



**REPORT OF THE SENATE STANDING
COMMITTEE ON
INDUSTRIES & PRODUCTION**

**FOR THE
(PARLIAMENTARY YEARS MAY 2018-MARCH 21)**



Presented by:

Senator Ahmed Khan
Chairman Senate Standing Committee
on Industries & Production



AHMED KHAN
CHAIRMAN SENATE STANDING COMMITTEE
ON INDUSTRIES AND PRODUCTION

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PREFACE

Industrial sector is an important part of Pakistan's economy and contributes more than 20% to GDP of our country. Industry refers to that sector of economy which is related to manufacturing and production of goods. Major industries under Ministry of Industries and Production are Mining and Extraction, Auto and Fertilizers.

The primary function of Senate Standing Committee on Industries and Production is to oversight the activities, operations and performances of the various departments of the Ministry. It guides the concerned Ministry on different subjects regarding policy matters, revival of sick industries, establishment of new industries, eradication of corruption and malpractices, protection of the rights of employees, protection of the rights of consumers, provision of quality products to the masses, establishment of suitable environment for the growth of industries, use of modern technology in various industrial sectors, cases of privatization and exploration of new markets etc.

As the Chairman, Standing Committee on Industries and Production, I am pleased to present the Report of the Committee for the Period from May, 2018 to February, 2021.

The Committee in its meetings deliberated extensively on multi-dimensional issues pertaining to Ministry of Industries and Production and its attached & sub-ordinate departments i.e. Pakistan Steel Mills (PSM), Engineering Development Board (EDB), Pakistan Institute of Management (PIM), National Fertilizer Corporation (NFC), Small & Medium Enterprises Development Authority (SMEDA), Export Processing Zone Authority (EPZA), Utility Stores Corporation (USC), National Productivity Organization (NPO), Pakistan Industrial Technical Assistance Center (PITAC), Pakistan Industrial Development Corporation (PIDC), Pakistan Stone Development Company (PASDEC), Karachi Tools Dies & Moulds Centre (KTDMC), Pakistan Gems and Jewellery Development Company (PGJDC), Aik Hunar Aik Nagar (AHAN), Pakistan Steel Mills (PSM), Heavy Electrical Complex (HEC), Pakistan Engineering Company (PECO), Technology Upgradation & Skill Development Company (TUSDEC), National Industrial Parks Development & Management Company (NIP), Pakistan Hunting & Sporting Arms Development Company (PHSADC), State Engineering Corporation (SEC) etc.

The Committee not only handled the issues of the Industries related departments but also made workable recommendations and focused on improving the performance of the Ministry of Industries and Production and its attached & sub-ordinate departments.

I would like to express my gratitude to all the Honorable members of the Standing Committee for their contribution in enabling this Committee to play an effective role in improving the development of Industries and Production in the country. The achievement of the committee would not have been possible without their diligent and active cooperation. I would also like to express my appreciations for the hard work done by Secretary of the Committee and other Secretariat staff who were associated with the Committee.

(AHMED KHAN)


EXECUTIVE SUMMARY

The Senate Standing Committee Industries and Production held its meeting during the period from May 2018 to February, 2021. During these meetings, the Committee took up numerous issues related to the various Industries, Steel Mill, Utility Store Corporation and other attached departments. All matters related to the Ministry of Industries and Production were taken up in the meetings of the Committee and after detailed discussions and deliberations, formulated following recommendations:-


- Visit motor vehicle manufacturing Units in Karachi.
- The Committee also decided to invite the representatives of Auto Spare Parts Association in its meetings.
- The Committee decided to meet Mr. Abdul Razaq Daud, Advisor to PM on Industries & Production alongwith PAAPAM representatives to highlight the issues faced by Vending Industry.
- Briefing from Ministry of Planning and Development and BOI was also sought.
- The Committee also decided to visit the Automobile Companies Manufacturing Plants to check the existing quality standards and usage of locally made parts.
- The Committee decided to visit Pakistan Steel Mills (PSM) review issues on the ground.
- The Chairman Board of Investment (BOI) was invited to brief the Committee on establishment of Special Economic Zones under CPEC across the country.
- The Committee directed the Ministry of Industries and Production to submit its necessary proposals for the limited revival of 15 to 16 non-functional units, which were identified by the Committee.
- The Committee directed to strengthen the positions of Chairman PSM Board and CEO (PSM) for better results and also pass instructions to inform Committee for any replacement.
- The Committee directed the Ministry that after evaluation of PSM land on existing market rates, the same is placed for sale to its buyers, if needed.
- The Committee recommended that existing Federal Excise Duty on car manufacturing plants may be reviewed to provide direct benefit to common man in Pakistan.
- The Committee directed the Ministry to submit the findings of Economic Coordination Committee (ECC) for the rehabilitation of Pakistan Steel Mills.
- The Committee directed the Ministry to submit its report on the appointment of sitting Chief Executive Officer (CEO), National Productivity Organization (NPO).

- It was recommended by the Committee that the Utility Stores Corporation (USC) being a welfare organization should be exempted from taxes and interest, also the government subsidy to USC should be restored, and reasons and causes be ascertained as to why subsidy was discontinued.
- The purchases of Benazir Income Support Programme's should be rerouted through USC on quarterly basis, and BISP to brief the committee on their interventions in this regard.
- USC be exempted from PPRA rules like CSD vis-à-vis purchasing of products in order to maintain quality. PPRA to brief the committee to this effect.
- Ministry of Industries and Production to inform/brief the committee on how and when they plan to pay dues of Pakistan Steel Mills (PSM) employees and pensioners. Also to investigate any irregularity and corruption in PSM, and fix responsibility on those responsible.
- The Ministry of Industries and Production to provide details of any inquiry conducted, as well as NAB cases, to probe corruption in PSM.
- Secretary Finance to brief the committee on the issue of provision of funds/loan to PSM for payment of dues to retired employees.

COMPOSITION OF THE COMMITTEE MEMBERS

Senator Ahmed Khan	
Senator Aurangzeb Khan	
Senator Dr. Asif Kirmani	
Senator Hafiz Abdul Karim	
Senator Imamuddin Shouqeen	
Senator Nusrat Shaheen	
Senator Keshoo Bai	
Senator Muhammad Ali Khan Saif	
Senator Muhammad Ayub	
Senator Naseebullah Bazai	
Senator Rahila Magsi	
Senator Seemee Ezdi	
Senator Sitara Ayaz	

SECRETARY COMMITTEE:

Mr. Hafeezullah Sheikh AS/ Secretary Committee	
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**PROFILES OF THE
HONOURABLE
CHAIRMAN
&
COMMITTEE
MEMBERS**

Ahmed Khan



Designation: Senator / Chairman Senate Standing Committee
Tenure: March 2018 to March 2024
Province: Balochistan
Party: Independent (IND)
Seat: General
Description:

Contact Detail:

Mobile Number 0314-3333333
Local Address (i) J-11, Parliament Lodges, Islamabad
(ii) House No.940, Street No.54, National Police Foundation, E-11/4, Islamabad.
Permanent Address H.No.940, Street No.54, National Police Foundation, E-11/4, Islamabad.

Committee (s)

Industries and Production (Chairperson Committee)
Communications
Water Resources
Committee Commerce
Member Power
Council of Chairpersons
The Promotion and Development of Football in the Country
Parliamentary Committee on China-Pakistan Economic Corridor (CPEC)
Committee of the Whole
Public Accounts Committee

Aurangzeb Khan



Designation: Senator
Tenure: March 2015 to March 2021
Province: FATA
Party: Independent (IND)
Seat: General
Description:

Contact Detail:

Mobile Number 0300-6879005
Local Address A-05, Parliament Lodges, Islamabad.
Permanent Address Orakzai Green Tower, Peshawar.

Committee (s)

House Business Advisory Committee
Industries and Production
Maritime Affairs
States and Frontier Regions
Committee Government Assurances
Member China Pak Economic Corridor (CPEC)
Narcotics Control
Senate Implementation Committee
To examine purported grievances amongst some sections of the society and reach out/engage with the genuinely aggrieved persons to create national cohesion
Parliamentary Committee on Kashmir
Parliamentary Committee on National Security
Parliamentary Consultation Committee on Legislative Business
Committee of the Whole

Seemee Ezdi



Designation: Senator
Tenure: March 2015 to March 2021
Province: Punjab
Party: Pakistan Tehreek-e- Insaf (PTI)
Seat: Women

Contact Detail:

In Voice of Saadia Abbasi

Contact Detail

Mobile 0300-5241844

Number

Permanent Address 72-DD, St.No.2, Phase-4, Defence Housing Authority, Lahore.

Committee (s)

Cabinet Secretariat

Foreign Affairs

Industries and Production

Committee National Food Security and Research

Member Narcotics Control

Committee of the Whole

Public Accounts Committee

Women Parliamentarians Caucus

Muhammad Ayub



Designation: Senator
Tenure: March 2018 to March 2024
Province: Khyber Pakhtunkhwa
Party: Pakistan Tehreek-e-Insaf (PTI)
Seat: General
Description:

Contact Detail:

Mobile Number: 0322-9335705
Permanent Address: Gulbahar No. 4, Peshawar City, Afridi House, Peshawar.

Committee (s)

Privatization
Industries and Production
Devolution
Committee Member: Overseas Pakistanis and Human Resource Development
States and Frontier Regions
Senate Implementation Committee
Committee of the Whole

Muhammad Ali Khan Saif



Designation: Senator
Tenure: March 2015 to March 2021
Province: Sindh
Party: Mutahidda Qaumi Movement (MQM)
Seat: Technocrats Including Ulema
Description:

Contact Detail:

Home: 021-36323326
Mobile: 0322-5169090
Number:
Local: J-102, Parliament Lodges, Islamabad
Address:
Permanent: Nine Zero, Azizabad, Block 8, Karachi Central
Address:

Committee (s)

To examine purported grievances amongst some sections of the society and reach out/engage with the genuinely aggrieved persons to create national cohesion

(Chairperson Committee

Council of Chairpersons

House Business Advisory Committee

Committee

Climate Change

Member

Industries and Production

Law and Justice

Human Rights

Committee on Rules of Procedure and Privileges

Senate Finance Committee

China Pak Economic Corridor (CPEC)

Law Reforms

The Promotion and Development of Football in the Country

Parliamentary Committee to Protect Minorities from Forced Conversions

Parliamentary Committee on Kashmir

Parliamentary Committee on National Security

Parliamentary Committee on the General Elections, 2018

Parliamentary Consultation Committee on Legislative Business

Child Protection

Committee of the Whole

Special Committee to Review and Examine Jurisdictional issues between CDA and MCI

Hafiz Abdul Karim



Designation: Senator
Tenure: March 2018 to March 2024
Province: Punjab
Party: Independent (IND)
Seat: Technocrats Including Ulama
Description:

Contact Detail:

Mobile Number 0300-6789093, 0321-6785555

Permanent Address House No.30-A, Mohalla Khiaban-e- Sarwar, Dera Ghazi Khan.

Committee (s)

Industries and Production
Devolution
National Food Security and Research
Committee Religious Affairs and Inter-Faith Harmony
Member Railways
Committee of the Whole

Rahila Magsi



Designation: Senator
Tenure: March 2015 to March 2021
Province: Federal Capital
Party: Pakistan Muslim League
Seat: Women
Description:

Contact Detail:

Home Number: 051-843737
Mobile Number: 0300-3057091, Fax No. 051-9223975

Local Address: H.No.24, St.32, F.6/1, Islamabad.
Permanent Address: House No.11 Magsi House, Civil Line, Hyderabad

Committee (s)
Federal Education, Professional Training, National History & Liberty Heritage
(Chairperson Committee)
Council of Chairpersons
Industries and Production
Inter-Provincial Coordination
Railways
Committee Problems of Less Developed Areas
Member Senate Emergency Relief Fund
Committee of the Whole

Nusrat Shaheen

Name: Nusrat Shaheen
Tenure: March 2015 to March 2021
Province: Balochistan
Party: Balochistan Awami Party (BAP)
Seat Description: Women
Designation: Senator
Oath Taking Date: 08-01-2021
In Vice of: Mst Kalsoom Perveen



Contact Detail

Local Address: H.012, Parliament Lodges, Islamabad
Permanent Address: H.No. G-103, Wahadat Colony, Quetta

Committee (s)

SC on Delegated Legislation
SFC on Problems of Less Developed Areas
SSC on Interior
SSC on Industries and Production
SSC on Information Technology and Telecommunication.

Imamuddin Shouqeen



Designation: Senator
Tenure: March 2018 to March 2024
Province: Sindh
Party: Pakistan People's Party Parliamentarian (PPP-P)
Seat: General

Description:

Contact Detail:

Mobile 0300-8238000
Local Address H-002- Parliament Lodges, Islamabad.

