

SENATE SECRETARIAT

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**“QUESTIONS FOR ORAL ANSWERS AND THEIR REPLIES”**

*to be asked at a sitting of the Senate to be held on*

**Tuesday, the 17th December, 2013**

@2. **\*Syeda Sughra Imam:** (Notice received on 08-11-2013 at 01:30 pm )

*Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state:*

- (a) *the sources of generation of Rs.500 billion to pay circular debt; and*
- (b) *whether it is a fact that the said amount was borrowed from banks, if so, the names of the banks concerned and the terms and conditions on which the same was borrowed?*

**Mr. Muhammad Ishaq Dar:** (a) All payments relating to government expenditure are made out of Federal Consolidated Fund which consists of revenue receipts, loans and recovery of loans. No specific revenue receipt or loan can be linked for any specific payment. For settlement of power sector circular debt, three kinds of transactions were carried out (i) issuance of five years Pakistan Investment Bonds (ii) Deduction at source against government receipts or recovery of loans (iii) Cash payment out of Federal Consolidated Fund.

- (b) As indicated above no specific borrowing from banks was made for this purpose.

@5. **\*Mr. Abdul Rauf:** (Notice received on 11-11-2013 at 02:00 pm )

*Will the Minister for Industries and Production be pleased to state:*

- (a) *the number of industrial units / factories in the country at present and the number of the same in northern Balochistan; and*

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@ Deferred from 4th December, 2013.

- (b) *whether it is a fact that Hirnai Woolen Mill has been closed down, if so, its reasons and the steps being taken by the Government for its revival?*

**Mr. Ghulam Murtaza Khan Jatoi:** (a) According to the reports of Industries Department of four Provincial Governments *i.e.* Punjab, Sindh, Khyber Pakhtunkhwa, Balochistan and Export Processing Zones Authority, there are a total **28,563** number of industrial units / factories in the country. The province-wise detail is as under:—

| S. No.           | Provinces                                  | No. of Functional Units |
|------------------|--|-------------------------|
| 1.               | Punjab                                     | 17,857                  |
| 2.               | Sindh                                      | 6,893                   |
| 3.               | Khyber Pakhtunkhwa                         | 2,299                   |
| 4.               | Balochistan including Northern Balochistan | 972                     |
| 5.               | Northern Balochistan                       | 62                      |
| <b>Sub Total</b> |  | <b>28,021</b>           |
| 6.               | EPZA                                       | 542                     |
| <b>Total</b>     |  | <b>28,563</b>           |

(b) Due to persistence losses, the operations of M/s Harnai Woollen Mills Limited (HWM), Harnai, Balochistan (since liquidated), was closed down in 1988 and it was decided by the Government to privatize the unit. However, after several unsuccessful attempts by Privatization Commission it was de-listed from the privatization programme by the Federal Government and was placed under liquidation through Pakistan Industrial Development Corporation (Pvt.) LTD. On the orders of the Honorable High Court of Sindh, the official assignee/Liquidator of the Company appointed by the Honorable High Court took over the possession of the Company on 30-01-2001 and sold out the assets *i.e.* Land & Building, Plant and Machinery, Equipment and Furniture and Fixture etc. of M/s. Harnai Woollen Mills Limited on 10-09-2001. Subsequently, the Mills has since been handed over to the bidder by the Court.

@8. **\*Mr. Karim Ahmed Khawaja:** (Notice received on 12-11-2013 at 12:00 Noon )

*Will the Minister for Finance, Revenue, Economics Affairs, Statistics and Privatization be pleased to state:*

- (a) *the amount of financial assistance provided to Pakistan by USA during the last 10 years with year-wise break-up; and*
- (b) *the amount of loan obtained by Pakistan from World Bank, Asian Development Bank and International Monetary Fund during the said period with year-wise break-up?*

**Mr. Muhammad Ishaq Dar:** (a) The year-wise amount of on-budget financial assistance provided (disbursed) to Pakistan USA during last 10 years is as under:

(US\$ Million)

| Year          | Amount      |
|---------------|-------------|
| 2003-04       | 40          |
| 2004-05       | 380         |
| 2005-06       | 471         |
| 2006-07       | 409         |
| 2007-08       | 79          |
| 2008-09       | 311         |
| 2009-10       | 385         |
| 2010-11       | 405         |
| 2011-12       | 126         |
| 2012-13       | 102         |
| <b>Total:</b> | <b>2706</b> |

(b) The year-wise amount of loan obtained (disbursed) from World Bank, Asian Development Bank and International Monetary Fund during last 10 years is as under:

@ Deferred from 4th December, 2013.

