need rapid development to better the lot of our people and to bring to them the benefits and comforts of the modern world.

I am glad to know that this issue is being addressed by the National Conference on Environmental Development System wherein experts will share their valuable experiences that will go a long way in fostering an understanding of how to tackle the complex issues related to the environment. PML(N) leadership has always paid priority to environmental issues and it is an important item of our manifesto as well. Our government will accelerate programs which will ensure clean air, land, and water for all. The government has plans to introduce CNG units in major cities for reducing vehicular pollution.

The recognition accorded to them by NFEH is an important step in highlighting and acknowledging the role of such environment-friendly industries and organizations, whose long term vision translates profitability into responsibility. All the participants are success stories within their own rights, and deserve to be told so that they may inspire others to follow suit.

I appreciate the efforts of NFEH in spreading awareness about the issues related to environment, and assure it of the full support of the government in addressing issues that have a high stake in our future.

I congratulate the award winners and commend their commitment to the cause for a better environment and wish the organizers and participants of this programme all the best.



Muhammad Shahbaz Sharif
Chief Minister Punjab

I am elated to know that National Forum for Environment and Health (NFEH) is holding the 11th Annual Environment Excellence Awards (AEEA), in collaboration with the National Conference on Environment for Development System to mark the World Environment Day.

I must lauded the role of the NFEH to acknowledge the unwavering endeavors of our industrial and service sector organizations to become stakeholders in the future of country's environment. The civil society organizations can play a vital role by creating awareness and acknowledging the efforts of award winners which take a lead role by taking care of the environment within which they are functioning. The awards are on the one hand will highlight the role of these bodies, as well as acknowledge their contribution towards better environment. More and more people and organizations should come to know how they have ensured development without environments degradation, so their example may be replicated. The government accords due importance to the issues related with environment as it fully realizes the scope and impact they can have on the masses in particular, and society at large. The government was seeking removal of inadequacies in environmental laws, introduction of mass transit system different cities of Punjab and promotion of CNG buses and rickshaw in cities.

The effort of NFEH to recognize and encourage the efforts of companies, institutions, industrial units or individuals is a positive step in the right direction. I hope that the winners of award 2014 will encourage others to take the lead and play their role in supporting government's efforts.

I wish NFEH and the participants of AEEA all the best.



NATIONAL FORUM FOR ENVIRONMENT & HEALTH

SPECIAL REPORT

11th Annual Environment Excellence Awards 2014

MESSAGES



Chaudhary Muhammad Sarwar
Governor Punjab

I am pleased to learn that the National Forum for Environment and Health is holding the 11th National Conference on Environment for Development. I would like to felicitate the organizers and the participants, and am sure that the deliberation of the day will end on an enriching note wherein all those attending will come away armed with the knowledge and shared experience of industry stalwarts who have lit beacons that will guide all those who want to follow the environment friendly path. On behalf of my government, I assure you of the fullest support and cooperation in your efforts to preserve our shared environment, and commend the steps taken by the NFEH from time to time to make people aware of the need to be environment friendly. The Government is always endeavoring to enlist the assistance of enlightened people who can make a difference through their sincere efforts and NFEH has indeed proved to be one such partner for the government, and I am sure the industries its judges chose will stand out as leaders of their Annual Environment Excellence Awards on the occasion of the fraternity.

I wish all the best to the participants and organizers.



Dr. Ishrat Ul Ebad Khan
Governor Sindh

I am pleased to learn that the National Forum for Environment & Health (NFEH) is distributing the 11th Annual Environment Excellence Awards on the occasion of the National Conference on Environment for Development.

I would like to felicitate the organizers and participants, and am sure that the deliberation of the day will end on an enriching note wherein all those attending will come out armed with the knowledge and experience of industry stalwarts who have lit beacons to guide all those who want to follow the environment friendly path.

On behalf of Government, I assure you of the fullest support and cooperation in your efforts and commend the steps taken by the NFEH from time to time to make people friendly to the environment. The Government is always keen to obtain the assistance of enlightened people who can make a difference through their sincere efforts and NFEH has indeed proved to be one such partner for the government, and I am sure the Industries chosen by these people will stand out as pioneers of their fraternity.

