

**SENATE OF PAKISTAN
HOUSE OF THE FEDERATION**

Report No.5



Report of the Standing Committee on Maritime Affairs on review of budget allocation of FY 2018-19 in terms of Rule 166(4) and Scrutiny of proposed PSDP for FY 2019-20 of the Ministry of Maritime Affairs and its attached departments in terms of Rule 166(7) of Rules of Procedure and Conduct of Business in the Senate 2012.

PRESENTED BY

**SENATOR NUZHAT SADIQ
CHAIRPERSON**

SENATE SECRETARIAT

REPORT OF THE STANDING COMMITTEE ON MARITIME AFFAIRS

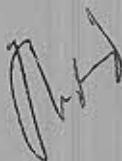
1. Senator Nuzhat Sadiq, Chairperson of the Standing Committee on Maritime Affairs, have the honor to present the report, on behalf of the Committee, on the budgetary allocation and its utilization of FY 2018-19 in respect of the Ministry of Maritime Affairs, under Rule 166(4) and scrutiny of proposed PSDP of the Ministry of Maritime Affairs for FY 2019-20 in terms of Rule 166(7) of the Rules of procedure and Conduct of Business in the senate, 2012.

2. The composition of the Standing Committee on Maritime Affairs is as under:-

1.	Senator Nuzhat Sadiq	Chairperson
2.	Senator Sassui Palijo	Member
3.	Senator Sitara Ayaz	Member
4.	Senator Khushbakht Shujat	Member
5.	Senator Samina Saeed	Member
6.	Senator Moula Bux Chandio	Member
7.	Senator Shammim Afridi	Member
8.	Senator Muhammad Akram	Member
9.	Senator Kauda Babar	Member
10.	Senator Saleem Zia	Member
11.	Senator Mustafa Nawaz Khokhar	Member
12.	Senator Naseebullah Bazai	Member
13.	Senator Rana Mahmood ul Hassan	Member
14.	Minister for Maritime Affairs	Ex-Officio Member

3. The matter was taken up in the meeting of the Standing Committee held on 20th February, 2019. The Committee disposed of the matter and allowed to submit the report to the House. The following members of the Committee attended the meeting.

1.	Senator Nuzhat Sadiq	Chairperson
2.	Senator Kauda Babar	Member
3.	Senator Khushbakht Shujat	Member
4.	Senator Muhammad Akram	Member
5.	Senator Rana Mahmood ul Hassan	Member
6.	Senator Shammim Afridi	Member



SUMMARY

The Committee was briefed that the total non development budget of Maritime Affairs Division for the Financial Year 2018-19 and its utilization during the first six months of financial year 2018-19 was as follows:

BUDGET ALLOCATION - FY-2018-19



Maritime Affairs Division Details of Budget Allocation and Expenditure upto 31-12-2018 Non Development Head wise detail

Detail/ Object Description	Budget Grant	Reapp (+)	Reapp (-)	Supplementary SURRENDER 10% Curtail	Final Grant	Actual Expenditure upto 31-12-2018	Final Grant Balance
A01-EMPLOYEES RELATED EXPENSES.	504,425,000	53,000	1,691,000	-	502,767,000	237,162,672	235,624,328
A03-OPERATING EXPENSES	218,556,000	4,137,000	1,538,472	20,969,400	200,185,128	84,078,494	116,106,634
A04-Employee Retiring Benefits	14,507,000	-	10,000	-	14,497,000	7,988,681	6,508,319
A05-GRANTS SUBSIDIES AND WRITE OFF LOANS	36,000	-	-	-	36,000	-	36,000
A06-TRANSFERS	2,358,000	-	-	-	2,358,000	261,219	2,096,781
A09-PHYSICAL ASSETS	20,325,000	-	200,000	2,007,600	18,117,400	1,723,426	16,393,974
A-12 Civil Works	601,000	-	-	-	601,000	-	601,000
A13-REPAIRS AND MAINTENANCE	21,192,000	138,472	889,000	3,029,800	17,411,672	6,147,949	11,263,723