(US\$ Million)

| Year         | Donor        |              |              |
|--------------|--------------|--------------|--------------|
|              | ADB          | World Bank   | IMF          |
| 2003-04      | 478          | 303          | 245          |
| 2004-05      | 718          | 981          | 263          |
| 2005-06      | 509          | 1,214        | 0            |
| 2006-07      | 979          | 1,196        | 0            |
| 2007-08      | 1,789        | 310          | 0            |
| 2008-09      | 1,558        | 939          | 4007         |
| 2009-10      | 923          | 787          | 3496         |
| 2010-11      | 481          | 806          | 456          |
| 2011-12      | 402          | 658          | 0            |
| 2012-13      | 425          | 556          | 0            |
| 2013-14      |              |              | 545          |
| <b>Total</b> | <b>8,262</b> | <b>7,750</b> | <b>9,012</b> |

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69. **\*Syeda Sughra Imam:** (Notice received on 12-11-2003 at 01:40 pm)

*Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state whether there is conflict of interest law which governs the privatization process in the country, if so, the details thereof?*

**Mr. Muhammad Ishaq Dar:** In this regard, it is stated that under Privatisation Commission Ordinance 2000, there is a provision of conflict of interest and Board members or their family members or their professional and business partners or associates and staff or other employees of Privatisation Commission including advisors, consultants and their family members having direct or indirect interest in the matter relating to privatisation, shall disclose that interest to Privatisation Commission.

The relevant portion of the said Ordinance *i.e.* Section 13 is reproduced for ready reference.

- (i) *Where a person is present at a meeting of the Board or committee of the Board and that person or his family or his professional or business partner or associate has direct or indirect interest in the subject of consideration in that meeting, that person shall—*
  - (a) *forthwith disclose such an interest; and*
  - (b) *not take part in any consideration on that matter unless the Board or the committee thereof otherwise directs.*
- (2) *Where a member of the Commission, staff or other employee of the Commission, including an adviser, consultant or his family has a direct or indirect interest in any matter relating to privatisation such person shall forthwith disclose that interest to the Commission and the Commission shall have the right to take such action as it considers appropriate.*

70. **\*Syeda Sughra Imam:** (Notice received on 13-11-2013 at 09:30 am)

*Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state:*

- (a) *the percentage of increase in salary and allowances of the Government employees since 2008-09 with year-wise break-up; and*
- (b) *the financial implication of the said increase in each financial year?*

**Mr. Muhammad Ishaq Dar:** (a) Year-wise percentage of increase in salary & allowances of the Government employees since 2008-09 is as under:

**2008-09**

**Increase in pay & allowances**                      **%age increase**  
 20% increase in pay                                      20%

**Medical Allowance**  
 @ Rs.500/- p.m to                                      N.A.  
 employees in BPS 1-16

**Conveyance Allowance**

| <b>BPS</b> | <b>Existing<br/>(Rs. p.m)</b> | <b>Revised<br/>(Rs. p.m)</b> | <b>%age increase</b> |
|------------|-------------------------------|------------------------------|----------------------|
| 1-4        | 340                           | 680                          | 100%                 |
| 5-10       | 460                           | 920                          | 100%                 |
| 11-15      | 680                           | 1360                         | 100%                 |
| 16-19      | 1240                          | 2480                         | 100%                 |

**2009-10**

**Increase in pay & allowances**                      **%age increase**  
 - 20% *Adhoc* Relief Allowance                      20% for BPS 1-16  
 - 15% *Adhoc* Relief Allowance                      15% for BPS 17-22

**2010-11**

**Increase in pay & allowances**                      **%age increase**  
 50% *Adhoc* Allowance                                      50%  
 of basic pay Medical Allowance  
 BPS 1-15 Rs.1,000/- p.m.                                      100%  
 BPS 16-22 15% of basic pay                                      15%