Committee (s)

Finance, Revenue and Economic Affairs
Industries and Production
National Feed Security and Research
Railways
Commerce
Committee of the whole

Academic Career:

M.A. (Political Science) from Sindh University Jamshoro, LL.B from Sindh Law College and Graduate from Sindh University Jamshoro in 1980

Other Information:

- Born in January 1958
- Stepped foot in politics by becoming a member and office bearer of Islamic Jamiat Talba.
- Joined Muslim League (Junejo) which later become the Functional League.
- Elected as councillor from Tando Adam in local government election in the year 1988.
- Appointed as Chairman Khidmat Committee of District Sanghar.
- Elected as MPA from Tando Adam constituency PS-82 Sanghar V in the general election held in 2002.
- Advisor to CM Sindh for the period of 2005 to 2007.
- Re-appointed from 2008 to 28th March 2012 as Advisor to Chief Minister Sindh (with the status of Minister) for Mines and Mineral.
- Elected to the Senate of Pakistan as a candidate of PPP on general seat from Sindh in 2018 Pakistan.
- Represented Pakistan in Parliament Origination Islamic Co-operation in Uganda.
- Currently member of various Senate Committee, Finance, Revenue and Economic Affairs, Industries and Production, National Food Security and Research, Railways and Commerce and Textile.

Keshoo Bai



Designation: Senator
Tenure: March 2018 to March 2024
Province: Sindh
Party: Pakistan People's Party Parliamentarian (PPP-P)
Seat: Women
Description:

Contact Detail:

Mobile Number 0331-3621167
Local Address E-308, Parliament Lodges, Islamabad.
Permanent Address Village Dhana Gam, Taluka Nagarparkar, Town, Nagarparkar, Tharparkar

Committee (s)

Climate Change
Industries and Production
Religious Affairs and Inter-Faith Harmony
Committee Government Assurances
Member Human Rights
Committee of the Whole

Sitara Ayaz

Designation: Senator
Tenure: March 2015 to March 2021
Province: Khyber Pakhtunkhwa
Party: ANP(Awami National Party)
Seat: Women
Description:



Contact Detail:

Home 051-9213808
Office 051-9244676
Number
Mobile 0345-9058080
Number
Local E-105, Parliament Lodges, Islamabad.
Address
Permanent Village Jhanda, District Swabi, Khyber Pakhtunkhwa.
Address

Committee (s)

Climate Change (Chairpersons Committee)

Foreign Affairs

Maritime Affairs

Law & Justice

Industries and Production

Parliamentary Committee on National Security

Committee China – Pakistan Economic Corridor (CPEC)

Member Convener Pakistan – Brazil Parliamentary Friendship Group

Naseebullah Bazai



Designation: Senator
Tenure: March 2018 to March 2024
Province: Balochistan
Party: Independent (IND)
Seat: Technocrats Including Ulama
Description:

Contact Detail:

Office:
Number 081-2310566
Mobile 0333-7833429/0313-6795577
Number
Local (I) G-11, Parliament Lodges, Islamabad. Balochistan House,
Address Islamabad
Permanent Samungli Road Killa Noshar, Quetta
Address
Committee (s)

Council of Chairpersons
Cabinet Secretariat
Housing and Works
Industries and Production
Information Technology and Telecommunication
Overseas Pakistanis and Human Resource Development
Committee Senate Finance Committee
Member Senate Implementation Committee
To examine purported grievances amongst some sections of the society and reach out/engage with the genuinely aggrieved persons to create national cohesion
Parliamentary Committee on Appointment of Chief Election Commissioner and Members of the Election Commission of Pakistan
Committee of the Whole
Public Accounts Committee

Dr. Asif Kirmani



Designation: Senator
Tenure: March 2018 to March 2024
Province: Punjab
Party: Independent (IND)
Seat: General
Description:

Contact Detail

Mobile Number: 0303-4444945
Local Address: F-211, Parliament Lodges, Islamabad, Islamabad
Permanent Address: 15-A, Shadman-II, Jail Road, Lahore

Committee (s)

Foreign Affairs
Industries and Production
Government Assurances
Committee on Rules of Procedure and Privileges
Poverty Alleviation & Social Safety
Committee of the Whole

HAFEEZULLAH SHEIKH
Secretary Committee

1. PERSONAL INFORMATION

HAFEEZULLAH SHEIKH
Additional Secretary
Senate of Pakistan
Date of Birth: 01-02-1967
hafeezsenate@gmail.com
marhil@live.com
Cell + 92 300 5191291



- I born in a small town of Sindh Province and after getting initial education in Khairpur, I moved to Karachi for further education and got bachelor's degree in Industrial & Management Engineering from Dawood Engineering College in the year 1990. After graduation I admitted myself in a Shah Abdul Latif University, Khairpur as an external student and successfully passed the post-graduation examination in Economics in 1992.

2. CAREER/WORK HISTORY (IN BRIEF):

- I joined Government of Sindh in 1992 as grade-17 officer and worked there on various important positions till 2005.
- Services were requisition by Senate of Pakistan in 2005, since then I am working in the Senate on different positions including the Secretary Committee of various important Committees of Parliament.
- Joined Pakistan Electronic Media Regularity Authority (PEMRA) as Regional General Manager, Islamabad on deputation basis from 2008 to 2010.

3. ADMINISTRATIVE/PROFESSIONAL TRAININGS OBTAINED

- Attended training programme under UNDP project Strengthening Democracy through Parliamentary Development (SDPD) in Bangkok, Thailand in 2005.
- Obtained Training Certificate in Strategic Management in 2008, National Institute of Public Administration (NIPA), Karachi.
- Obtained Training Certificate in Human Resource Management in 2008, National Institute of Management (NIM), Karachi.
- Obtained Training Certificate in Senior Management Course (SMC) in 2014 from National Institute of Management (NIM), Karachi.

4. CONFERENCES, SEMINARS, WORKSHOPS ATTENDED ABROAD:

- Study Tour to Thailand under UNDP Strengthening Democracy through Parliamentary Development Project (SDPD) in 2005.
- First Global Parliamentary Meeting on HIV/AIDs, Manila, Philippines, 2007.
- 119th Assembly of Inter-Parliamentary Union (IPU) and Related Meetings, Geneva, Switzerland, 2008.
- 123rd Assembly of Inter-Parliamentary Union (IPU) and Related Meetings, Geneva Switzerland, 2010.
- 15th General Assembly of the Asia Pacific Parliamentarians Conference on Environment and Development (APPCED), Kuala Lumpur, Malaysia, 2011.
- Annual Legislators Summit, Paris, France, 2015.
- NATO Parliamentary Assembly Joint Seminar, Florence, Italy, 2015.

- Bilateral Seminar on Public Administration for Civil Servants of Pakistan, **Beijing, China**, 2016.
- 65th Westminster Seminar on Parliamentary Practice and Procedure 21–25 November 2016 **Westminster, London, UK**.
- Meeting of APA Standing Committee on Social & Cultural Affairs held in **Thimphu, Bhutan** from 31 August – 2 September, 2017.
- Bilateral visit of hon'ble Chairman Senate alongwith the delegation on the invitation of Speaker of Majlis Al-Shura from 18th – 22nd December, 2018.
- Visit of Senate Standing Committee on Foreign Affairs to UK to attend Kashmir Solidarity Day Conference and connected events in London from 4th – 5th February, 2019.

**SENATE STANDING COMMITTEE ON INDUSTRIES AND PRODUCTION
(PICTORIAL VIEW)**



SENATOR AHMED KHAN, CHAIRMAN SENATE STANDING COMMITTEE ON INDUSTRIES AND PRODUCTION PRESIDING OVER A MEETING OF THE COMMITTEE AT PARLIAMENT LODGES, ISLAMABAD ON OCTOBER 03, 2018.



SENATOR AHMED KHAN, CHAIRMAN SENATE STANDING COMMITTEE ON INDUSTRIES AND PRODUCTION PRESIDING OVER A MEETING OF THE COMMITTEE AT PARLIAMENT HOUSE, ISLAMABAD ON DECEMBER 27, 2018.



SENATOR AHMED KHAN, CHAIRMAN SENATE STANDING COMMITTEE ON INDUSTRIES AND PRODUCTION PRESIDING OVER A MEETING OF THE COMMITTEE AT PARLIAMENT HOUSE ISLAMABAD ON FEBRUARY 20, 2019.



SENATOR AHMED KHAN, CHAIRMAN SENATE STANDING COMMITTEE ON INDUSTRIES AND PRODUCTION IN A MEETING WITH ADVISOR TO PRIME MINISTER ON INDUSTRIES & PRODUCTION MR. ABDUL RAZAG DAUD IN ISLAMABAD ON MARCH 11, 2018.



SENATOR AHMED KHAN, CHAIRMAN SENATE STANDING COMMITTEE ON INDUSTRIES AND PRODUCTION PRESIDING OVER A MEETING OF THE COMMITTEE AT PARLIAMENT HOUSE, ISLAMABAD ON APRIL 03, 2019.



SENATOR AHMED KHAN, CHAIRMAN SENATE STANDING COMMITTEE ON INDUSTRIES AND PRODUCTION PRESIDING OVER A MEETING OF THE COMMITTEE AT PARLIAMENT HOUSE, ISLAMABAD ON SEPTEMBER 26, 2019.



SENATOR AHMED KHAN, CHAIRMAN SENATE STANDING COMMITTEE ON INDUSTRIES AND PRODUCTION PRESIDING OVER A MEETING OF THE COMMITTEE AT PARLIAMENT HOUSE, ISLAMABAD ON OCTOBER 21, 2019.



SENATOR AHMED KHAN, CHAIRMAN SENATE STANDING COMMITTEE ON INDUSTRIES AND PRODUCTION PRESIDING OVER A MEETING OF THE COMMITTEE AT PARLIAMENT HOUSE, ISLAMABAD ON FEBRUARY 27, 2020.



SENATOR AHMED KHAN, CHAIRMAN SENATE STANDING COMMITTEE ON INDUSTRIES AND PRODUCTION PRESIDING OVER A MEETING OF THE COMMITTEE AT PARLIAMENT HOUSE, ISLAMABAD ON JULY 13, 2020.



SENATOR AHMED KHAN, CHAIRMAN SENATE STANDING COMMITTEE ON INDUSTRIES AND PRODUCTION PRESIDING OVER A MEETING OF THE COMMITTEE AT PARLIAMENT HOUSE, ISLAMABAD ON SEPTEMBER 10, 2021.



SENATOR AHMED KHAN, CHAIRMAN SENATE STANDING COMMITTEE ON INDUSTRIES AND PRODUCTION PRESIDING OVER A MEETING OF THE COMMITTEE AT PARLIAMENT HOUSE, ISLAMABAD ON SEPTEMBER 17, 2021.

MINUTES OF THE MEETINGS

SENATE SECRETARIAT

Subject: - **MINUTES OF THE MEETING OF THE SENATE STANDING COMMITTEE ON INDUSTRIES & PRODUCTION HELD ON 27th DECEMBER, 2018**

A meeting of the Senate Standing Committee on Industries & Production was held on Thursday, the 27th December, 2018 at 11:00 a.m. in Committee Room No.4, Parliament House, Islamabad. The meeting was presided over by Senator Ahmed Khan, Chairman of the Committee.

2. The agenda before the Committee was as under:-

- i. *A comprehensive briefing on Pakistan Automobile Policy with particular reference to (i) Total no. of vehicles sold by M/s. Toyota Motors, Honda and Suzuki during the last two years. (ii) Total amount of tax paid by these companies during the last two years. (iii) Detail of spare parts imported from abroad and purchased from local industries & (iv) Detail about fulfilment of Corporate Social Responsibility by these companies.*
- ii. *Consideration of the Public Petition No.2284 of Mr. Muhammad Iqbal pertaining to excessive, arbitrary and unreasonable increase in vehicle prices by Honda Atlas Cars (Pvt) Ltd.*
- iii. *Any other item with permission of the Chair.*

3. The following members of the committee attended the meeting:-

i.	Senator Ahmed Khan	Chairman
ii.	Senator Naseebullah Bazai	Member
iii.	Senator Aurangzeb Khan	Member
iv.	Senator Muhammad Ali Khan Saif	Member
v.	Senator Kalsoom Parveen	Member
vi.	Senator Anwar Lal Dean	Member
vii.	Senator Sitara Ayaz	Member

List of other participants of the meeting is annexed.

4. The meeting of Senate Standing Committee on Industries & Production started with the recitation from the Holy Quran. Thereafter, the Chairman of the Committee, Senator Ahmed Khan requested the participants of the Committee to introduce themselves, after that the discussion started on the agenda items.

