

SENATE OF PAKISTAN

REPORT NO. 01 OF 2024



PARLIAMENTARY YEAR 2024-2025

REPORT OF THE SENATE STANDING COMMITTEE ON COMMUNICATIONS

ON

"CALLING ATTENTION NOTICE MOVED BY SENATOR(S) JAM SAIFULLAH KHAN, ZAMIR HUSSAIN GHUMRO, MUHAMMAD ASLAM ABRO, POONJO BHEEL, KAZIM SHAH AND QURATULAIN MARRI ON 7TH JUNE, 2024 REGARDING INORDINATE DELAY IN THE COMPLETION OF SUKKUR-HYDERABAD MOTORWAY PROJECT "

PRESENTED BY:

SENATOR PERVAIZ RASHID

SENATE SECRETARIAT

REPORT OF THE STANDING COMMITTEE ON COMMUNICATIONS ON CALLING ATTENTION NOTICE MOVED BY SENATOR(S) JAM SAIFULLAH KHAN, ZAMIR HUSSAIN GHUMRO, MUHAMMAD ASLAM ABRO, POONJO BHEEL, KAZIM SHAH AND QURATULAIN MARRI ON 7TH JUNE, 2024 REGARDING INORDINATE DELAY IN THE COMPLETION OF SUKKUR-HYDERABAD MOTORWAY PROJECT

I, Senator Pervaiz Rashid, Chairman of the Standing Committee on Communications have honour to present, on behalf of the Committee, the report on Calling attention notice moved by Senator(s) Jam Saifullah Khan, Zamir Hussain Ghumro, Muhammad Aslam Abro, Poonjo Bheel, Kazim Shah and Quratulain Marri on 7<sup>th</sup> June, 2024 regarding inordinate delay in the completion of Sukkur-Hyderabad motorway project. The matter was referred to the Standing Committee for consideration and report.

2. The composition of the Committee is as under:-

i.	<b>Senator Pervaiz Rahid</b>	<b>Chairman</b>
ii.	Senator Dost Ali Jesar	Member
iii.	Senator Jam Saifullah Khan	Member
iv.	Senator Syed Shibli Faraz	Member
v.	Senator Muhammad Tallal Badar	Member
vi.	Senator Abdul Wasay	Member
vii.	Senator Sania Nishtar	Member
viii.	Senator Azam Nazeer Tarar	Member
ix.	Senator Zamir Hussain Ghumro	Member
x.	Senator Muhammad Qasim	Member

3. The Committee placed the subject matter of calling attention notice on the agenda of its meeting held on 26<sup>th</sup> July, 2024. Following members & movers attended the meeting:-

- |                                   |        |
|-----------------------------------|--------|
| i. Senator Dost Ali Jeesar        | Member |
| ii. Senator Jam Saifullah Khan    | Member |
| iii. Senator Syed Shibli Faraz    | Member |
| iv. Senator Muhammad Tallal Badar | Member |
| v. Senator Muhammad Aslam Abro    | Member |

4. The Member (PPP), NHA briefed the Committee that the entire length of the Peshawar-Karachi motorway is around 1,522 km, of which 1,216 km has been completed. However, the critical 306 km (6 lane fenced motorway) between Hyderabad and Sukkur is the only remaining section with (15) interchanges and (5) service areas. Its alignment falls on the eastern side of the G.T. Road and a link was to be provided from G.T. Road through an interchange. So far as land acquisition is concerned, 7500 acre of land is required for this project out of which 5700 acre of land has already been acquired by NHA. The revised cost of the project as per the last bidding was Rs. 308.194 Billion and accordingly revised PC-I was approved. He further told that the project is a top priority for the Government and the National Highway Authority.

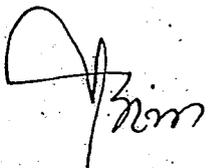
5. He added that, historically, NHA carried out an international competitive bidding on BOT basis in which Techno Engg. and TECMC (Pvt) Ltd participated. On 2nd December, 2022, after bidding process, NHA signed PPP agreement with M/s TECMC (Pvt) Ltd. According to the agreement, the project was to be raised from the private sector (securing not only equity financing but also loans from the commercial banks) to close financials. Unfortunately, company was unable to achieve financial close within six months and over an extended period of 10 months in total. Resultantly, on 19th December, 2023 agreement was terminated by NHA. Chairman NHA has further clarified that the project now costs more than Rs. 350 billion.

6. Senator Jam Saifullah raised that this position explained by the Member (PPP), NHA is more of a recent nature and inquired about the details of initial bidding process that took place in 2017. Responding to which Member (PPP), NHA informed that in 2017 bidding, bids were received from China Communications Construction Company, Ltd. (CCCC) and another Chinese company in collaboration with FWO. However, CCCC won the bid at the cost of Rs. 238 billion. However, NHA was forced to terminate the agreement as the then Government didn't accede to loaning of Rs. 92 billion in bi-credit mode as desired by the Chinese company.

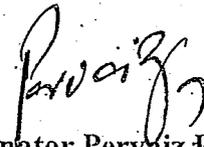
7. Member (PPP), NHA while briefing on more recent events explained that negotiations for this project were made with World bank, for Saudi investment at the forum of SIFC, UAE and Chinese as well. But nothing was materialized due to higher interest rates as commercial loaning is not possible and it renders the project unviable. He added that the project has to be declared part of the CPEC in order to raise concessional loaning from China. NHA is trying at the Federal level that the project may be declared a part of the CPEC and also NHA is in discussion with the Govt. of Sindh to sponsor some of the cost of the project as cost of the project is very high. He further added that the Hon'ble Prime Minister of Pakistan and Minister for Planning, Development and Special Initiatives in their recent visits to China has requested for inclusion of this project in CPEC. NHA have high hopes that the project will be declared CPEC and it may be included in the in next meeting of Joint Working Group (JWG).

9. The Chairman Committee indicated that this important project of M-6 could be completed in Rs. 238 billion but we took our domestic politics on to international forums causing suffering not only for the reputed international companies but also as a nation. Resultantly, a project which could have been completed with a cost of Rs. 238 billion now requires almost Rs. 400 billion to complete. Senator Jam Saifullah indicated that due to PTI government criticism, the project was abandoned by the Chinese company in 2017. and the cost has since increased manifold. He also explained that two deputy commissioners tasked with land acquisition were found guilty of corruption, and one of them eventually fled the country.

10. The Chairman Committee indicated that why not the Karachi-Hyderabad Expressway should remain as it is and a new Karachi-Hyderabad motorway be constructed. Chairman NHA apprised the committee that in recent visit of the Hon'ble Prime Minister of Pakistan to China, an MOU has been signed for the feasibility study of a new alignment from Karachi to Hyderabad which will be conducted with the proposed M-6. After detailed deliberation, the Committee recommended that the government should prioritize the project of Hyderabad-Sukkur motorway for inclusion in the CPEC. The Committee also recommended that the Hyderabad-Karachi Expressway remain as an expressway and a separate motorway for Hyderabad-Karachi be constructed following the standards of Motorways.



(Qasim Omer)  
Secretary Committee



(Senator Pervaiz Rashid)  
Chairman Committee