**2011-12**

**Increase in pay & allowances**                      **%age increase**  
**Revised Basic Pay Scales**  
 15% *Adhoc* Relief Allowance of basic pay                      15%  
**Conveyance Allowance**

| <b>BPS</b> | <b>Existing</b> | <b>Revised</b> |
|------------|-----------------|----------------|
|------------|-----------------|----------------|

|                                     | (Rs. p.m)                     | (Rs. p.m)                   |      |
|-------------------------------------|-------------------------------|-----------------------------|------|
| 1-4                                 | 680                           | 850                         | 25%  |
| 5-10                                | 920                           | 1150                        | 25%  |
| 11-15                               | 1360                          | 1700                        | 25%  |
| Misc Allowances                     | Existing<br>(Rs. p.m)         | Revised<br>(Rs. p.m)        |      |
| - Integrated Allow.<br>for N/Qasids | 150                           | 300                         | 100% |
| - Washing Allow.                    | 30                            | 100                         | 233% |
| - Dress Allow.                      | 35                            | 100                         | 186% |
| - Spl. Allow.<br>for Confdt. Asstt. | 65                            | 150                         | 130% |
| - Uniform Allow. for<br>Nurses      | 300                           | 600                         | 100% |
| - Spl. Area Compen.<br>Allow.       | 150                           | 300                         | 100% |
| - Hill Allowance                    | 100                           | 200                         | 100% |
| - Firewood Allow.                   | 4.50<br>(per head<br>per day) | 10<br>(per head<br>per day) | 122% |

### 2012-13

#### Increase in pay & allowances increase %age

20% *Adhoc* Relief Allowance of basic pay 20%

| Qualification Pay         | Existing<br>(Rs. p.m) | Revised<br>(Rs. p.m) |      |
|---------------------------|-----------------------|----------------------|------|
| - SAS/PFA                 | 400/-                 | 800/-                | 100% |
| - ICMA/ICWA<br>(Part-III) | 400/-                 | 800/-                | 100% |
| - ICMA/ICWA               | 1200/-                | 2100/-               | 75%  |

|                             |        |        |      |
|-----------------------------|--------|--------|------|
| - Chart. Acctt.             | 1300/- | 2300/- | 77%  |
| - Staff College/<br>NMC/NDC | 1000/- | 2000/- | 100% |
| - NIPA Adv. Crs.            | 500/-  | 1000/- | 100% |
| - Mid Cr.Mgt.Crs            | 250/-  | 500/-  | 100% |

|        | <b>Senior Post Allowance Existing<br/>(Rs. p.m)</b> | <b>Revised<br/>(Rs. p.m)</b> |     |
|--------|---|------------------------------|-----|
| BPS-20 | 1100/-  | 1250/-                       | 14% |
| BPS-21 | 1200/-  | 1350/-                       | 12% |
| BPS-22 | 1600/-  | 1750/-                       | 09% |

#### **Travelling/Mileage Allowance**

|                       | <b>Existing<br/>(per k.m)</b> | <b>Revised<br/>(per k.m)</b> |      |
|-----------------------|-------------------------------|------------------------------|------|
| <u>Transportation</u> |                               |                              |      |
| - Motor Car           | Rs.2/-                        | Rs.5/-                       | 150% |
| - Motor Cycle/Scooter | Rs.1/-                        | Rs.2/50                      | 150% |

| <b>Mileage Allowance</b> | <b>Existing<br/>(per k.m)</b> | <b>Revised<br/>(per k.m)</b> |      |
|--------------------------|-------------------------------|------------------------------|------|
| - Personal Car/Taxi      | Rs.5/-                        | Rs.10/-                      | 100% |
| - Motor Cycle/Scooter    | Rs.2/-                        | Rs.4/-                       | 100% |
| - Bicycle                | Rs.1/-                        | Rs.2/-                       | 100% |
| - Public Transport       | Rs.1/-                        | Rs.2/50                      | 150% |

#### **Carriage of personal effects on transfer/retirement**

|                 |                 |      |
|-----------------|-----------------|------|
| <b>Existing</b> | <b>Revised</b>  |      |
| Rs.0.008        | Rs.0.02         | 150% |
| per k.g.per k.m | per k.g.per k.m |      |

**2012-13**

#### **Orderly Allowance for BPS 20-22**

**%age increase**

|                 |                 |      |
|-----------------|-----------------|------|
| <b>Existing</b> | <b>Revised</b>  |      |
| Rs.3,000/- p.m. | Rs.7,000/- p.m. | 133% |