Agenda Item-(I): *A comprehensive briefing on Pakistan Automobile Policy with particular reference to (i) Total no. of vehicles sold by M/s. Toyota Motors, Honda and Suzuki during the last two years. (ii) Total amount of tax paid by these companies during the last two years. (iii) Detail of spare parts imported from abroad and purchased from local industries & (iv) Detail about fulfilment of Corporate Social Responsibility by these companies.*

5. The Advisor, Ministry of Industries & Production briefed the Committee about the existing policy of the Government to increase the exports of Pakistan particularly in the field of Automobile Industry and the steps taken by the Government in this regard. He further said that to attract new investors in the Cars segment, Automotive Development Policy (ADP) 2016-2021 was formulated and approved by Government on 18th March, 2016 and the present government had principally decided to continue the same with slight change as per existing

requirements. He further informed that there are 13 new investors have been granted Greenfield status to launch their projects in Pakistan. Move-over, potential investor i.e. Volkswagen have also shown interest in investment under the policy. The Advisor to PM also informed that a total no. of vehicles sold by Toyota, Honda and Suzuki Motors during the last two years. He also briefed the Committee about the tax paid by these companies during last two years. The Advisor also emphasised the vision of Government and also briefed the details of spare parts imported from abroad and purchased from local industry which are used in automobile Industry. He also highlighted the initiatives taken by Atlas Honda Ltd. And the award conferred by in year 2018 by National Forum for Environment & Health in the categories of Corporate Social Responsibility Report, Research & Publication and Environment & Waste Management. He further stated that Pak Suzuki Company Ltd. is working in Education, Environment and Health sector while Indus Motor Company Ltd. is also working in education, Building slum areas and health sectors.

6. Senator Kalsoom Parveen had expressed her dissatisfaction over the supply of spare parts by local vendors to concerned motor vehicle manufacturing companies and stressed upon that presently the Pak Suzuki Co. Ltd. is using only three parts which include Wipers, Seats and Silencers from its local vendors and rest all the parts are imported from abroad. While answering the observation raised by Senator Kalsoom Parveen the Advisor to PM Mr. Abdul Razaq Daud suggested the Committee to visit these manufacturing plants as per their convenience for better understanding of manufacturing standards in automobile field. He also stated that after visiting these manufacturing plants the noble ideas of Committee will certainly be beneficial for Automobile Industry.

7. Senator Sitara Ayaz expressed her concerns over non-implementation of friendly environment measures in Automobile Industry. Senator Aurangzeb Khan expressed his deep worried and asked to share the exact no. of locally manufactured spare parts in Honda, Suzuki & Toyota Companies while manufacturing cars.

8. The Chairman Committee asked the Ministry to provide the detail about Euro-V technology and its implementation in Automobile Industry. He also pointed out that the substandard equipment and materials were used particularly in Suzuki Bolan (Carry Dabba) assembled by Pak Suzuki Co. Ltd. After hearing the briefing over the issues, the Chairman Committee showed his dissatisfaction and directed to improve their standard.

Agenda Item-(II): Consideration of the Public Petition No.2284 of Mr. Muhammad Iqbal pertaining to excessive, arbitrary and unreasonable increase in vehicle prices by Honda Atlas Cars (Pvt) Ltd.

9. The Representative of Ministry briefed the Committee about the concerns raised in Public Petition which are directly related to devaluation of Pak rupee against US Dollar. He also stated that the raw material which is used in manufacturing of Automobile is imported from different countries and increase in the price of automobile is also important factor. He further stated that cars manufacturers operate on 3 to 4 days inventory and devaluation of Pak rupee against Dollar is a major impact in price increase. He further said that Engineering Development Board (EDB) issues manufacturing certificates to the stakeholders and also monitor the import of CKD Kits which is the major component in Automobile Industry. The Committee did not raise any further question related to the Public Petition.

Decisions/Recommendations of the Committee:

1. The Committee expressed dissatisfaction over the briefing presented by the Ministry and decided to convene its next meeting within ten days.
 2. The Committee decided to visit Cars manufacturing Units in Karachi to witness and check the information and data provided by the Ministry.
 3. The Committee also decided to invite the representatives of Auto Spare Parts Association in its forthcoming meeting.
 4. The Committee decided to dispose of the Public Petition No. 2284.
10. The meeting ended with a vote of thanks to and from the Chair.

(TARIQ BIN WAHEED)
D.G/Secretary Committee

(SENATOR AHMED KHAN)
Chairman

SENATE SECRETARIAT

Subject: - **MINUTES OF THE MEETING OF THE SENATE STANDING COMMITTEE ON INDUSTRIES & PRODUCTION HELD ON 22ND JANUARY, 2019**

A meeting of the Senate Standing Committee on Industries & Production was held on Tuesday, the 22nd January, 2019 at 11:00 a.m. at Old PIPS Hall, Parliament Lodges, Islamabad. The meeting was presided over by Senator Ahmed Khan, Chairman of the Committee.

2. The agenda before the Committee was as under:-

- i. *The Ministry of Industries & Production may invite the representatives of Cars, Motorcycles & Tractors Manufacturers to brief the Committee about their 5 years progress, existing issues and necessary Spare Parts details which are being supplied to Automobile Industry.*
- ii. *The Ministry may also invite the representatives of Local Vendors who are providing services to Cars/Motorcycles & Tractors Manufacturers in Pakistan and the issues being faced.*
- i. *The Ministry may also brief the Committee about environment friendly standard in existing plants of vehicles and their future line of action.*
- ii. *The Ministry may also brief the Committee about the establishment of Industrial Zones across the country under CPEC.*
- iii. *Any other item with permission of the Chair.*

3. The following members of the committee attended the meeting:-

i. Senator Ahmed Khan	Chairman
ii. Senator Naseebullah Bazai	Member
iii. Senator Rahila Magsi	Member
iv. Senator Imamuddin Shouqeen	Member
v. Senator Kalsoom Parveen	Member
vi. Senator Anwar Lal Dean	Member
vii. Senator Sitara Ayaz	Member
viii. Senator Kesho Bai	Member
ix. Senator Muhammad Ayub	Member
x. Senator Seemee Ezdi	Member

List of other participants of the meeting is annexed.

4. The meeting of Senate Standing Committee on Industries & Production started with the recitation from the Holy Quran. Thereafter, the Chairman of the Committee, Senator Ahmed Khan requested the participants of the Committee to introduce themselves, after that the discussion started on the agenda items.

Agenda Item-(I): The Ministry of Industries & Production may invite the representatives of Cars, Motorcycles & Tractors Manufacturers to brief the Committee about their 5 years progress, existing issues and necessary Spare Parts details which are being supplied to Automobile Industry.

Agenda Item-(II): The Ministry may also invite the representatives of Local Vendors who are providing services to Cars/Motorcycles & Tractors Manufacturers in Pakistan and the issues being faced.

5. The Secretary, Ministry of Industries & Production in his opening remarks introduced the participants of the meeting and asked Mr. Allawala, Former Chairman, Pakistan Association of Automotive Parts and Accessories Manufacturers (PAAPAM) to brief the Committee. According to him PAAPAM provides the support for technological upgrading of automotive parts manufacturers and necessary recommendations to the Government to promote localization and strengthening cooperation among Automotive parts manufacturers. He further said that presently there are 400 Auto Parts Manufacturers in the country and majority of PAAPAM members are ISO 9001:2008 & other certified. Over the years, PAAPAM members are internationally recognized by OEM Global HQs. He further elaborated due to said certification any part which is manufactured in Pakistan can be tested and used in other manufacturing countries. The Vending Industry employees' strength is more 2 million which is around 95% of the total manpower employed in Auto Industry. He further briefed the Committee that vending Industry in Pakistan is producing a high quality components conforming to global standards as defined by renowned global vehicles assemblers including Suzuki, Toyota, Honda & Daewoo etc. He further stated that presently Motorcycle and Tractors Manufacturing Industries in Pakistan are self-sufficient and 97% of the parts are manufactured in Pakistan.

6. Mr. Azhar Noor, GM – Marketing, M/s. Millat Tractors Ltd. briefed the Committee about the achievements which have been made so far in manufacturing of tractors in Pakistan. He said that 98% parts of tractors are made in Pakistan which is a great land mark and now the Pakistani tractors are also exported to neighbouring countries including Sri Lanka. He had shown his concerns over the policy of the Government to import used tractors to give a boost to local farmers in Pakistan while showing his great concerns over this policy and urged the government not to introduce such policy otherwise Local Tractors Manufacturing Industry will collapsed.

7. The Chairman Committee asked the criteria of getting cars and the "own" charged by dealers in this regard. Mr. Allawala briefed the Committee that till date all the Dealers are charging Company fixed rates in favour of Honda & Toyota vehicles due to decline in investment in the country. He also explained that due to online facility one can trace the availability of vehicles at any authorized Showrooms of respective companies.

8. Senator Kalsoom Parveen showed her dissatisfaction that till date quite a few technical parts of cars are imported from other countries and the local manufacturers of Automotive Industry are charging high prices as compare to neighbouring countries. While answering the observation the Former Chairman said that automotive industry is paying 33% taxes directly to the Government on the manufacturing of 1300 CC vehicles and apart from heavy taxation the rates of cars are quite competitive as compare to neighbouring countries. He further assured that today Toyota Company is assembling the 14th Generation model car in Pakistan which is the same one can find in other parts of the world he added. He also requested the Committee to visit the sites of these car manufacturing plants in Pakistan to witness the high quality standards and to observe total no. of locally manufactured parts which are used in

Automotive Industry in Pakistan. He also said that due to high taxation on raw material the manufacturing cost rises many fold due to this, local manufacturers are unable to make remaining 3 to 4 per cent parts of vehicles.

9. Senator Sitara Ayaz while declining the briefing and said that Government is providing a lot of relaxations to this industry and at the time of profit particularly the devaluation of Pak rupee and increase in Dollar the benefit goes to the companies directly and the buyers who are common men have to bear the unexpected increase in prices at the time of delivery of cars.

10. Senator Muhammad Ayub emphasized to curb the increasing trend of under invoicing and also suggested to implement strict measures to reduce the increasing trend of used parts of vehicles because the smuggling of used parts are creating a great hindrance to boost the local Vending Industry.

Agenda Item-(III): *The Ministry may also brief the Committee about environment friendly standard in existing plants of vehicles and their future line of action.*

The Ministry briefed the Committee that all vehicle manufacturing plants are ISO certified and working conditions in their premises are adequate with reference to emission standards. He further said that the engines of cars are mostly Euro-II compliant as the petrol/gasoline available in Pakistan is of Euro-II standards and different models of Honda Civic, the vehicles are of Euro-IV compliant.

Agenda Item-(IV): *The Ministry may also brief the Committee about the establishment of Industrial Zones across the country under CPEC.*

The Ministry said that this Agenda Item relates to Ministry of Planning and Development however, a Province-wise Industrial Parks/zones under CPEC framework is as under:-

S. #.	Province/Area	Location
1.	Khyber Pakhtunkhwa	Rashakai – Hathar Economic Zone on M-I
2.	Sindh	China Special Economic Zone Dhabeji
3.	Balochistan	Bostan Industrial Zone
4.	Punjab	Allama Iqbal Industrial Park, M-III, Faisalabad.
5.	Northern Areas	Moqpondass, Gilgit SEZ
6	Federal Government	ICT Model Industrial Zone, Islamabad
7		Development of Industrial Park on Pakistan Steel Mill Land in Port Qasim near Karachi by Federal Government.
8.	AJK	Mirpur Industrial Zone
9.	FATA	Mohmand Marble City

Decisions/Recommendations of the Committee:

5. The Committee decided to meet Mr. Abdul Razaq Daud, Advisor to PM on Industries & Production alongwith PAAPAM representatives to highlight the issues faced by Vending Industry.
6. The Committee decided to take necessary briefing on Agenda Item No. 4 from Ministry of Planning and Development and BOI.
7. The Committee also decided to visit the Automobile Companies Manufacturing Plants to check the existing quality standards and usage of locally made parts.
10. The meeting ended with a vote of thanks to and from the Chair.

(TARIQ BIN WAHEED)
D.G/Secretary Committee

(SENATOR AHMED KHAN)
Chairman

SENATE SECRETARIAT

Subject: - **MINUTES OF THE MEETING OF THE SENATE STANDING COMMITTEE ON INDUSTRIES & PRODUCTION HELD ON 20TH FEBRUARY, 2019**

A meeting of the Senate Standing Committee on Industries & Production was held on Wednesday, the 20th February, 2019 at 11:00 a.m. in Committee Room No.1, Parliament House, Islamabad. The meeting was presided over by Senator Ahmed Khan, Chairman of the Committee.