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Maritime Affairs (Main)									
Total	138261000	0	0	0	-7232200	131028800	49442600	83246786	
A01-EMPLOYEES RELATED EXPENSES	63936000	0	0	0	0	63936000	32561477	31374523	
A03-OPERATING EXPENSES	59020000	0	0	0	-5902000	53118000	14541614	39576486	
A04-Employee Reting Benefits	1100000	0	0	0	0	1100000	751090	348910	
A05-GRANTS SUBSIDIES AND WRITE OFF LOANS	3000	0	0	0	0	3000	0	3000	
A06-TRANSFERS	900000	0	0	0	0	900000	122185	777815	
A09-PHYSICAL ASSETS	11600000	0	0	0	-1160000	10440000	892055	9547945	
A13-REPAIRS AND MAINTENANCE	1702000	0	0	0	-170200	1531800	574279	957521	
Strengthening of Quality Laboratories									
Total	8200000	0	0	0	-30000	8170000	4012582	4415984	
A01-EMPLOYEES RELATED EXPENSES	7879000	0	0	0	0	7879000	3755922	4123078	
A03-OPERATING EXPENSES	316000	0	0	0	-30000	286000	256680	29340	
A09-PHYSICAL ASSETS	1000	0	0	0	0	1000	0	1000	
A13-REPAIRS AND MAINTENANCE	4000	0	0	0	0	4000	0	4000	
Marine Fisheries Research Laboratory									
Total	3700000	0	0	0	-40000	3660000	1931072	1839344	
A01-EMPLOYEES RELATED EXPENSES	2927000	0	0	0	0	2927000	1636073	1290927	
A03-OPERATING EXPENSES	406000	0	0	0	-40000	366000	294999	71001	
A04-Employee Reting Benefits	362000	0	0	0	0	362000	0	362000	
A09-PHYSICAL ASSETS	2000	0	0	0	0	2000	0	2000	
A13-REPAIRS AND MAINTENANCE	3000	0	0	0	0	3000	0	3000	
Additional Improvement of MFD Labs in View of WTO Requirement									
Total	8000000	0	0	0	-5000	7995000	3295647	4884589	
A01-EMPLOYEES RELATED EXPENSES	7272000	0	0	0	0	7272000	3001114	4270866	
A03-OPERATING EXPENSES	320000	0	0	0	-5000	315000	294533	20467	
A04-Employee Reting Benefits	402000	0	0	0	0	402000	0	402000	
A09-PHYSICAL ASSETS	2000	0	0	0	0	2000	0	2000	
A13-REPAIRS AND MAINTENANCE	4000	0	0	0	0	4000	0	4000	
Marine Fisheries Development Project									
Total	8400000	0	0	0	-55000	8345000	4359238	4201316	
A01-EMPLOYEES RELATED EXPENSES	6799000	0	0	0	0	6799000	2980486	3818514	
A03-OPERATING EXPENSES	314000	0	0	0	-55000	259000	119232	139768	
A04-Employee Reting Benefits	1282000	0	0	0	0	1282000	1259520	22480	
A13-REPAIRS AND MAINTENANCE	5000	0	0	0	0	5000	0	5000	

The Committee appreciated the efforts of the ministry and found it satisfactory that the above mentioned components of the budget and the expenses incurred on strengthening of Quality Laboratories, Marine Fisheries Research Laboratories, Additional Improvement of MFD Labs and Marine Fisheries Development Project are the vital areas that can help boost the marine and fisheries sector in the country.

The Ministry of Maritime Affairs gave a detailed briefing on the proposed projects for the year 2018-19. Under PSDP it was briefed that 10 projects were proposed during the year.

On PSDP scheme for the year 2018-19 related to Gwadar Port, it was briefed that financing of some of the projects of Gwadar like Gwadar Fish Harbor, renovation of old town and Solid Waste Management have been stopped by the Federal Government. The Chairperson observed that financial cut in PSDP is impeding the way of development of Gwadar Port.

Rehabilitation of Admin Block, Cadet block/Residential Block, Auditorium, quarterdeck, Officer Mess in Premises of PMA. The project was approved in DDWP meeting held on 28.06.2018 with an estimated cost of 59.566 million rupees. These buildings were quite broken down and dilapidated. Pak.PWD constructed these buildings in 1976 and their rehabilitation/renovation was needed but unfortunately the funds were not released.

Construction of Residential Flats Cat.IV- V the project was approved in CDWP meeting held on 24.05.2018 with an estimated cost of 170 million rupees. But unfortunately the funds were not released. The existing flats were constructed in 1976 by Pak PWD. Their location on the sea front caused decay and turned them quite unsafe for




residents. So all the existing apartments need to be demolished and new apartments should be constructed.

Construction of New Auditorium was approved in CDWP meeting held on 24.05.2018 with an estimated cost of 150 million rupees. But unfortunately the funds have not been released so far. It was briefed that the existing Auditorium of PMA was constructed in 1976 for various professional activities. The Auditorium has been in use for more than 40 years and requisite maintenance has not been carried out. So the existing Auditorium needs to be demolished and replaced by a new Auditorium.