#### **Conveyance Allowance Existing Revised**

|           | (Rs.p.m)  | (Rs.p.m)  |      |
|-----------|-----------|-----------|------|
| BPS 1-4   | Rs.1500/- | Rs.1700/- | 13%  |
| BPS 5-10  | Rs.1500/- | Rs.1840/- | 23%  |
| BPS 11-15 | Rs.2000/- | Rs.2720/- | 36%  |
| BPS 16-19 | Rs.2480/- | Rs.5000/- | 102% |

#### **Overtime Allowance to Staff Car Drivers/ Dispatch Riders**

Revised from Rs.20/- per hour to 25%  
Rs.25/- per hour subject to maximum  
of Rs.150/- per day *w.e.f.* 01-08-2012.

#### Daily Allowance on Official duty within the country

| BPS             | Existing |                 | Revised |      | Spl. | %age |
|-----------------|----------|-----------------|---------|------|------|------|
|                 | Ord.     | Spl<br>increase | Ord.    | %age |      |      |
| <b>increase</b> |          |                 |         |      |      |      |
| 1-4             | 200      | 400             | 310     | 55%  | 500  | 25%  |
| 5-11            | 310      | 440             | 390     | 26%  | 550  | 25%  |
| 12-16           | 500      | 600             | 700     | 40%  | 900  | 50%  |
| 17-18           | 500      | 640             | 1250    | 150% | 1600 | 150% |
| 19-20           | 625      | 825             | 1550    | 148% | 2050 | 148% |
| 21              | 700      | 1000            | 1750    | 150% | 2500 | 150% |
| 22              | 700      | 1000            | 1750    | 150% | 3000 | 200% |

- Special Allowance @ 20% to the 20%  
employees of Federal Ministries/  
Divisions *w.e.f.* 01-03-2013.

#### **2013-14**

#### **Increase in pay & allowances                      %age Increase**

10% *Adhoc* Relief Allowance                      10%  
of basic pay

(b) the financial implication of the said increase in each financial year is at Annex-I.



71. **\*Syeda Sughra Imam:** (Notice received on 13-11-2013 at 09:30 am)

*Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state the increase in foreign debt due to devaluation of Pakistani currency since 2008?*

**Mr. Muhammad Ishaq Dar:** During the period from June 30, 2008 till Oct 31, 2013 the foreign debt including loan from IMF has increased by Rs.1,909,222 Million (1.909 trillion) as a result of depreciation of the Pakistani rupee.

72. **\*Mr. Saleem H. Mandviwalla:** (Notice received on 18-11-2013 at 12:20 pm)

*Will the Minister for Planning and Development be pleased to state:*

(a) *whether it is a fact that the Central Development Working Party (CDWP) has recently approved seven projects in the energy, water resources, manpower, higher education, technology and social welfare sectors, if so, the details thereof; and*

(b) *the criteria / procedure adopted for the selection and approval of the said projects?*

**Mr. Ashan Iqbal:** (a) The CDWP in its meeting held on 28<sup>th</sup> October, 2013 has approved five (05) projects and recommended two (02) projects for approval to ECNEC due to higher cost falling in the jurisprudence of the ECNEC. One project was approved in principle subject to cost rationalization by a Committee. Concepts of two (02) projects were also cleared for arranging assistance from the donors. Details are **Annexed**.

(b) CDWP has been empowered to approve development projects costing upto Rs. 1000.00 million. The project costing above this limit is recommended by the CDWP for approval of the ECNEC.

Projects are presented by the relevant Ministry alongwith detail of objectives, justification, breakup of costs, cost benefit analysis where feasible, funding sources, etc. These are then scrutinized by the relevant Technical Sections of Planning Commission / Ministry of Planning, Development & Reform before the same are presented to the CDWP for approval.