I wish all the best to the participants and organizers.



NATIONAL FORUM FOR ENVIRONMENT & HEALTH

SPECIAL REPORT

11th Annual Environment Excellence Awards 2014

MESSAGES



Syed Qim Ali Shah
Chief Minister Sindh

I am glad to learn that that National Forum for Environment and Health (NFEH) is holding the 11th Annual Environment Excellence Awards (AEEA), in collaboration with the National Conference on Environment for Development System to mark the World Environment Day.

I commend the role of the NFEH to acknowledge the conscious efforts of our industrial and service sector organizations to become stakeholders in the future of country's environment.

The civil society organizations can play a vital role by creating awareness and acknowledging the efforts of award winners which take a lead role by taking care of the environment within which they are functioning. The awards are on the one hand will highlight the role of these bodies, as well as acknowledge their contribution towards better environment. More and more people and organizations should come to know how they have ensured development without environments degradation, so their example may be replicated.

The government accords due importance to the issues related with environment as it fully realizes the scope and impact they can have on the masses in particular, and society at large. The government was seeking removal of inadequacies in environmental laws, introduction of mass transit system in Karachi and Hyderabad and promotion of CNG buses and rickshaw in cities.

The effort of NFEH to recognize and encourage the efforts of companies, institutions, industrial units or individuals is a positive step in the right direction. I hope that the winners of award 2014 will encourage others to take the lead and play their role in supporting government's efforts. I wish NFEH and the participants of AEEA all the best.



Malik Riaz Hussain
Founder and Chairman, Bahria Town

We aim to be a pioneering Company in the field of Environment, Construction and Development.

Ever since the establishment of Bahria Town in 1996, it has aspired to be the greatest builder of all times, not only in Pakistan but whole of Asia with projects offered to an eclectic mix of segments , at choice locations with world class amenities, while ensuring the highest international standards, timely delivery and lifelong customer satisfaction. Our slogan has always been "Community First". As I look at the growth and achievements of Bahria Town over the past decade, I am extremely proud of what we have achieved and excited about an even more promising future. Bahria Town has successfully transitioned into "Asia's Largest Private Property Developer" and has maintained the title through continuous introduction of new dimensions in real estate and luxury living. Bahria Town is a name that has been making news across oceans, on the cover of international papers & magazines and has won awards for its construction marvels which is why we are the most preferred investment destination not only for Pakistanis but also for expats. Bahria Town continues building the prosperous life of humans while protecting the environment of this beautiful nature on our earth. Our Ultimate aim is to build a greener, cleaner and a healthier Pakistan. "Environmental Responsibility and long term environmental vision is our top priority. Bahria Town has and will continue to focus on Environmental Management Practices to the best of our ability so that sustained development of the Company and of the society may continue into the future."

Through these and other endeavors, we aim to continually work towards a sustainable future of our country and beyond since all our developmental projects are fully integrated and gated communities with world class infrastructure and amenities. We don't just build homes, but rather provide a complete lifestyle which is why we have divisions including; Real estate, Horticulture, Leisure & Entertainment, Healthcare, Education, Commercial and Retail, Hospitality, Media and CSR.



Congratulations to Award Winners

11th Annual Environment Excellence Awards 2014

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 Lotte Chemical Pakistan Ltd	 Mondelēz Pakistan Limited	 Murree Brewery Co Ltd	 Mima Knit (Pvt.) Ltd	 Novartis Pharma (Pakistan) Ltd	 National Refinery Ltd	 Novamed Pharmaceuticals (Pvt) Ltd	 Oil & Gas Development Company Ltd
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 Pakistan Oilfields Limited	 Port Qasim Authority	 Qarshi Industries Pvt Ltd	 Rafhan Maize Products Company Ltd	 Roots School System	 Roots Millennium School	 Royal Leather Industries Ltd	 Sapphire Textile Mills Ltd
 Serena Hotels Tourism Promotion Services Pakistan	 Siddiq Leather Works Pvt Ltd	 Sui Northern Gas Pipelines Ltd	 Sui Southern Gas Company Ltd	 Snl Pakistan (Pvt) Ltd.	 Security Papers Limited	 TOTAL PAKISTAN LTD	 TOTAL Oil Pakistan Pvt Ltd
 Water Regime Pvt Ltd	 Wyeth Pakistan Limited	 Yunus Textile Mills Ltd	 United Marine Agencies (Pvt.) Ltd				