Construction of Multiple Activities Sports Complex was approved in DDWP meeting held on 28.02.2018 with an estimated cost of 43.800 million rupees. But unfortunately the funds have not been released. It was briefed that Pakistan Maritime Academy (PMA) is handicapped in conducting sports activities professionally due to non-availability of sports complex. Therefore, a new sports complex with a seating capacity of approx. 1000 players/spectators at PMA should be constructed.

Construction/renovation/rehabilitation of Seamen's Hostel at Keamari (PMA city Campus) was approved in DDWP meeting held on 28.06.2018 with an estimated cost of 19.853 million rupees. But unfortunately the funds have not been released. The said building was constructed by Pak PWD in 1974 but requisite maintenance of this building has not been carried out for the last 43 years. So Seamen's Hostel at Keamari (PMA city Campus) should be constructed / renovated/ rehabilitated.

Provision and installation of Security Lights and Street Lights in Premises of PMA were proposed with an estimated cost of 25.062 million rupees. Due to prevailing Law and Order situation in the country and threats to Educational Institutions, it is



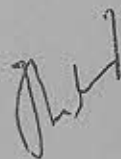
mandatory to improve security by installing security lights. So Security Lights and Street Lights in Premises of PMA should be installed.

The up-gradation of Pakistan Marine Academy to Pakistan Maritime University (Survey and Feasibility) was proposed with an estimated cost of 9.870 million rupees. In order to meet requirements of national and International Maritime Industry for the support of national Economic Activities, Pakistan Marine Academy should be upgraded to Pakistan maritime University (Survey and Feasibility).

Feasibility Study of Petroleum/Petrochemical Terminal & Dirty Dry Bulk Terminal was recommended by DDWP to CDWP for approval with an estimated cost of 97.461 million rupees. Due to change of cost, revised PC-1 is awaited. DDWP recommended to CDWP for approval as project cost escalated. So Feasibility Study of Petroleum/Petrochemical Terminal & Dirty Dry Bulk Terminal should be approved. .

Land Acquisition as per Gwadar Port Master Plan was proposed with an estimated cost of 16000.00 million rupees. Land Acquisition cost is yet to be approved. The Planning Commission is the authority to approve the project and Ministry of Maritime is pursuing the case.

The Capital Dredging of Berthing Areas & Channel for Additional Terminals (CPEC) was proposed with an estimated cost of 287.000 million rupees, but it was not approved yet. GPA wanted to undertake this project as it is an important project for CPEC. In wake of CPEC, marine traffic will increase. So Capital Dredging of berthing Areas & Channel for Additional Terminal (CPEC) should be approved.




RECOMMENDATIONS

1. The Committee showed satisfaction on the expenses made during the first half of Financial Year 2018-19.
2. Proper training programmes should be devised to maximize the performance of the employees of the ministry and its attached departments.
3. The Committee directed that the on-going projects of Gwadar Port Authority (GPA) should be completed at the earliest. Gwadar Port can go a long way in the development of the country, and as a nation we must realize that we should avail ourselves of this opportunity of foreign investment with reference to CPEC.
4. It is alarming to note that projects pertaining to electricity, gas and provision of water have not been facilitated as a priority. The Committee directed that all these projects pertaining to basic infrastructure of Gwadar Master Plan must be completed at the earliest. The Committee also recommended that in the coming financial year, budget allocation should be made for the above mentioned projects.
5. The Committee directed that NEPRA should resolve the matter of tariff rate for 300MW Coal Fired Power Plant in Gwadar.
6. The Chairperson of the Committee also observed that Chinese Overseas Port Holding Company Limited (COPHC) is working hard to develop the Gwadar Port but unfortunately the relevant ministries are not extending full cooperation to the Chinese Overseas Port Holding Company. The Chairperson directed that the Chinese Company should be facilitated in all respects so that Gwadar Port can become functional as early as possible.
7. The committee also showed concern on curtailing the funds for development projects including new Gwadar International Airport, Fresh Water Supply, Waste Water Treatment System, desalination plants, Water



Sector Schemes and Power Supply Schemes. The Committee recommended to take effective measures to address all the issues and allocate appropriate funds in revised PSDP.

8. Many of the issues pertaining to Finance Division and FBR are still pending, the Committee observed. Gwadar Port and Gwadar Free Zone should be exempted from taxes in line with the Concession Agreement signed with the China Overseas Ports Holding Company.


(SAVAID IQBAL)
Secretary Committee


(SENATOR NUZHAT SADIQ)
Chairperson