2. The agenda before the Committee was as under:-
- i. Comprehensive briefing on initiatives taken by the incumbent Government for revitalization of Pakistan Steel Mills, Karachi.
 - ii. Extensive briefing on the working and performance of Utility Stores Corporation of Pakistan and future plan of action.
 - iii. Detail briefing by the Ministry of Planning, Development & Reforms on establishment of Industrial Zones across the country under CPEC.
 - iv. Any other item with the permission of the Chair.

3. The following members of the committee attended the meeting:-

i. Senator Ahmed Khan	Chairman
ii. Senator Naseebullah Bazai	Member
iii. Senator Aurangzeb Khan	Member
iv. Senator Hafiz Abdul Karim	Member
v. Senator Kalsoom Parveen	Member
vi. Senator Anwar Lal Dean	Member
vii. Senator Sitara Ayaz	Member
viii. Senator Muhammad Ali Khan Saif	Member

List of other participants of the meeting is annexed.

4. The meeting of Senate Standing Committee on Industries & Production started with the recitation from the Holy Quran. Thereafter, the Chairman of the Committee, Senator Ahmed Khan requested the participants of the Committee to introduce themselves, after that the discussion started on the agenda items.

Agenda Item-(I): Comprehensive briefing on initiatives taken by the incumbent Government for revitalization of Pakistan Steel Mills, Karachi.

5. The Secretary Ministry of Industries & Production briefed the Committee and said that Pakistan Steel Mills (PSM), Karachi is the largest and only integrated Steel Plant of the country with a production capacity of 1.1. Million tons per year. He further stated that it was established with the techno-financial assistance of the ex-Soviet Union at a cost of Rs.24.7 billion in 1985. He narrated that PSM was a profit earning entity, it earned an accumulated profit amounting to Rs.9.54 billion in 2007-08 and in 2015 due to outstanding Sui gas bills, the supply of gas was disconnected and thus Mills was shut down. He also apprised the Committee that presently PSM has sustained a record loss of Rs.192 billions. He further said that PSM was put on the privatization list for a long while, however, on the directives of incumbent Prime

Minister it has been delisted and an operational plan is being worked out. He further apprised that an Expert Group has been formed in this regard and will submit its report by the end of March, 2019. He informed that the decision regarding PSM will be based on recommendations of the expert group. He further said that Russian and Chinese companies are interested in buying Pakistan Steel Mills. The Additional Secretary, Ministry of Industries & Production said that PSM was in profit till 2008 but subsequently it suffered a loss of Rs.25 billion which rose to Rs.35 billion, and has not been in profit since.

6. Mr. Muhammad Arif Shaikh, Chief Financial Officer (PSM) apprised the Committee that in 2015 a bailout package was granted to Pakistan Steel Mills that led to 42% capacity utilization but during that period gas pressure was massively reduced by SSGC which resulted production declined. He informed the Committee that National Accountability Bureau (NAB) has closed inquiry regarding the shut-down of Pakistan Steel Mills due to gas suspension. He further said that the land owned by PSM is around 1800 acres and current strength of employees is 10,000 and monthly expenditure on account of their salary is Rs.380 million.

7. The Chairman Committee, Senator Ahmed Khan while evaluating the revival options presented by the Ministry, said that if a private party is successful in restructuring and reinstating this industry, the question remains, what prevents the government in doing so. The Committee expressed concern over the closure of this national asset for the last four years yet financial losses of Rs.400 million per month. The Chairman Committee said that Government pay Rs.5 billion in salaries annually while the entity remained non-functional, things cannot continue this way we need to find some solution.

8. Senator Kalsoom Parveen was of the view that two issues have contributed greatly towards the current state of the PSM, short supply of gas and high interest rate of loans that were procured to run it. She recommended that interest applied to the loan may be waived off. Senator Aurangzeb Khan stressed the need for strong action, so PSM contributes to the country's economy as it was a priceless asset and must be utilized to its full potential.

9. The Committee inquired as to what expenditure would be incurred if it is operated at 40 percent or 50 percent capacity utilization. In reply, CFO (PSM) informed the Committee that if the Pakistan Steel Mills operate at 80 percent capacity, then it would be in profit, adding that at 50 percent capacity, its unit's operations are not feasible.

Agenda Item-(II): Extensive briefing on the working and performance of Utility Stores Corporation of Pakistan and future plan of action.

10. The Committee deferred discussion on agenda items on the request of the Ministry as the Managing Director, Utility Stores Corporation, could not attend meeting owing to the death of his father.

Agenda Item-(III): Detail briefing by the Ministry of Planning, Development & Reforms on establishment of Industrial Zones across the country under CPEC.

11. The Project Director (CPEC), Ministry of Planning, Development & Reforms briefed the Committee on establishment of Industrial Cooperation Zones under CPEC and said that Industrial Cooperation Zones were included in CPEC in 2016 and nine (09) potential sites selected across the country. He further explained that a Joint Working Group was devised on Industrial Cooperation and a leading role was assigned to the Board of Investment (BOI) by the Government. He apprised the Committee that in this regard two Chinese expert groups

visited Pakistan and discussed future road map with Pakistan. He further narrated that ground breaking of 04 Special Economic Zones at Rashakai Economic Zone (KPK), Allama Iqbal Industrial City (Faisalabad), Dhabeji (Thatta) & Model ICT Zone (Islamabad) will be launched in 2019. He apprised the Committee that land could not be acquired for establishment of Special Economic Park in Islamabad by the Ministry of Industries & Production. He further opined that holistic incentive packages are under discussion for investors. He further stated that relocation of industries will increase our export apart from creating jobs for local population. He narrated that KPK Government signed agreement with Chinese company on Build-Operate-Transfer (BOT) basis at Rashakai economic Zone and relocation will be facilitated by the Chinese Company.

12. The Chairman Committee emphasized on the need for this project to reap maximum benefits for those at the bottom of the pyramid. He further stated that in the present scenario it would be impossible for the common man to benefit from them. Senator Sitara Ayaz highlighted the issues regarding complicated Form, price of land & less-incentives for the investors at Rashakai Economic Zone. She stressed that Government should offer hefty incentives to attract local as well as Chinese investors to relocate their business.

Decisions/Recommendations of the Committee:

8. The Committee decided to visit Pakistan Steel Mills (PSM) physically and review issues on the ground.
2. The Committee also decided to invite Senator Nauman Wazir Khattak to accompany members of the Committee so the Committee may get benefit from his expertise and experience in the betterment of Pakistan Steel Mills.
3. The Committee decided to invite the Chairman Board of Investment (BOI) in its next Committee meeting to brief the Committee on establishment of Special Economic Zones under CPEC across the country.

13. The meeting ended with a vote of thanks to and from the Chair.

(TARIQ BIN WAHEED)
D.G/Secretary Committee

(SENATOR AHMED KHAN)
Chairman

SENATE SECRETARIAT

Subject: - **MINUTES OF THE MEETING OF THE SENATE STANDING COMMITTEE ON INDUSTRIES & PRODUCTION HELD ON 18th & 19th MARCH, 2019**

A meeting of the Senate Standing Committee on Industries & Production was held on Monday & Tuesday, the 18th & 19th March, 2019 at 11:00 a.m. at the premises of Pakistan Steel Mills & Toyota Indus Motors Company, Karachi. The meeting was presided over by Senator Ahmed Khan, Chairman of the Committee.

2. The agenda before the Committee was as under:-

18th March, 2019 at 11:00 a.m.

- i. Briefing on existing status of Pakistan Steel Mills and way forward to boost its deteriorating state of affairs.

19th March, 2019 at 11:00 a.m.

- ii. Visit at Sites and detailed briefing by representatives of Pak Suzuki Motor Company, and Toyota Indus Motors Company Ltd, Karachi.
iii. Any other item with the permission of the Chair.

3. The following members of the committee attended the meeting:-

1.	Senator Ahmed Khan	Chairman
2.	Senator Aurangzeb Khan	Member
3.	Senator Kalsoom Parveen	Member
4.	Senator Imamuddin Shouqeen	Member
5.	Senator Anwar Lal Dean	Member
6.	Senator Hafiz Abdul Karim	Member
7.	Senator Keshoo Bai	Member
8.	Senator Seemee Ezdi	Member
9.	Senator Nauman Wazir Khattak	Special Invitee

List of other participants of the meeting is annexed.

4. The meeting of Senate Standing Committee on Industries & Production started with recitation from the Holy Quran by the Chairman Committee. Thereafter, the Chairman of the Committee, Senator Ahmed Khan requested the participants of the Committee to introduce themselves, after that the discussion started on the agenda items.

Agenda Item-(I): Briefing on existing status of Pakistan Steel Mills (PSM) and way forward to boost its deteriorating state of affairs.

5. Mr. Naeem Jan Khan, CEO (PSM) / Sr. Joint Secretary, Ministry of Industries & Production briefed the Committee that Pakistan Steel Mills (PSM) is the biggest integrated unit of Pakistan and its industrial growth is 1.1 million tons per annum. Pakistan Steel Mills was established in 1985 with the technical and financial support of former Soviet Union at the cost of Rs.24.7 billion. In 2007-08 its total profit was Rs.9.54 billion however, its downfall started in year 2008-09 due to international financial crises and domestic political interference in administrative and management affairs of PSM, which cost a total loss of Rs.26 billion. Unfortunately, this huge loss could not be recovered till December, 2018 which reached the

figure of Rs.197.73 billion. The successive Government extended different temporary solution in terms of bailout packages to PSM and the amount of bailout packages were of Rs.84.19 billion. According to study, upto December 2018 necessary payable expenditure of PSM are as under:-

i. Total Payment	=	Rs.211 billion.
ii. Total Assets.	=	Rs.150 billion.
ii. Overall losses	=	Rs.197 billion.

6. According to data of 28th February, 2019, the permanent, contract and daily wages employees of PSM, the strength is 10,178 employees. While elaborating the management hierarchy of Pakistan Steel Mills, the concerned CEO apprised that the total strength of its Board Members is 12. However, existing strength of Board Members is 10 and out of 10, presently, 07 members are from the Private Sectors and 03 are from Government to look after the affairs of PSM. PSM is practically out of business since 10th June, 2015 due to non-supply of Sui gas by SSGPL. The Cabinet Committee on Privatization (CCoP) in its sitting on 31st October, 2018 excluded PSM from the list of privatize Units. However, on 07th November, 2018, The Economic Coordination Committee (ECC) for Cabinet directed the Ministry of Industries and Production to submit its recommendations within the span period of 60 days for its revival. While realizing the sensitivity of PSM the Prime Minister of Pakistan issued necessary directions to establish a group of experts who will submit its proposal for restoration and working of PSM. ECC Committee for Cabinet had allowed this expert group the extension, upto March, 2019 and this expert group under the supervision of Advisor to PM on industries and Production with the collaboration of Board of Directors of PSM will start working on the proposals for the rehabilitation of this national asset.

7. Senator Hafiz Abdul Karim, Senator Imamuddin Shouqeen and Senator Aurangzeb Khan expressed their deep concerns and asked the CEO (PSM) to share first-hand knowledge over the dilapidated affairs of this national asset and the role of then successive government for its revival. The CEO (PSM) briefed the Committee that due to political interference and union affairs the PSM could not achieve its due targets. Senator Nauman Wazir Khattak, Special invitee, expressed his deep sorrow over the non-functional of PSM but he also highlighted few sections of PSM which can be functional with meagre amount of support and due to this limited revival the PSM can also meet its day-to-day expenditure into profit. He further highlighted that in present state of affairs the furnace oil is cheaper and it can be utilized till the provision of Sui gas. He also focused on the performance of Jetty that it can provide services to other private stakeholders for loading, un-loading utilities. He also pointed out the great significance of Oxygen plant which can be out-source to the local market to gain sufficient profit for its revival.

8. The Chairman Committee expressed deep concern and stated that year-2017-18 were particularly high time for steel industry in Pakistan and only the steel production can cover its losses if these units were functional during that time. The Chairman Committee also expressed his concerns over the performance of previous management Committee of PSM.

9. The Chairman PSM Board, Engr. M.A. Jabbar briefed the Committee with facts and realities and said that due to appointment of incompetent management the previous regime and undue political interference in PSM affairs has destroyed this profit earning entity into a great loss, which has now become a white elephant on national economy. The appointment of CEO (PSM) is always a non-serious expression of then government even they could not appoint a Company Secretary on a permanent basis at PSM. Unfortunately, no CEO was appointed with clear line of action and for a defined period to execute the policies at PSM. Due to the

sense of this privatization the management and the employees were in the state of uncertainty and clouds of fear, they lost their hope, resulting shutting down the mother of this industrial unit. He further said that in year, 2015, due to the stoppage of gas, Pakistan Steel Mills borne a Rs.30 billion loss by the policy of the then Government. He further disclosed that there is an inventory of Rs.7 billion with PSM.