NATIONAL FORUM FOR ENVIRONMENT & HEALTH

SPECIAL REPORT

11th Annual Environment Excellence Awards 2014

2012 AEEA Winners



2013 AEEA Winners



2010 AEEA Winners



2011 AEEA Winners



2009 AEEA Winners



2008 AEEA Winners



2007 AEEA Winners



2006 AEEA Winners



2005 AEEA Winners



2004 AEEA Winners



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NATIONAL FORUM FOR ENVIRONMENT & HEALTH

SPECIAL REPORT

11th Annual Environment Excellence Awards 2014

Sarsabz O Pursukoon Karachi Plantation Campaign



Tree plantation campaign "Sarsabz O Pursakoon Karachi in the occasion of International Earth Day in Ramzan Goth, Hawksbay, a local women planting a tree. Commissioner Karachi Shoab A. Siddiqui, Naeem Qureshi, President NFEH, Shahid Saeed, CEO Indus Earth Trust and others are seen.



Tree plantation campaign "Sarsabz O Pursakoon Karachi at KESC Head Office. Junaid Ahmed Deputy Commissioner Karachi is planting trees.



Commissioner Karachi Shoab Ahmed Siddiqui planting tree under the campaign Sarsabz O Pursakoon Karachi in Shabbirabad. Representative Bohra Communities, President National Forum for Environment & Health Naeem Qureshi, Director local government Rubina Asif and other are seen in the picture.



Additional Commissioner Karachi Muhammad Khan Rind, Bishop of Karachi Jeseeph Cutts, President National Forum for Environment & Health Muhammad Naeem Qureshi, Nadeem Shaikh Advocate, Saleem Michael planting trees at Cathedral Church Saddar under the campaign of Sarsabz-O-Pursakoon Karachi, organized by National Forum for Environment & Health more than 500 saplings will be planted on this location.

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NATIONAL FORUM FOR ENVIRONMENT & HEALTH

SPECIAL REPORT

11th Annual Environment Excellence Awards 2014

NFEH Activities at a Glance

6th CSR Summit & Awards 2014



2nd Seminar on Women Health 2013



4th Fire & Safety Convention & Awards 2013



7th CNG Conference & Expo 2011



NFEH organized Beach Cleaning Activities 2012-13



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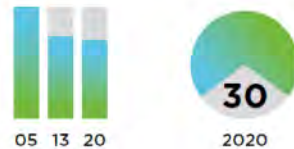
»Sustainability is a pillar of our corporate strategy.«

HAROLF KOTTMANN, Chief Executive Officer

ENVIRONMENTAL GOALS FOR 2020*

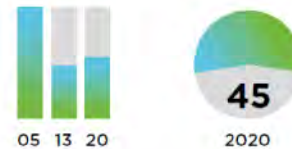
Based on reference values for 2005, Clariant has defined precise environmental goals for 2020. The potential reductions that the company is aiming to achieve, represent obligatory benchmarks for all activities within the Clariant Group.

Reduce energy consumption by 30%



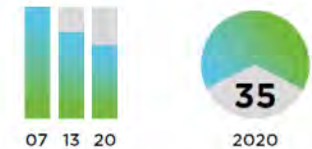
Start 2005: 1711 kWh/t
2020 target: -30%
Achieved until 2013: -26%

Reduce direct CO₂ emissions by 45%



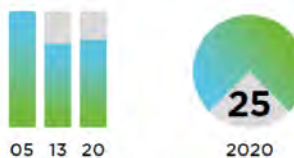
Start 2005: 236 kg/t
2020 target: -45%
Achieved until 2013: -53%

Reduce direct and indirect greenhouse gas emissions by 35%



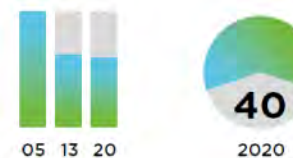
Start 2007: 541 kg CO₂-Äqu./t
2020 target: -35%
Achieved until 2013: -23%