73. **Col. (R) Syed Tahir Hussain Mashhadi:** (Notice received on 19-11-2013 at 09:30 am)

*Will the Minister for Industries and Production be pleased to state:*

- (a) *the names of vehicles being manufactured / assembled by Pak Suzuki Motors Company Limited at present; and*
- (b) *whether there is any proposal under consideration of the Government to reduce the prices of the said vehicles, if so, when?*

**Mr. Ghulam Murtaza Khan Jatoi:** (a) Names of vehicles being manufactured/assembled by Pak Suzuki Motors Company Limited at present are as under :

- i. Mehran.
- ii. Liana
- iii. Swift
- iv. Cultus
- v. Ravi Pickup
- vi. Bolan & Cargo Van

(b) There is no such proposal under consideration of the Government to reduce prices. All car/automobile manufacturers are in the private sector as such prices are governed by market mechanism only and Government has no control on any price fixation. Government's role is to provide Policy framework, including tariff and non-tariff measures.

74. **\*Mr. Saleem H. Mandviwalla:** (Notice received on 19-11-2013 at 02:20 pm)

*Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state:*

- (a) *the steps taken / being taken by the Government to increase foreign remittances of the country; and*
- (b) *the measures proposed to be adopted by the Government to decrease or balance the current account of Pakistan in future?*

**Mr. Muhammad Ishaq Dar:** (a) Following steps have been taken by Government to increase foreign remittances:—

- (i) Telegraphic Transfer (TT) Charges:

To enhance foreign remittances through banking system, Government of Pakistan (GoP) has introduced T.T. Charges Scheme under which GoP pays T.T. charges to commercial banks on account of remittances.

- (ii) Pakistan Remittance Initiative (PRI)

PRI a joint venture of Ministry of Finance, State Bank of Pakistan (SBP) and Ministry of Overseas Pakistanis was launched with the objective of facilitating, supporting, faster, cheaper, convenient and efficient flow of remittances. Under PRI:—

- The network of banks dealing in home remittances has expanded from 5 to 22 commercial banks.
- The banks in Pakistan are being encouraged to enhance their outreach worldwide through new remittance - specific related arrangements including focus on Bilateral Arrangements and Global Money Transfer Operator (MTOs) like Western Union and Money Gram.
- The Commercial Banks are marketing their remittance products through TV, radio and print media in Pakistan and overseas.
- New Home Remittance Products like, (i) Automated delivery into beneficiary bank accounts (within 24 hours), (ii) Instant Cash-Over Counter (COC) Payments from banks, (iii) Instant Account Credit Facility for remitters through various banks in Pakistan and (iv) Online settlement through RTGS platform for Home Remittance payments have been introduced.

(b) Since FY05 Pakistan's current account remained in deficit; however on average current account deficit of 3.0 percent (during FY05 to FY13) of GDP is rather small in comparison with other emerging and developing economies. Although the external current account deficit was relatively small in recent years compared to its historical trends, the capital and financial inflows were inadequate even to accommodate this small deficit. Similarly, planned official inflows such as Coalition Support Fund and proceeds from the auction of 3G licenses, external borrowings of the government were also falling short of their planned levels while the inflow of foreign investments also remained insufficient.

The Government has already taken certain measures such as; curtailment of fiscal deficit to slowdown growth in domestic demand, addressing energy sector issues, and timely realization of planned external official inflows, improving law and order conditions etc. However, it may be noted that for a sustainable solution export diversification is a must—both in terms of markets and products. Currently, our exports are largely based on cotton products which needs to diversified to new and more value added products. Similarly only US and Euro zone absorbs major chunk of our exports and any adverse shock in these economies can negatively affect our exports. Focus on emerging market economies would be more helpful in increasing exports and minimizing concentration risk.

Moreover, allowing forces of demand and supply to determine exchange rate helps in overcoming imbalances in external account.

75. **\*Mr. Saleem H. Mandviwalla:** (Notice received on 19-11-2013 at 02:20 pm)

*Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state:*

- (a) the steps taken / being taken by the Government to control devaluation of Pakistani currency; and*
- (b) the measures adopted / being adopted by the Government to hedge the foreign exchange risk?*

**Mr. Muhammad Ishaq Dar:** (a) In the budget for FY14, the government has planned substantial official foreign exchange inflows including 3G license fee, PTCL privatization proceeds, and loans from multilateral and bilateral sources. The timely and full realization of planned official financial inflows will help the buildup of foreign exchange reserves and in turn the stability in exchange rate. IMF program has already been started. First tranche of \$ 544 million has already been received. The program will not only result in buildup of foreign exchange reserves directly but will also facilitate in revival of other financial inflows from other financial institutions like World Bank, ADB etc.