10. Senator Imanuddin Shouqeen pointed out that in 2007 for the establishment of industrial zone, 930 acres of PSM land was given and the amount of 730 acres land is still payable to PSM by the concerned quarters.

11. The Chairman Committee stressed upon for the evaluation of PSM land on present market rates and its for sale value.

19th March, 2019

Agenda Item-(II): Visit at Sites and detailed briefing by representatives of Pak Suzuki Motor Company, and Toyota Indus Motors Company Ltd, Karachi.

12. The meeting of the Committee started with the recitation from the Holy Quran by the Chairman Committee. Thereafter, the Chairman of the Committee, Senator Ahmed Khan requested the participants of the Committee to introduce themselves, after that the discussion started on the agenda items.

13. Mr. Ali Asghar Jamali, CEO, M/s. Indus Motor Company stated that Indus Motor Co. (IMC) is a joint venture of House of Habib Pakistan, Toyota Motor Corporation Japan (TMC) and Toyota Tsusho Corporation Japan (TTC) for assembling, progressive manufacturing and marketing of Toyota vehicles in Pakistan since July 1st, 1990 through dealership network. He further briefed that Indus Motor Company's products line includes different variant of Toyota Corolla, Toyota Hilux Single Cabin 4X2, Toyota Hilux Double Cabin (Vigo Champ) and Toyota Fortuner Production. The CEO further updated the Committee that Indus Motor Company has played significant role in promotion of localization and vendor development. He further apprised that a number of auto parts like lights, suspension system exhaust system and air-conditioners are being manufactured by same group. He further said that currently car segment in Pakistan is dominated by leading companies including Toyota Indus, Honda Atlas & Pak Suzuki Motor. He further highlighted the car production which has increased over a period of time and 186,936 were produced in Year-2016-17, whereas, 218,372 Cars were produced in Year-2017-18, he added.

14. The Chairman Committee asked the CEO to explain the existing fuel capacity of Toyota engines and its comparison with the previous technology. He also enquired about the safety measures and environment friendly standards, which have been adopted by the Indus Motor Co. in its facility. While responding to the query, the CEO responded that existing model of Toyota Corolla is the 5th Generation Model which is introduced in all over the world including USA, Philippines and Bangkok etc. The Chairman also expressed his concerns over the loss of human life while using of CNG Cylinder in vehicles in Pakistan. The CEO while answering the observation said that due to poor management and usage of sub-standard imported cylinders is the main cause of this great human loss in this field.

15. The Chairman Committee also pointed out the high price of Toyota Corolla vehicles in Pakistan. The CEO briefed the Committee that presently on standard Toyota Corolla vehicles (CLI) the Government has imposed 35% taxes on the total price of one vehicle. He also shared that Indus Motor Co. is providing the most economical rates on its vehicles as

compare to other parts of the world due to heavy imposition of taxes a common man is not being benefitted.

16. Senator Kalsoom Parveen has pointed out that due to the monopoly of car manufacturing plants, the Government for the sake of providing opportunity lifted the ban on the import of used vehicles. The CEO said that due to Government policy particularly lifting on ban on used vehicles has really make a sufficient damage to the local manufacturers, secondly the import on different spare parts and with the connivance of Custom Authorities the local manufacturers are badly affected.

17. The Chairman Committee while criticizing pointed out that at the speed of 120 & 130 the Bumper of locally manufactured Toyota corolla co. vehicles gets dislocate. And this observation must be rectified to maintain the international standards of safe drive. He also pointed out that the engine and transmission are not locally manufactured for the usage of Toyota Corolla cars in Pakistan. The CEO assured the Committee to dispel this impression while visiting car manufacturing plant particularly the site where they will brief the Committee that a majority of parts are localized including Engines and Transmissions.

18. Senator Nouman Wazir expressed his concerns over the "own" charged by the manufacturing company in Pakistan. While responding to the query the CEO said that their company has adopted the state of the art facility and one can finds while sitting at home with the help of the Apps. The available stocks of Indus Motor products all over the Pakistan. Senator Keshoo Bai while supporting this policy that she has experienced the same and found it correct. After that the company arranged the detailed visit to its manufacturing plants and also highlighted the safety standards and showed locally manufactured spare parts which are used while assembling vehicles.

Decisions/Recommendations of the Committee:

1. The Committee directed the Ministry of Industries and Production to submit its necessary proposals for the limited revival of 15 to 16 non-functional units, which were identified by the Committee, in its next Committee meeting, which will be held on 26th March, 2019.
2. The Committee also decided to meet with Mr. Abdul Razaq Daud, Advisor to PM on Industries & Production and will convey its concerns and proposals for the revival of Pakistan Steel Mills.
3. The Committee directed to strengthen the positions of Chairman PSM Board and CEO (PSM) for better results and also pass instructions to inform Committee for any replacement.
4. The Committee directed the Ministry that after evaluation of PSM land on existing market rates, the same is placed for sale to its buyers, if needed.
5. The Committee recommended that existing Federal Excise Duty on car manufacturing plants may be reviewed to provide direct benefit to common man in Pakistan.

14. The meeting ended with a vote of thanks to and from the Chair.

(TARIQ BIN WAHEED)
D.G./Secretary Committee

(SENATOR AHMED KHAN)
Chairman

SENATE SECRETARIAT

Subject: - MINUTES OF THE MEETING OF THE SENATE STANDING COMMITTEE ON INDUSTRIES & PRODUCTION HELD ON 3RD APRIL, 2019

A meeting of the Senate Standing Committee on Industries & Production was held on Wednesday, the 3rd April, 2019 at 02:30 p.m. in Committee Room No.4, Parliament House, Islamabad. The meeting was presided over by Senator Ahmed Khan, Chairman of the Committee.

2. The agenda before the Committee was as under:-
 - i. The Administration of Pakistan Steel Mills (PSM) may submit necessary proposals for the limited revival of non-functional units, which were identified by the Committee, during its previous visit to Pakistan Steel Mills (PSM).
 - ii. Imposition of Federal Excise Duty (FED) on 1700cc and above vehicles and the concerns raised by Automobile Manufacturers.
 - iii. Petition of Mr. Ali Ahsan, Assistant Manager, National Productivity Organization (NPO), Ministry of Industries & Production. (Forwarded by Office of the Deputy Chairman, Senate Secretariat, Islamabad.
 - iv. Any other item with the permission of the Chair.

3. The following members of the committee attended the meeting:-

i.	Senator Ahmed Khan	Chairman
ii.	Senator Muhammad Ali Khan Saif	Member
iii.	Senator Kalsoom Parveen	Member
iv.	Senator Sitara Ayaz	Member
v.	Senator Nauman Wazir Khattak	Special Invitee

List of other participants of the meeting is annexed.

4. The meeting of Senate Standing Committee on Industries & Production started with recitation from the Holy Quran by the Chairman Committee. Thereafter, the Chairman of the Committee, Senator Ahmed Khan requested the participants of the Committee to introduce themselves, after that the discussion started on the agenda items.

Agenda Item-(I): The Administration of Pakistan Steel Mills (PSM) may submit necessary proposals for the limited revival of non-functional units, which were identified by the Committee, during its previous visit to Pakistan Steel Mills (PSM).

5. The Chairman Committee showed his displeasure over the absence of Advisor to PM on Industries & Production Mr. Abdul Razaq Daud and showed his concern that for the last three times the meeting had been revised on the personal request of the Advisor. However, the official staff of Advisor to PM, assured the Chairman Committee that soon after the completion of his prior commitment the Advisor will resume the said Committee meeting. The Chairman Committee directed that said Agenda Item No.1 will be considered after the participation of concerned Advisor Mr. Abdul Razaq Daud.

6. However, the Secretary Ministry of Industries & Production briefed the Committee that the main concern is protecting the land of Pakistan Steel Mills (PSM) and the

Government have formed an Expert Group, who will submit its proposal within a day or two and the same would be discussed in ECC meeting and it would be further placed on the Agenda of Cabinet for its final disposal.

7. Mr. Mumraiz, one of the Stakeholders of PSM expressed his great concern being the affectee of dilapidated condition of PSM. According to him 2000 acre of land has been illegally occupied by the Land Grabbers with due course of time and the Government should also watch the interest of its retired and regular employees before finalizing any recommendation.

8. Hon'ble Senator Sitara Ayaz also showed her concerns over the transparency process by Expert Group on PSM. The Chairman Committee took a serious view over the removal of Engineer Abdul Jabbar, who was the then Chairman Board of PSM. Senator Kalsoom Parveen also suggested that PSM should not be privatized and the interest of its employees should be protected. She also referred her position on the writ petition submitted by then Senator Saadia Abbasi in Court of Law over the proposal of PSM by the then Government. She also emphasized that an in-depth study and reality based facts and figures may be presented to incumbent Government by this Expert Group before taking any final decision on PSM.

9. The Advisor to PM Mr. A. Razaq Daud apprised the Committee after joining the proceedings that the government will leave no stone unturned for the revival of this public institution on the basis of open and transparent procedure. Presently, three Chinese and Russian companies are interested to start business with PSM and Government has no objection to cooperate and consider their recommendations at the time of final decision. The Advisor further acknowledged the Committee that few land grabbers are behind the valuable land of this PSM and their intentions are to take charge of this priceless land under some shady deals but the necessary directions has been issued to concerned quarters to keep vigilance and no such leniency will be tolerated in case of any lapse. Mr. Razaq Daud also briefed the Committee that PSM is a state own enterprise and they have to maintain its interest and dignity by all means. He also assured the Committee about the special Committee tasking and its briefing to concerned quarters and necessary update will also be shared with Committee after taking necessary decisions with all stakeholders. He further stated that Government should not come into commercial business but Public Private Partnership is a major role in any developing countries in the field of business. At end he assured the Committee of his sincere efforts, purity of heart and the best ability before finalizing a decision of PSM matter.

Agenda Item-(II): Imposition of Federal Excise Duty (FED) on 1700cc and above vehicles and the concerns raised by Automobile Manufacturers.

Mr. Abdul Razaq Daud apprised the Committee that imposition of Federal Excise Duty (FED) on 1700 cc and above vehicles was not a wise decision imposed by the Government and it would be withdrawn in public interest.

Agenda Item-(III): Petition of Mr. Ali Ahsan, Assistant Manager, National Productivity Organization (NPO), Ministry of Industries & Production. (Forwarded by Office of the Deputy Chairman, Senate Secretariat, Islamabad).

5. The Additional Secretary (I) Mr. Abdul Jabbar Shaheen, Ministry of Industries & Production briefed the Committee that the Chief Executive Officer (CEO), National Productivity Organization (NPO) was posted for the period of three years and after completion of tenure rules permits that his contract period can be extended until the appointment of new CEO. In this regard necessary recruitment process has been started by Committee and 08 candidates have been short-listed and necessary interviews will also be conducted shortly and

a panel of successful candidates will be placed before the Board for their final approval. He once again reiterated that NPO is a company which works under Company Act and no violation has been made in this regard.

6. Mr. Ali Ahsan, Assistant Manager (NPO) expressed his deep concerns that he alongwith other 40 staff members are performing their duties in NPO for the last 10 years on contract basis and they are facing hardships and biased attitude from sitting CEO. Although, they have communicated their written complains to the Secretary, Ministry of Industries and Production. He has further apprised the Committee that he has received the message that the higher authority has issued his suspension orders for taking this matter into kind consideration of the Committee. Senator Nauman Wazir lauded the courage of this petitioner and assured that a fair justice would be given to the Petitioner.

7. The Chairman Committee also expressed his dissatisfaction to concerned Ministry and directed to take corrective measures and to stop any action against the petitioner. The Chairman Committee Senator Ahmed Khan and other members of the Committee also highlighted the meritorious services rendered by outgoing Secretary Mr. Azhar Ali Chaudhary, during his tenure. The Committee also acknowledged the performance and role of outgoing secretary as a landmark for the young government employees as a role model while discharging their duties.

Decisions/Recommendations of the Committee:

9. The Committee directed the Ministry to submit the findings of Economic Coordination Committee (ECC) for the rehabilitation of Pakistan Steel Mills.

10. The Committee directed the Ministry to submit its report on the appointment of sitting Chief Executive Officer (CEO), National Productivity Organization (NPO) and also directed to withdraw suspension orders in favor of the Petitioner, Mr. Ali Ahsan, Assistant Manager (NPO), if issued.

10. The meeting ended with a vote of thanks to and from the Chair.

(TARIQ BIN WAHEED)
D.G/Secretary Committee

(SENATOR AHMED KHAN)
Chairman

SENATE SECRETARIAT

Subject: - MINUTES OF THE MEETING OF THE SENATE STANDING COMMITTEE ON INDUSTRIES & PRODUCTION HELD ON 25TH SEPTEMBER, 2019 AT 02.00 PM IN COMMITTEE ROOM NO.1, PARLIAMENT HOUSE, ISLAMABAD.