Reduce water consumption by 25%



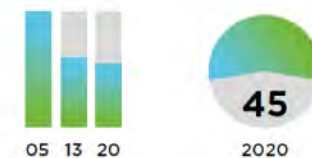
Start 2005: 42 m³/t
2020 target: -25%
Achieved until 2013: -28%

Reduce waste water by 40%



Start 2005: 11,5 m³/t
2020 target: -40%
Achieved until 2013: -38%

Reduce waste by 45%



Start 2005: 111 kg/t
2020 target: -45%
Achieved until 2013: -40%

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what is precious to you?



NATIONAL FORUM FOR ENVIRONMENT & HEALTH

SPECIAL REPORT

11th Annual Environment Excellence Awards 2014

Inspection & verification of award nominees

By Khalid Iqbal, Vice President (Technical), NFEH

The world is changing rapidly so as the National Forum for Environment (NFEH) in order to provide unique and valued-added services in Health and Environment Sectors in Pakistan. The unique brand of "Annual Environment Excellence Award - AEEA" brought best companies of Pakistan at the NFEH's Platform regardless of size, geographic origin and presence in world's map.

The NFEH has always appreciated the feedbacks being received every year from the participating companies and stakeholders and the management of NFEH is keep improving the overall idea of AEEA initiated in year 2004. And with a decade celebration last year in 2013, the NFEH has now fulfilled yet another promise of "Inspection & Verification" under the 'Selection Process' specified in AEEA's Nomination Form.

The idea has been appreciated by many companies by giving the leverage to NFEH's Inspection, Monitoring & Verification (IMV) Team not only in Inspecting the Facility to see the overall effectiveness of EMS & Policy, Competency of staff and Level of awareness among the workers; but also got prompt answers from the Departmental Heads based on their submissions of nomination papers and the questions as specified in the Inspection Form.

The IMV Team visited many facilities, conducted verifications of provided data, received additional documents to fulfill the total inspection and verification requirements before conferring the AEEA Awards and especially for selecting the Top-10 Winners of AEEA-2014.

The IMV process also helped the NFEH to check the conformity of Jury's Independent Reports. The ratings of IMV & Jury's Nominations Results are based on grading from 1-10 and 1-100 respectively. The average ratings results are 80% and 78% respectively. The IMV Team thank to all HSEQ Heads for extending their cooperation in fulfilling the desired tasks based on valuable feedbacks being received by the National Forum for Environment Health. Our journey towards acknowledging, appreciating and cooperating the progressives Environment Promoting Companies are continued and now we look forward to your organization's effective & contributing propagation being as the 'Brand Ambassadors of AEEA' for Greener and Cleaner Environment in Pakistan.

We look forward to welcoming you at the unique platform of the 11th Annual Environment Excellence Awards in mid September 2014 at PC Lahore - Pakistan.

Our Honourable Jury

Syed Nadeem Arif is a practicing professional in the field of environmental engineering and management systems. He has been engaged in conducting environmental & social impact assessment studies for the last twenty two years in the capacity of project director. He is an experienced trainer and has conducted numerous courses and trainings on ISO 14000 Environmental Management Systems, ISO 9000 Quality Management Systems and OHSAS 18001 Occupational Health & Safety Assessment Scheme. He is also a qualified Environmental Auditor.



Arif has vast experience in defining strategic planning, monetary and Technical matters, scheduling of the projects, preparation of contractual claim documents, report generation, computer based time scheduling and planning, coordination with the clients, negotiations etc. He has extensive experience in implementation of HSE Management Systems and conducting safety audits. He advises on the Occupational Health and Safety aspects of projects and has a good understanding of the applicable Occupational Health and Safety laws. Besides his professional engagement, he is actively in the field of academics and delivered series of lectures on several topics related to Environment, Health & Safety in different seminars, workshops and conferences. Arif is a consultant of various clients on Environmental, Health & Safety Standards and uses his best environmental management during projects to ensure safe working practices. He provides guidance to project managers in conducting internal EHS audits and trainings on relevant environmental topics.

