

IMF approves \$ 5.3 billion bailout package for Pakistan (The Nation, July 04, 2013)

Federal Finance Minister Ishaq Dar and Adviser International Monetary Fund (IMF) Jeffrey Franks on Thursday struck a loan agreement worth \$5.3 billion in favour of Pakistan.

In a press conference, Dar applauded the role of the IMF official in negotiating the deal with Pakistan and said, "We are entering into a fresh program with IMF to not only retire past liabilities but also to bring about structural reforms in the country."

"We have successfully agreed over a program that is home-grown and consistent with the new government's policies," Dar asserted. Detailing the loan agreement, Franks said that this is a program which is being supported as part of IMF Extended Fund Arrangement.

"Worth \$5.3 billion, the program will carry a floating interest rate of 3% and would be payable over a longer period than conventional arrangements to facilitate Pakistan in repaying the loan," Franks explained.

Confirming Dar's earlier assertion that the loan agreement was "home-grown", Franks said that it is a Pakistan designed and built program.

"The government has developed plans to improve tax collections through improved administration and through a mechanism to eliminate loopholes in the coming years," Franks said, adding that the difficult decisions have already been made.

"The agreement has been reached with Pakistan's business climate in mind and will serve to bring about the much needed restructuring in Pakistan's economy," he maintained

Franks said he hoped that this announcement of support from IMF would encourage other development partners to extend a helping hand to Pakistan.

"The crisis we are facing today is because of the fiscal indiscipline that was practiced over the last few years," Dar added. Bringing the press conference to a close, the finance minister said "We are not begging. We are members of IMF."

Pakistan to build three new nuclear power plants with Chinese assistance (Business Standard, July 04, 2013)

Pakistan's Executive Committee of National Economic Council (EcneC) is reportedly set to approve 1.4 trillion rupees worth of projects which include three nuclear power plants to be built in Karachi with Chinese assistance.

According to the Express Tribune, the EcneC, headed by Finance Minister Ishaq Dar, will approve the nuke plants of 2,400 megawatts capacity and will also consider approving the Pakistan Remote Sensing Satellite (PRSS) project.

China had stopped processing a 448 million dollars loan for this project due to reservations about two other projects namely 'Safe City Islamabad' and a communications project.

However, post the change in government in Pakistan, chances of finalisation of the loan have brightened as Prime Minister Nawaz Sharif is expected to take up the matter with the Chinese authorities during his ongoing trip.

The Planning Commission officials said that Ecnec may also consider approving Karachi Nuclear Power Plant-I (Kanupp-I) and Kanupp-II along with approving the 969MW Neelum Jhelum Hydropower Project with revised cost estimates from 84 billion rupees to 274.9 billion rupees.

The report said that Ecnec will approve Karachi Coastal Power project, sponsored by the Pakistan Atomic Energy Commission (PAEC) at an estimated cost of 1,100MW nuclear power plant being 958.8 billion rupees including 692 billion rupees foreign loan.

The report further added that Ecnec will also consider approving the Nandipur Power Plant of 425MW, with a revised cost from 22 billion rupees to 57.4 billion rupees.

Indonesian trade team arrives to attend expo (The Nation, July 05, 2013)

ISLAMABAD - Widharma, Director, Ministry of Trade and Dr. Ilhamy Elias, Chairman (Pakistan, Bangladesh and Nepal Committee), Indonesian Chamber of Commerce and Industry (KADIN) are leading a 30 member trade delegation of government officials, representatives of the Indonesian Chamber of Commerce, companies and a journalist to Karachi started from 3-9 July, 2013 for participation in the week long "My Karachi Oasis of Harmony Exhibition. The visit is the combined effort of the Pakistan Mission at Jakarta, Trade Development Authority of Pakistan, Karachi Chamber of Commerce & Industry, Indonesian Chamber of Commerce & Industry and Ministry of Trade of the Republic of Indonesia.

This is the second time that Indonesian businessmen are participating in this event in the past four years, says a press release received here today from Jakarta.

The Indonesians visiting Karachi would represent multiple product sectors including food items, home furnishing decoration, textile products, garments, coffee, herbal products, restaurants and tourism. Ambassador Sanaullah felt that the participation of larger number of Indonesian businessmen in the trade delegation testified the confidence of Indonesian business community in Pakistan as a trade partner.

In a pre-departure meeting held at KADIN on July 1, Dr. Ilhamy emphasized that the visit of this delegation would go a long way to enhance bilateral trade between the two countries.

He said that Indonesia and Pakistan were the largest Muslim countries and as such were huge markets for each others. Mrs. Maria Kazi, Commercial Secretary, Embassy of Pakistan, Jakarta informed the participants about the arrangements made by the TDAP for their visit to Karachi and the schedule of B2B meetings.

Pakistan's bilateral trade with Indonesia is showing a growth trend. It has increased from US\$ 645.3 million in 2004-05 to US\$ 1,378.4 million in 2011-12. For the last 3 years, Pakistan's exports to Indonesia registered a remarkable growth of more than 200%.

The operationalization of IP-PTA, Mutual Recognition Agreement (MRA) between the two countries and visits of trade delegations and participation in exhibitions is expected to enhance the bilateral trade further.

Sindh govt to encourage foreign investment: CM (The News, July 04, 2013)

Karachi: Vast investment opportunities exist in the Thar coal project and the Sindh government is taking steps for encouraging foreign investment, the provincial chief minister told the British high commissioner to Pakistan on Wednesday.

HC Adam Thomson had called on CM Qaim Ali Shah at the CM House where they exchanged views on mutual affairs. Thomson was accompanied by the deputy high commissioner.

Shah told Thomson that the Sindh government was making efforts to attract maximum investment in the province. The HC assured full cooperation in this regard. CM's Principal Secretary Naveed Kamran Baloch was also present on the occasion. Later, Ajrak and Sindhi cap were presented to the British envoys.