A meeting of the Senate Standing Committee on Industries & Production was held on 25th September, 2019 at 02:00 p.m. in Committee Room No., Parliament House, Islamabad. The meeting was presided over by Senator Ahmed Khan, Chairman of the Committee.

2. The agenda before the Committee was as under:-

- i. *Briefing by the Managing Director, Utility Stores Corporation of Pakistan on the overall performance of the organization, sale of sub-standard commodities at high prices at the Utility Stores as reported in print and Electronic media and details of the subsidy being given by the government.*
- ii. *Further discussion on the progress made on the proposals for the limited revival of non-functional units as identified by the Committee, during its visit to Pakistan Steel Mills (PSM) on 18th March, 2019.*
- iii. *To brief and discuss progress report about appointment of new Chief Executive Officer of National Productivity Organization (NPO) and report of committee constituted by Ministry of Industries and Production order#9(39)2018/(Admn-I) dated 8th April, 2019 on the application of Mr. Ali Ahsan, Assistant Manager, NPO in the light of Standing Committee decision dated 3rd April, 2019.*
- iv. *Referral / Consideration of Public Petition submitted by Mr. Sharifullah Muhammad for discussion/consideration in the meeting.*
- v. *Any other item with permission of the Chair.*

3. The following members of the committee attended the meeting:-

i. Senator Ahmed Khan	Chairman
ii. Senator Aurangzeb Khan	Member
iii. Senator Seemee Ezdi	Member
iv. Senator Hafiz Abdul Karim	Member
v. Senator Kalsoom Pervenn	Member
vi. Senator Sitara Ayaz	Member
vii. Senator Naseebullah Bazai	Member
viii. Senator Dr. Asif Kirmani	Member

List of other participants of the meeting is annexed.

4. The meeting commenced with the recitation from the Holy Quran.

5. At the outset of the meeting, the Chairman of the Committee welcomed all the members and thanked for their participation.

Agenda Item-(I):

6. Mr. Umar Lodhi, Managing Director (MD), Utility Stores Corporation (USC) gave a detailed briefing to the Committee on the agenda item. He stated that the USC was established in 1971 by taking over 20 outlets from the Staff Welfare Organization with an aim to protect the real income of the people and to act as a price moderator. USC currently has a network of 4,229 stores, out of which 188 are franchises and 4041 are regular stores. The number of regular employees is 5685, contractual, 3839, and daily wagers 3365. The MD further briefed the committee that the actual manpower requirement of USC is 7000, but they were in excess of 6000 employees. He further clarified that USC was not running on government subsidy, adding that Ramzan subsidy is product-based subsidy and not to run the organization. All operations are run on own gross profit. He said the USC is paying Rs.7.2 billion annually in terms of salaries of employees. Briefing the committee on the operational results for the last 10 years, he said from 2011 to 2013, the USC was in profit. He said the USC was created on the subsidy model. He added that till 2013, they were getting subsidy on sugar and sales were good. He said when salaries and expenses went high, subsidy was ended, and from 2013-2014 onwards USC was not in profit, but in negative to the tune of about Rs.5.1 billion.

7. The Committee was further briefed that in spite of being in loss, the USC is paying taxes, including sales tax and GST, to national exchequer. Senator Kalsoom Perveen and Senator Hafiz Abdul Karim were of the view that since USC is a welfare organization and also going in loss, therefore, it should not be liable to pay taxes, as all such organizations in the world are exempted from taxes. The Chairman Committee was of the view that taxing a welfare organization like USC was counterproductive to its objective of providing relief to the common man. He said USC should be made profitable while people must also be provided relief. The MD, USC informed the committee that CSD is not paying taxes, adding that if tax is withdrawn, USC can become profitable again. He also proposed rerouting the purchases of Benazir Income Support Programme (BISP) through USC on quarterly basis to make the latter profitable. The Secretary, Ministry of Industries and Production agreed with Senator Kalsoom Perveen's recommendation that FBR may be called in next meeting to explain why CSD is getting tax exemption and not USC. He also suggested calling BISP in next meeting to share their interventions about making their purchases through USC.

8. The Chairman Committee and Senator Sitara Ayaz raised the issue of quality of USC products, especially the difference in rural and urban areas. The MD responded that PPRA rules restricted the USC to make purchases from cheapest bidder, which led to compromise in terms of quality. Senator Kalsoom Perveen said PPRA rules are not meant for charity and welfare organizations, adding that in USC's case PPRA rules should only be for bidders. The Committee was of view that quality products should be provided to USC. The MD stated that last year out of 45 tenders, 14 were scrapped due to quality. He said PPRA rules are not applicable to CSD, Madina Cash and Carry etc. consumers with regard to sales potential, he briefed the committee that USC could make annual sales to the tune of Rs.95 billion with an inventory (stock in warehouses and stores) of 4-6 billion rupees, but usually the inventory is not more than 22-2.5 billion. The current margin is 8.67%, while the target margin is 10.17% the MD said, adding that their target margin is 10.17. The Committee was further briefed that USC also plan to build Hyper market in Peshawar, Karachi, Multan, Lahore and Islamabad. He said the USC is also seeking to revert to buying from TCP because they can buy in bulk.

9. Senator Dr. Asif Kirmani said all measures should be taken to help revive USC and increase its branches. He recommended USC subsidy should be restored and it should also be exempted from tax considering that we are dealing with a welfare oriented sick unit created

to provide relief to the common man. He said with restoration of subsidy, USC should also be given a target that it must meet; otherwise it would fail to fulfil its purpose. He stressed that reasons and causes should also be ascertained as to why subsidy was discontinued. Senator Hafiz Abdul Karim seconded Senator's Kirmani's views, and added that USC should also be exempted from interest that it pays. To a question if USC is playing its role as a price moderator in market and deterrent to profiteering, hoarding and black marketing, the MD, USC responded that we do create that balance but only if they have funds.

10. The Chairman Committee recommended on behalf of the committee that FBR, PPRA and BISP be called in the next meeting to be held in 10 days to brief the committee on matters relating to USC taxation, purchasing of commodities as per PPRA rules and the proposal of rerouting BISP purchase from USC on quarterly basis, respectively.

Agenda Item-(II):

11. The Chairman Committee said the committee visited the Pakistan Steel Mills (PSM) on 18th March, and identified the units that could be made functional, but then there was some talk of privatization. He said he had talked to the minister concerned and was told that the matter had been taken up in the ECC, but so far there has been no progress. The Secretary, Ministry of Industries and Production, Mr. Aamir Ashraf Khawaja, briefed the committee that an Experts Groups had been created by the government on the Steels Mills issue in order to study and propose if and how it can be revived, and how much investment would be needed and what can be salvaged or not. He further said the Experts Group presented a report to the Ministry. On the basis of the report, the Ministry proposed a two-pronged plan of action to ECC in March or early April; one that the Steel Mills should be put back on the privatization list; and second that a financial/transaction adviser should be tasked to study all manpower, assets and liabilities related, financial and technical aspects, and suggest ways to the government for its revival.

12. The Secretary, Ministry of Industries and Production further briefed that the Prime Minister and the Cabinet approved the proposal. However, the Cabinet decided that PSM revival should not be on the basis of outright sale, and that the asset should remain in public sector. The Cabinet also called for its revival on public-private partnership model, he said, adding that the Cabinet Committee on Privatization also endorsed this decision, and put Steel Mills back on the privatization list. The Privatization Commission advertised the appointment of financial adviser twice, and on second time the date has been set as 7th October. The Secretary further said that he had a discussion with the Secretary Privatization Commission, who was of the view that the whole process would take five to six months, and that its fate would be decided within this financial year. He said PSM's overhead liabilities are over 1.5 billion that is borne by the government every month since it is not operational. He added that in 2007 when an effort was made to privatize the Steel Mills, the Supreme Court struck down the privatization, and called for ensuring transparency in the process.

13. The Chairman Committee was of the view that while the process is underway, the dues of retired employees of PSM should be paid since they are facing grave financial hardships. He took strong exception to the fact that the committee had taken up this issue a number of times, but still it remains unresolved. He acknowledged that there were financial difficulties, adding that Rs.500 million was the monthly expense in terms of salaries, while the annual cost under this head, including the dues, amounted to Rs.5-6 billion. He said over 5500 PSM employees had been retired, whose provident fund, retirement dues and gratuity amounted to 18.5 billion. Mr. Mumraiz Khan, Convener of PSM Stakeholders

Group, informed the committee that PSM had illegally used their 80 billion rupees, out of which gratuity and provident fund of serving employees is Rs. 53 billion, the gratuity, provident fund and dues of retired employees is Rs. 18.5 billion; dealers/suppliers dues Rs. 12 billion. He also raised the issue of corruption in PSM affairs. He said the Steel Mills deficit and outstanding dues were to the tune of Rs. 500 billion. He said since 2006 till now, the Steel Mills has inflicted a loss of \$11 billion to the economy, which should be investigated.

14. The committee members asked the Ministry of Industries and Production to inform the committee as to how and when they plan to pay dues of PSM employees and pensioners. They were also of the view that the ministry should investigate any irregularity or corruption, and fix responsibility on those responsible. The Chairman Committee said their responsibility is to the poor first. The Secretary, Ministry of Industries and Production said with regard to retirement and pension benefits of PSM employees, the ministry had moved a summary to ECC 4-5 months ago, pleading that liabilities worth Rs. 15 billion had been accrued under the head. He added that the Ministry had proposed to the government to lend this amount to the Steel Mills so that dues could be paid to the employees, but the summary was not approved by the Finance Ministry due to unavailability of funds for the purpose. The Chairman Committee said that if the amount could not be provided in full, then it could be done in 3-4 quarterly instalments so as to provide relief to the poor. He said Secretary Finance would be called in the next meeting to brief the committee on the issue. Senator Asif Kirmani asked the Ministry to provide details of any inquiry conducted, including NAB cases, against corruption cases in PSM in the next meeting.

Agenda Item-(III):

15. Mr. Ali Ahsan, Assistant Manager, NPO, briefed the committee that his complaint was that the new CEO had not been appointed till date. He added that as per a sub-clause of the SECP laws that provide for the previous CEO to continue, it is stipulated that the process should be completed within three months. He said the previous contract ended on 18 October, 2018, but till date new CEO has not been appointed. He briefed the committee that the day he filed a complaint in this regard, he was suspended on the charge of misbehaving with seniors. Mr. Ahsan said on the directions of the Standing Committee, the decision was withdrawn in protest, and an inquiry was launched to ascertain if he had misbehaved, the report of which had not been shared with him. The Chairman Committee asked the Secretary, Ministry of Industries and Production to share the report of the inquiry with him, in the light of which the matter would be further discussed. He also recommended that Mr. Ali Ahsan be posted back in the Multan office of NPO till the time it is not closed down.

16. The Chairman Committee disposed of the public petition filed by Mr. Sharifullah Muhammad on the information provided by the Ministry of Industries and Production that the matter is sub-judice, pending with the Honourable Court of Malir Session Judge, Karachi.

RECOMMENDATIONS/DIRECTIONS/DECISIONS

17. After extensive deliberations, the Committee unanimously proposed/issued the following recommendations/directions:

1. Utility Stores Corporation (USC) being a welfare organization should be exempted from taxes and interest.
2. FBR to brief the committee on the issue of taxing USC in the next meeting.
3. The government subsidy to USC should be restored, and reasons and causes be ascertained as to why subsidy was discontinued.
4. The purchases of Benazir Income Support Programme's should be rerouted through USC on quarterly basis, and BISP to brief the committee on their interventions in this regard in the next meeting.
5. USC be exempted from PPRA rules like CSD vis-à-vis purchasing of products in order to maintain quality. PPRA to brief the committee to this effect in the next meeting.
6. Ministry of Industries and Production to inform/brief the committee on how and when they plan to pay dues of Pakistan Steel Mills (PSM) employees and pensioners.
7. The Ministry of Industries and Production to investigate any irregularity or corruption in PSM, and fix responsibility on those responsible.
8. The Ministry of Industries and Production to provide details of any inquiry conducted, as well as NAB cases, to probe corruption in PSM, in the next meeting.
9. Secretary Finance to brief the committee on the issue of provision of funds/loan to PSM for payment of dues to retired employees.
10. Secretary, Ministry of Industries and Production to provide to the office of the Chairman Committee the report of the inquiry conducted against MR. Ali Ahsan, Assistant Manager, NPO.
11. Mr. Ali Ahsan, Assistant Manager, NPO, be posted back in the Multan office of NPO till the time it is not closed down.
12. The public petition filed by Mr. Sharifullah Muhammad stands disposed of considering that the matter is sub judice, pending with the Honourable Court of Malir Session Judge, Karachi.
18. The meeting ended with a mutual vote of thanks.