Shamsul Haq Memon



is well-know name in the Pakistan's environment sector having valuable contribution to the society and the country with his experience, efforts and activities. He is the most sought-after person for any activities of environment for supervision and guidance. Hence he has been requested to be a member of the jurist panel of Annual Environment Excellence Awards 2011.

Memon is academically impressive and professionally sound. He has done his masters in Natural Resource Management & Environment from U.S.A. I have also a masters degree in Biological Sciences from Sindh University Jamshoro. Memon has done his graduation in Forestry from University of Peshawar. In his different roles of services, he served the government as Secretary to Government of Sindh, Forests & Wildlife, Environment & Alternative Energy Departments. During his tenure, he has done marvelous job for pollution-free environment. He is also a former Technical Advisor to Sindh Coastal Development Authority.

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Will sanctions cripple Russia?

By Syed Rashid Husain

Russia is dependent on oil income, while the EU is dependent on Russian gas supplies. If on one hand, half of Russian budget depends on income from energy exports, Europe imports 30 per cent of its gas requirements from Russia. The two are interdependent, in more than one ways. However, the crisis in Ukraine and the subsequent downing of the Malaysian airliner mid-July changed the overall context, prompting Washington and the EU to slap sanctions on Moscow.

But will it cripple Russia?

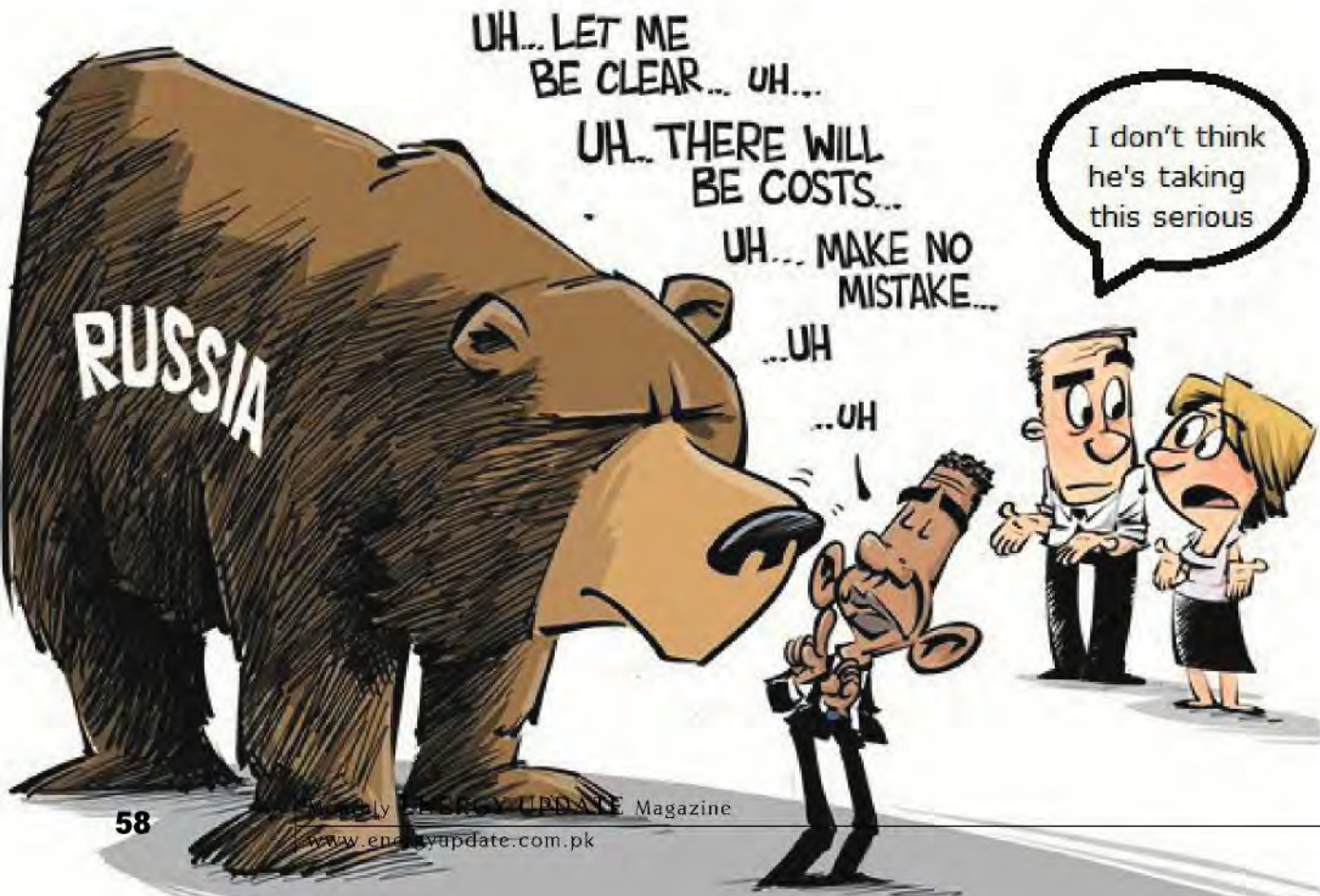
Both the US and EU sanctions focused on offshore oil exploration and production, Arctic projects and oil extraction from shale. The US banned sharing technology used in fracking. Sanctions also prohibited American banks from issuing loans with

a maturity of over 90 days to four key Russian companies, Rosneft, Novatek, Gazprombank and VEB.

The EU banned the sale of equipment used in oil exploration and production. Financing of Russian oil and gas projects in Crimea, the peninsula once owned by Ukraine and recently annexed by Russia, is also off limits.

Interestingly the gas sectors appears not to have been touched by the newly announced sanctions regimen - for obvious reasons. The exemption of the Russian gas sector reflects concerns in Brussels about EU reliance on Russian gas. Indeed for the European Union to survive without gas from Russia is difficult if not impossible. Almost 30pc of the gas requirements of Germany, the world's fourth largest economy, comes from Russia.

Overall too, 30pc of European gas needs are met by Russia.





Many EU countries receive some Russian gas, 12 EU countries receive more than half of their gas from Russia and six countries are almost entirely dependent on imports from Gazprom.

Russia is Europe's third-largest trading partner and Europe is Russia's biggest. Last year, more than \$400 billion worth of goods moved between the two, compared with just \$38bn in trade between Russia and the US. The disparity makes Washington's decision to slap sanctions on Moscow easier than the options being mulled in Brussels. It also makes Europe's choice more consequential.

"Since Europe is very dependent on Gazprom-exported gas for their heating and other basic energy needs, it's going to be very hard, if not outright impossible, to see a sanction that directly impacts the export of natural gas from Russia into Europe," Doug Rediker, a visiting fellow at the Peterson Institute for International Economics was quoted as saying.

However, the sanctions could

complicate Russian efforts to develop East Siberian resources for gas exports to China. In May, Russia's monopoly Gazprom signed a \$400bn 30-year export agreement with state-owned China National Petroleum Corp. (CNPC), pledging annual deliveries of 38bn cubic metres (1.3 trillion cubic feet) of gas starting in 2019.

The sanction on technology aiding horizontal drilling could affect Gazprom's ability to meet the commitment for supplying gas to China through its planned 4,000km (2,485-mile) Power of Siberia Pipeline.

And in the meantime, despite the sanctions, US oil giant ExxonMobil and Russia's Rosneft are to continue joint exploitation of the Russian Arctic.

"Our cooperation is a long-term one. We see great benefits here and are ready to continue working here with your agreement," Glenn Waller, ExxonMobil's lead manager in Russia told President Vladimir Putin during a video conference call.

The Russian leader hailed the exploration project as an example of mutually beneficial cooperation that strengthens global energy security.

The recent Iran-Russia \$20 billion oil for goods deal is also being seen by many as Putin's answer to western moves. He has also a few more cards up his sleeves, including the option to stop gas supplies to Europe, at a time of his choice, but indeed at a cost to himself.

The world is interdependent, and so is the energy world. Russia has resources and needs cash. And Europe needs Russian gas. The master designer has created the world in such a way, that despite all the obsession, even the mightiest on the earth has to depend on others for goods and services.