(ZEESHAN QAMAR SHEIKH)
D.D/Secretary Committee

(SENATOR AHMED KHAN)
Chairman

SENATE SECRETARIAT

Subject: - **MINUTES OF THE MEETING OF THE SENATE STANDING COMMITTEE ON INDUSTRIES & PRODUCTION HELD ON**

A meeting of the Senate Standing Committee on Industries & Production was held under the Chairmanship of Senator Ahmed Khan, on 21st October, 2019 at 11:30 a.m. in Committee Room No.4, Parliament House, Islamabad.

3. The following members of the committee attended the meeting:-

i.	Senator Ahmed Khan	Chairman
ii.	Senator Aurangzeb Khan	Member
iii.	Senator Mohammad Ali Khan Saif	Member
iv.	Senator Hafiz Abdul Karim	Member
v.	Senator Kalsoom Pervenn	Member
vi.	Senator Keshoo Bai	Member
vii.	Senator Dr. Asif Kirmani	Member

2. The agenda before the Committee was as under:-

- i. Further briefing to the Committee by the Managing Director, Utility Stores Corporation of Pakistan on the matter relating to taxation and subsidy being given by the Government to the Utility Stores Corporation of Pakistan.
- ii. Briefing by the Secretary, Ministry of Finance, Revenue and Economic Affairs on the matters related to the Utility Stores Corporation's taxation, government subsidy.
- iii. Briefing by the Chairman, FBR, regarding tax related issues concerning Utility Stores Corporation.
- iv. Briefing by the Chairperson, Executive Board of Benazir Income Support Programme on the proposal discussed in the last meeting of the Senate Standing Committee on Industries and Production held on 25th September, 2019 to reroute BISP purchases through Utility Stores Corporation.
- v. Briefing by the Managing Director, Public Procurement Regulatory Authority (Pakistan) on PPRA rules concerning purchasing of utility stores Corporation.
- vi. Further discussion on the progress made on the proposals for the limited revival of non-functional units as identified by the Committee, during its visit to Pakistan Steel Mills (PSM) on 18th March, 2019, and payment of all dues to retired employees of Pakistan Steel Mills.
- vii. Any other item with the permission of the Chair.

Recommendations/Directions:

- i. Directed the Special Assistant to the Prime Minister on Poverty Alleviation and Social Protection to deliberate on the proposal of routing the portion of BISP transfers via USC in view of helping USC to achieve its mandate of helping the poor segment of society and become stable.
- ii. Directed Federal Board of Revenue to provide the turnover tax exemption to the Utility Stores Corporation.
- iii. Directed the Finance Division to provide subsidy to the USC on regular basis so that they can transfer the same in form of relief to the poor people.

- iv. Directed the Finance Division to help PSM in security the release of the raw material from the lien of the National Bank of Pakistan so that the same can be liquidated.
- v. Directed the Chairman PSM and Finance Division to sit with Mumrez Khan in relation to the revival plan of the Steel Mill and send the recommendations to the Committee at the earliest.

(Zeeshan Qamar Shaikh)
A.S/Secretary Committee

(SENATOR AHMED KHAN)
Chairman of the Committee

SENATE SECRETARIAT

MINUTES OF THE MEETING OF THE SENATE STANDING COMMITTEE ON INDUSTRIES AND PRODUCTION HELD ON 27TH FEBRUARY, 2020 AT PARLIAMENT HOUSE, ISLAMABAD

A meeting of the Senate Standing Committee on Industries and Production was held on 27th February, 2020, at 02:00 p.m. in the Committee Room No. 4 of Parliament House, Islamabad.

2. The agenda before the Committee was as under:-

- i. Consideration of starred Question No.331 asked by Senator Bahramand Khan Tangi regarding the prices of cars being assembled in the Country are on the rise despite the claims by the manufacturing that most of the parts are manufactured locally.
- ii. Consideration of the Motion dated 13-01-2020 under rule 2018 regarding the situation arising out of decline in the sale of cars and other vehicles raised by Senator Kalsoom Perveen.
- iii. Bi-annual review of budgetary allocation and its utilization by the Ministry of Industries and Production, with special focus on PSDP allocation for 2019-20, under sub rule (4) of Rule 166 of the Rules of Procedure and Conduct of Business in the Senate, 2012 along with the details of PSDP proposals for 2020-21.
- iv. Progress on PSM revival plan and payment to all retired employees within 120 days in the light of direction given to the Chairman PSMC, Special Secretary, M/o Finance and other stakeholders in its meeting held on 21th October, 2019. (Matter forwarded by the Chairman Senate regarding payment of retired employees dated 27th January, 2020.)
- v. Further briefing to the Committee by the Managing Director, Utility Stores Corporation of Pakistan on the matter relating to taxation and subsidy being given by the government to the Utility Stores Corporation of Pakistan and news item published in the press regarding sale of utility stores item in the market.
- vi. To discuss issues regarding salaries of employees of Furniture Pakistan, a subsidiary of Pakistan Industrial Development corporation (PIDC), Lahore.
- vii. Any other item with the permission of the Chair.

3. The following members attended the meeting:-

1. Senator Ahmed Khan	Chairman
2. Senator Aurangzeb Khan	Member
3. Senator Seemi Ezdi	Member
4. Senator Keshoo Bai	Member
5. Senator Sitara Ayaz	Member
6. Senator Behramand Khan Tangi	Mover

4. The meeting started with recitation from the Holy Quran. Chairman Committee, Senator Ahmed Khan welcomed Hon^{ble} members and the government functionaries present in the meeting. He introduced the first agenda item and its background, inviting the Ministry to respond.

5. **Item-(I)** Mr. Afzal Latif, Secretary Industries and production Division invited General Manager Engineering Development Board to apprise the members about the Board's role. The GM, however, responded by stating that the Board is looking after the assembling and manufacture of vehicles and list of importable items. The Board is not involved in monitoring the product prices and demand and supply of vehicles.

The Chair objected to the statement and said that it is an unacceptable argument from the head of such an important organization. He advised the Board to devise and maintain price monitoring mechanism. The Ministry was directed to submit a comparison of price increased due to dollar rates and other factors.

The Advisor to Prime Minister on Industries and Production, Mr. Abdul Razak Dawood said that local manufacturing of parts, instead of imports is a key factor to bring down the prices of cars.

The matter was deferred to be considered in the next meeting, with manufacturers aboard.

6. **Item-(II)**. The Committee discussed and decided that this agenda item is related to item-I and the mover is also not present, so this may be taken up in the next meeting.

7. **Item-(III)**. The Ministry offered a comprehensive briefing on the PSDP and recurrent allocations. The non-development budget was discussed to be at 50% utilization, while the remaining 50% was expected to be utilized during last quarter of the financial year. The Chair advised the Ministry to achieve its targets and timely expend the resources blocked for target activities.

8. **Item-(IV)**. The Chair introduced agenda and said that the matter has already been delayed and needed an urgent action for the sake of employees of Pakistan Steel Mill (PSM), who are suffering appallingly in extreme poverty.

The Committee was informed that the PSM management is doing all efforts under its domain and possible payments are being made to the retired persons and their families. The PSM, however, lacks the resources and needs court order to sell the moveable property of the steel mill to disburse salaries and funds to the employees.

Senator Aurangzeb Khan said that the import of scrap through government to government agreement may be initiated and resale of the same to private parties be handed over to PSM. This can generate income to the PSM and it will also reduce under invoicing for Pakistan.

Representatives of the PSM stakeholders group also offered to support and develop a plan to raise necessary resources for the PSM. He said that the Ministry was asked to submit a revival plan, which they failed to submit in this meeting. He requested that the Ministry may be directed to be inclusive in decision making, and invite the stakeholders to find better solutions to the problems of PSM. The Chair advised the stakeholders to refrain from blaming the institutions.

The Committee recommended that the matter may be brought to the attention of the Prime Minister of Pakistan and payments be made to the retired employees in installments, if a lump sum is not manageable. The Committee also agreed to fix an exclusive meeting to exclusively discuss the matters pertaining to PSM.

9. **Item-(V)**: The chair appreciated Managing Director Utility Stores Corporation for improving provisions and price control of the utility stores and invited the MD for briefing. The MD informed members about the current situation and said that a total subsidy of 670 million has been passed on to the consumers through PM relief package. The package, he

added, not only provided relief to the poorest people, but also helped in price moderation by bringing down the prices in the market. The MD also claimed that the Corporation has become self sustaining and will earn to support itself, though the focus will remain on relief to public and not on profit making.

Senator Keshoo Bai recommended that Utility stores are needed more in the rural areas of Pakistan, instead of big cities where majority of the population does not need subsidies. Senator Aurangzeb Khan also suggested to open the stores in recently merged FATA areas. Similarly Senator Sitara Ayaz also suggested to send basic utility items through mobile stores may be increased. MD agreed to do the needful in regard of recommendations.

10. **Item-(VI):** The General Manager Pakistan Industrial Development Corporation informed hon'ble Members of the Committee that the salaries of employees of Furniture Pakistan had been paid up to January 2020, it was delayed due to the audit issues.

11. After detailed deliberations, the Committee made following **recommendations / directions:-**

- The matters pertaining to the agenda items I and II were deferred to be considered in the next meeting, with manufacturers aboard.
- The Committee advised the Ministry of Industries and Production to achieve its targets and timely expend the resources blocked for targeted projects and activities, as 50% of the budget was still not utilized.
- The Committee recommended that the matter pertaining to PSM may be brought to the attention of the Prime Minister of Pakistan and payments be made to the retired employees in instalments, if a lump sum is not manageable. The Committee also agreed to fix a meeting to exclusively discuss the matters pertaining to PSM and advised the stakeholders to submit their plans to the Committee.
- Utility Stores Corporation may initiate a plan to open more stores in previously Federally administered areas (FATA) as well as other rural areas of Pakistan. Mobile stores may also be increased.

12. The meeting ended with a vote of thanks.

(Farhana Wagha)
D.D/ Secretary Committee

(Senator Ahmed Khan)
Chairman

SENATE SECRETARIAT

Subject: - **MINUTES OF MEETING OF THE SENATE STANDING COMMITTEE
ON INDUSTRIES AND PRODUCTION**

A meeting of the Senate Standing Committee on Industries and Production was held on 15th July, 2020, under the Chairpersonship of Senator Ahmad Khan at 02:00 p.m. in Committee Room No. 4, Parliament House Islamabad.

2. The following members of the Committee attended the meeting:-

1. Senator Ahmed Khan	Chairman
2. Senator Seemi Ezdi	Member
3. Senator Muhammad Ali Khan Saif	Member
4. Senator Kesho Bai	Member
5. Senator Sitara Ayaz	Member
6. Senator Siraj ul Haq	Mover

3. The agenda before the Committee was as under:-

- i. Consideration of Starred Question No.14 & 15 raised by Senator Sirajul Haq in Senate session held on 5th June, 2020, regarding acreage of land on which Pakistan Steel Mill was established.
- ii. Number of persons working in Pakistan Steel Mill with department/section wise breakup.
- iii. Brief the Committee regarding Cabinet/ ECC decision for privatization of Steel Mill.
- iv. Progress on payment of dues to its retired employees in the light of recommendations of the Committee given to Chairman, PSM, and the matter forwarded by the Chairman Senate regarding payment of dues to the retired employees dated 21.01.2020.
- v. Any other item with the permission of the Chair.

4. The meeting commenced with the recitation from the Holy Quran.

5. The Committee was briefed that in 1973 when the Steel Mills land was acquired, the total plant land was 10273 acres, while the residential townships was planned over 8071 acres. At present, the total land of Steel Mills is 19013 acres. Senator Sirajul Haq, the Mover, said Steel Mills was the largest project in Asia and people of Pakistan as well as the Muslim world had great expectations from it. He said the total area of PSM was 18,600 square acres, amounting to 29 square miles. The main plant is spread over 4000 acres, while the area of township is 2000 acres, and that of water filtration plant over 200 acres. He said it was perhaps the only project in the country that had 4.5 km coastal belt. He said the PSM had so far deposited Rs.150 billion in terms of tax. He said till 2008 it was a profit-making entity, but after that the situation deteriorated and during one year, in 2009, it went into a deficit of Rs.26 billion. He also took exception to the interest-carrying, bailout packages given to the PSM by successive government as well as disconnection of gas supply to the Steel Mills.