Russia, the US and Europe are no different. The dependence is mutual - making extreme steps from both sides - unlikely. ■

courtesy: Daily Dawn

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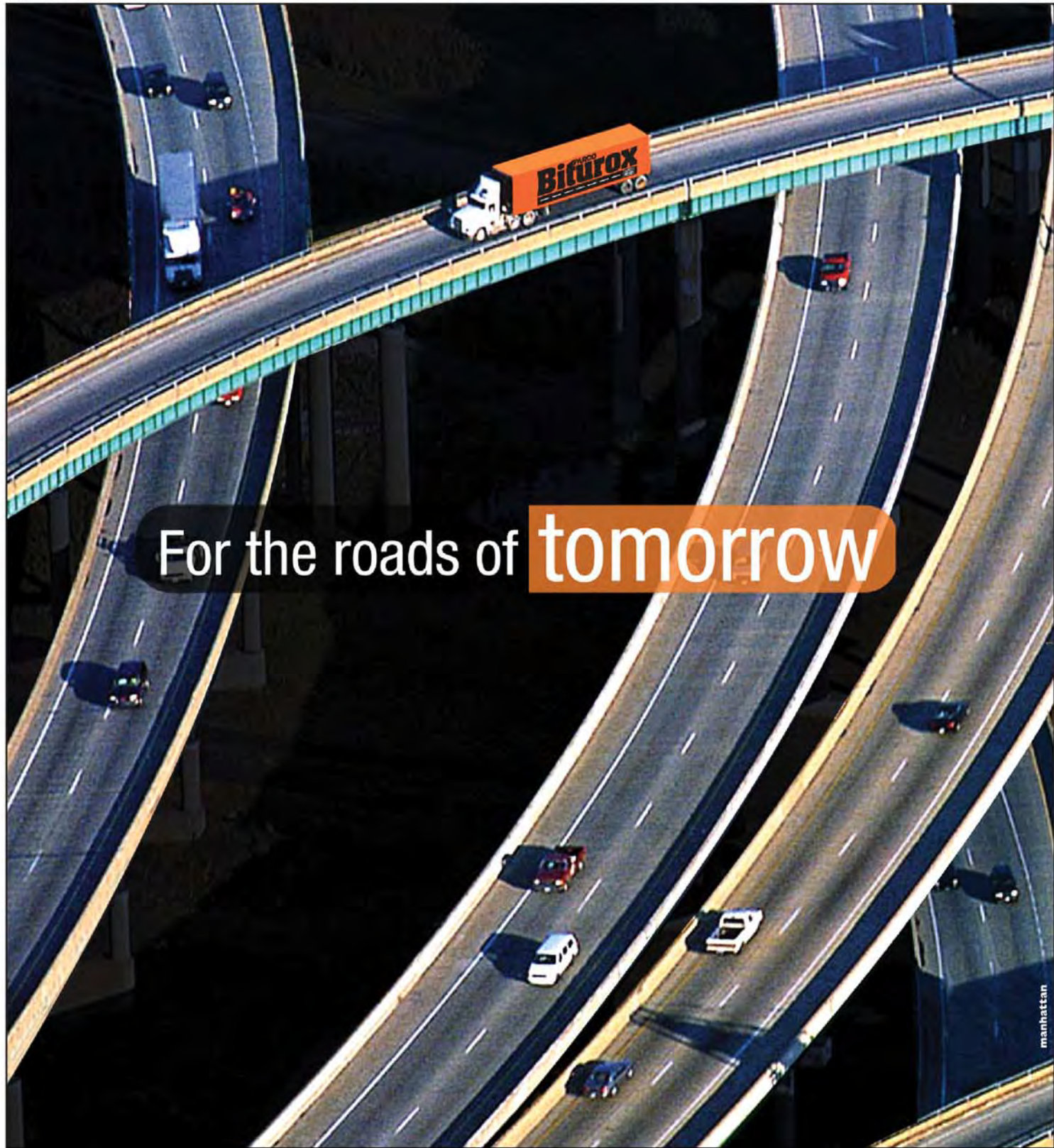
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