6. Senator Sirajul Haq was of the opinion that mismanagement of PSM affairs adversely affected mostly the poor employees. He also raised the issue of non-payment of dues to the 6500 retired employees, and the paucity of amount allocated for golden handshake, adding that all dues to employees and pensioners be paid. He said they had also prepared an alternate plan for Steel Mills revival and suggested forming a Sub-Committee, also having Gen (Rtd) Qayum, former Steel Mills chairman as one of its Members, to discuss the same. Senator Sirajul Haq also made following proposals:-

- Instead of privatizing PSM, the state-owned entity should be made viable by appointing a full time professional Chief Executive Officer (CEO) at the earliest.
- Professional people should be appointed to the PSM Board. Gas supply be restored to the PSM, and only the due outstanding amount, minus the late payment surcharge, of utility bills be collected in instalments.
- To operationalize PSM in a phased manner starting from oxygen and thermal power plants, so that the Steel Mills can start making an earning to pay its employees.
- For maintenance of the plant and payment of salaries to employees as well as dues to the retired workers, and purchase of raw material, a bailout package should be given.
- Import of steel should be made conditional to issuance of a NOC by the PSM.

7. The Chairman of the Committee pointed out that the committee visited the Steel Mills and also held a number of meetings on the issue. He termed Steel Mills the jugular vein of Pakistan's economy, and stressed resolving issues of salaries and outstanding dues to the present employees as well as the pensioners on humanitarian grounds considering their financial hardship and problems. He said they had also suggested that the two jetties of the PSM should be used for supplying of imported scrap to local private industry till the time Steel Mills is operationalized. However, despite all efforts of the Committee, there was no result, which is very disappointing entity which provided jobs and livelihood to the thousands of people, and was vital to the development of the country.

8. The Federal Minister for Industries and Production, Hamad Azhar, briefed the Committee that in 2008 Pakistan Steel Mills had a fund of Rs.8-10 billion, after which in 2009 sales began to drop and the PSM went into deficit due to low steel prices in the world market. He said that while sales of PSM were dropping, 4500 temporary employees of Steel Mills were made permanent in 2010 onwards, average production of PSM dropped to around 40 percent, which later further declined to just six percent. In 2015, it was closed down without bringing forward any plan for its restructuring, or revival. The minister informed the Committee that for five years, on zero productivity, employees were paid Rs.35 billion in terms of salaries, while an amount of Rs.20 billion was accumulated as pension dues, out of which some proportion has been paid. The minister said bailout packages amounting to Rs.80 billion had been given since 2008 till date, while its current outstanding payable debt amounted to Rs.230 billion.

9. On the issue of privatization, the Minister briefed the Committee that the Steel Mills would be run as a joint venture in collaboration with private partners, adding that the terms in this regard had been designed in a way to ensure that the government retains stake in the PSMS. He further informed that out of 19000 acres owned by PSM, the PSM plant is established on just 1700 acres. Some portion of the land (1700 acres) owned by PSM would be given on lease. An investment of more than \$1 billion is required to run, upgrade and revive the PSM, he said.

10. The package announced by the ECC for 9000 employees in the first phase is Rs20 billion, the Minister said adding that all dues will be paid. Pakistan's total steel consumption was seven million tons, which was entirely produced by the country, the Minister briefed the committee. Pakistan currently imports all raw materials for making steel products, he said adding that difficult decisions needed to be taken in order to make PSM self-reliant. The Minister briefed the committee that the bidding for a joint venture in a transparent manner will be held later this year. To a question, the Minister responded that as many as 12

international companies had expressed interest in PSM; six companies have already visited the steel mills, out of which three companies have shown genuine interest. Most of these companies are Chinese or Russian, he added.

11. Mr. Mumraiz Khan, Convener of PSM Stakeholders Group, was of the opinion they sought to cooperate with and help the government to run PSM without having to privatize it. He said the PSM could be revived with proper management and board. He said the dues of PSCM employees could be paid using its own resources. He said the PSM management was non-professional, adding that misleading information was given to the ministry. He said the actual outstanding debt of Steels Mills was not Rs230 billion but Rs290 billion, and that the total deficit was Rs300 billion.

12. The Chairman Committee said their main concern and demand from the government was to pay salaries, outstanding dues or gold Handshake, to employees and pensioners without any further delay. He said a plan in this regard may be reviewed and discussed in a consultative meeting between him, Senator Sirajul Haq, the Minister for Industries and Production and Gen (Rtd) Qayyum former Chairman Steel Mills.

13. **Directions/Recommendation/Decisions.**

- I. The Government should make a viable plan to pay all outstanding dues of PSM employees, workers and pensioners in terms of salaries and pensions forthwith without any further delay.
- II. Instead of privatizing PSM, the state owned entity should be made viable by appointing a full-time professional chief Executive Officer (CEO) at the earliest.
- III. Professional people should be appointed to the PSM Board.
- IV. Gas supply should be restored to the PSM, and only the due outstanding amount, minus the late payment surcharge, of utility bills be collected in instalments.
- V. Operationalize PSM in a phased manner so that the Steel Mills can start making an earning to pay it employees.
- VI. The Government should announce a bailout package for maintenance of the plant and payment of salaries to employees as well as dues to the retired workers, and purchase of raw material.

ZEESHAN QAMAR SHAIKH
DD/SECRETARY COMMITTEE

SENATOR AHMED KHAN
CHAIRMAN COMMITTEE

SENATE SECRETARIAT

Subject: - **MINUTES OF MEETING OF THE SENATE STANDING COMMITTEE ON INDUSTRIES AND PRODUCTION**

A meeting of the Senate Standing Committee on Industries and Production was held on 10th September, 2020, under the Chairpersonship of Senator Ahmad Khan at 02:30 p.m. in Committee Room No. 4, Parliament House Islamabad.

2. The agenda before the Committee was as under:-

- i. Further consideration of **Starred Question No. 311, asked by Senator Bahramand Khan Tangi** in the sitting of the Senate held on 4th February, 2020 regarding "The prices of cars being assembled in the country are on the rise despite the claims by the manufacturers that most of the parts are manufactured locally."
- ii. Further consideration of **Starred Question No. 313, asked by Senator Mian Muhammad Ateeq Shaikh** in the sitting of the Senate held on 4th February, 2020 regarding "The details of industries which fall under the category of Large Scale Manufacturing (LSM) industry/sector."
- iii. Further consideration of **Motion under Rule 2018 by Senator Kalsoom Parveen**, in the sitting of the Senate held on 13th January, 2020 regarding "the situation arising out of decline in the sale of cars and other vehicles in the country."
- iv. Further consideration of **Starred Question No. 14**, regarding the "acreage of land on which Pakistan Steel Mills (PSM) was established," and **Starred Question No. 15**, regarding "The number of persons working in the Pakistan Steel Mills (PSM) with department/section wise and grade wise break up," asked by **Senator Sirajul Haq** in the sitting of the Senate held on 5th June, 2020.
- v. Further consideration of Letter dated 27th January, 2020 by the Chairman, Pakistan Steel Insaf Labour Union (CBA), Karachi.
- vi. Consideration of the Point of Public Importance raised by Senator Nauman Wazir Khattak in the sitting of the Senate held on 26th August, 2020, regarding "Safety Standards of Cars being Assembled in Pakistan".
- vii. Any other item with permission of the Chair.

3. The following members of the Committee attended the meeting:-

1. Senator Ahmed Khan	Chairman
2. Senator Aurangzeb Khan	Member
3. Senator Dr. Asif Kirmani	Member
4. Senator Keshoo Bai	Member
5. Senator Muhammad Ali Khan Saif	Member
6. Senator Sitara Ayaz	Member

Agenda Item No. I

4. Agenda Item No. I stood in the name of Senator Bahramand Khan Tangi. He apprised the Committee regarding the matter under discussion, and observed that a report of the Completion Commission of Pakistan in 2019 has observed that automobile manufacturers in Pakistan have overcharged Rs. 6000 Billion from consumers over the past 15 years. He noted that automobile prices in Pakistan are increased every few months, and inquired why prices are not being controlled. He also inquired about the localization achieved by local industry. The

Chairman Committee opined that automobile plants in Pakistan are old and outdated, and stated that the world is now moving towards electric vehicles and hybrid technology. He inquired about both the tax impact and currency devaluation impact on prices of automobiles being manufactured in Pakistan. Representatives from M/S Toyota Atlas motors apprised the Committee that the cost of automobiles manufactured in Pakistan includes taxes amounting to approximately 40% of the total price. Responding to a query, they apprised the meeting that the cheapest car they produce is priced at Rs. 2.4 Million. This includes taxes amounting to 36-37% of the total price. 60-65% localization has been achieved for this model. The Chairman noted that engines are imported and only assembled in Pakistan. Furthermore, the body/structure is manufactured in Pakistan, but the sheet metal for this is also imported. He added that the Complete Knocked Down (CKD) amount stands at 8,000-10,000 Dollars. This accounts for more than 60 percent of the total cost of the vehicle priced at Rs. 2.4 Million. He inquired why cost localization has not been achieved. Senator Tangi stated that car manufacturers in Pakistan had gone to court to restrict import of cars. However, their plea was not accepted.

5. Senator Dr. Asif Kirmani added that these manufacturers had become mafias, and are charging abnormally high prices while providing low quality and unsafe cars. Senator Aurangzeb Khan added that while tax regime is not in the control of automobile manufacturers, quality and safety of their cars is. He highlighted grave concerns over the safety and quality of cars being produced in Pakistan, and identified several incidences where airbags of locally produced cars failed to deploy resulting in injury and /or death.

6. The Chairman Committee directed that all automobile manufacturers in the Country be called to the next meeting of the Committee, and further directed the Ministry to submit a detailed working paper on the tax impact and exchange rate impact on prices of cars being manufactured in Pakistan; complete list/details of all raw materials and parts that are imported, and all raw materials and parts that are sourced locally and used in the manufacture of automobiles in Pakistan, along with their cost breakup; detailed breakdown of taxes paid by automobile manufacturers on import of parts, raw materials, and finished automobiles; and a detailed break up of all costs for all models of cars being manufactured in Pakistan.

7. The Chairman Committee also directed that a detailed briefing on the National Electric Vehicle Policy be given to the Committee in the next meeting. He noted that the purpose of the EV policy was to achieve maximum localization, and to curb imports. However, this has not been achieved.

Agenda Item No. II, III, IV and VI.

8. Agenda Items No. II, III, IV and VI were deferred till the next meeting of the Committee due to the absence of the Movers.

Agenda Item No. V

9. Agenda Item No. V was referred to the Senate Standing Committee on Industries and Production by the Honorable Chairman Senate. The CEO of the Pakistan Steel Mills (PSM) Brigadier (R) Shujah Hassan Khurazmi was welcomed by the Committee, and congratulated for assuming the Charge of CEO PSM. He presented to the Committee a point wise response to the issues raised by Chairman, Pakistan Steel Insaf Labour Union. He apprised the Committee that efforts were underway to reclaim the encroached land of Gulshan-E-Hadeed Phase III Housing Scheme in coordination with local and provincial authorities. Furthermore,

the PSM has completed its working on the introduction of Gulshan-E-Hadeed Phase IV. However, final decision in this regard is pending given that the final decision on the privatization of the PSM has not yet been reached. In terms of the Charter of Demands of the Pakistan Steel Insaf Labour Union, the Committee was apprised that these demands were first presented in 2011-12. However, in the current scenario, these demands cannot be met as they entail financial implications. In terms of increase in salaries, revision of pay scales, and payment of outstanding dues to retired employees, the Committee was informed that these matters are sub-judice.

10. The Chairman Committee observed that sub-judice matters cannot be taken up by the Committee. However, he did request the CEO PSM to expedite the matter of outstanding dues and salaries as employees of the PSM are facing great hardships due to these financial constraints. The Additional Secretary, Ministry of Industries and Production stated that the Ministry of Finance is paying the outstanding dues. Approximately 10 percent of all outstanding dues have been paid, and the remaining will also be paid expeditiously.

9. The meeting ended with a mutual vote of thanks.

Recommendation/Directions of the Committee

- a. The Committee directed that all automobile manufacturers in the Country be called to the next meeting of the Committee, and further directed the Ministry to submit a detailed working paper on the tax impact and exchange rate impact on prices of cars being manufactured in Pakistan; complete list/details of all raw materials and parts that are imported, and all raw materials and parts that are sourced locally and used in the manufacture of automobiles in Pakistan, along with their cost breakup; detailed breakdown of taxes paid by automobile manufacturers on import of parts, raw materials, and finished automobiles; and a detailed break up of all costs for all models of cars being manufactured in Pakistan.
- b. The Committee directed that a detailed briefing on the National Electric Vehicle Policy be given to the Committee in its next meeting.
- c. The Committee recommended that issue of outstanding dues and salaries as employees of the PSM may be expedited, as these people are facing great hardships due to financial constraints.

(Syed Bilal Bokhari)
Secretary Committee

(Senator Ahmed Khan)
Chairman Committee

THANKS