(b) Complete hedging or full coverage of a country's external debt, by maintaining equivalent amount of foreign exchange reserves, is not desirable and against the purpose of raising external debt and liabilities, especially for developing countries like Pakistan. It is, therefore, observed that for almost all the developing countries external debt and liabilities are significantly greater than their level of foreign exchange reserves. underlying idea of raising external debt is to generate long-term external financing and use it for the development of a country and then repay these external liabilities over a period of time with enhanced debt repayment capacity. In order to mitigate the foreign exchange risk, it is, however, essential to ensure overall macroeconomic stability. Particularly it is imperative that external account deficits are managed within their sustainable levels for the country and steady non-debt creating inflows, especially foreign direct investment, are ensured. Both of these together generally help in keeping foreign exchange reserves of a country at adequate levels. Maintaining adequate level and composition of foreign exchange reserves are among the key factors that help in minimizing foreign exchange risk for a government. Changes in foreign exchange reserves position of a country mainly depend upon developments in the overall balance of payment position. The inflow of foreign exchange mainly comes from exports, workers remittances, foreign loans, foreign investments, etc., while outflow largely reflects import payments, debt payments, etc. Prime objective of SBP,s reserve and exchange rate management is to build its foreign exchange reserves and optimize the return thereon to minimize cost of holding such reserves. Over the past few years, SBP has shifted commodity import payments, that SBP used to do for selected commodities including oil, to the market so that the central bank's foreign exchange reserves can be preserved and used for repayment of external debt and liabilities of the country. further to minimize the risk emanating from changes in the value of US\$ against other currencies, SBP manages currency composition of its reserves broadly with Pakistan's overall trade and external debt and liabilities mix.

76. **\*Mr. Abdul Nabi Bangash:** (Notice received on 19-11-2013 at 02:20 pm)

*Will the Minister for Planning and Development be pleased to state:*

- (a) the details of projects presently being funded by the Planning Commission of Pakistan with Province-wise break-up;*
- (b) the details of the said projects for which Rs.245 billion are being funded by the Commission;*
- (c) the details of utilization of Rs.20 billion by the Commission on Laptop scheme; and*
- (d) the criteria laid down for distribution of the said Laptops?*

**Mr. Ashan Iqbal:** (a) The Federal PSDP 2013-14 at a size of Rs 540 billion was approved by the National Economic Council on 10th June, 2013 and passed by the Parliament alongwith Finance Bill 2013-14. A copy of the PSDP 2013-14 was provided to the Members of Parliament at the time of discussions on the budget 2013-14. PSDP 2013-14 is also available on the website of Planning Commission *i.e.* [www.pc.gov.pk](http://www.pc.gov.pk). Government is following Medium Term Budgetary Framework under which Indicative Budget Ceilings are communicated to the Ministries/Divisions by the Finance Division. Against these ceilings, the Ministries/Divisions make recommendations for project-wise funds allocation as per national priorities.

During 2013-14, 1129 projects located all over the country are being financed.

(b) As mentioned above, the size of PSDP 2013-14 is Rs 540 billion including block allocation of Rs 115 billion for undertaking new development initiatives. So Rs 425 billion stands allocated to 1129 projects including block allocations for AJ&K, FATA & Gilgit-Baltistan.

(c) Considering the importance of knowledge utilization on equity basis, it was envisaged earlier to provide laptops to talented students of ICT, FATA, AJK & GB. Accordingly, an allocation of Rs. 300 million was reflected in the PSDP 2013-14 for this purpose. However, demands were also made for the laptops from the provinces, therefore, the concept of the scheme is being converted from a federal scheme to a national scheme. The Finance Division has provided a window of Rs. 25 billion in the budget for such initiatives as a development grant outside PSDP 2013-14. This amount will help finance the subject scheme.

(d) Criteria of strict merit will be followed in transparent manner in distribution. Project is in process of approval and once the project is approved by ECNEC, details of approved criteria will be available.

77. **\*Col. (R) Syed Tahir Hussain Mashhadi:** (Notice received on 20-11-2013 at 09:30 am)

*Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state whether it is a fact that income remittances by the employees of the Ministry of Foreign Affairs posted in Pakistan Missions abroad are exempted from tax, if so, the reasons thereof?*

**Mr. Muhammad Ishaq Dar:** i. There is no provision in the Income Tax Ordinance, 2001 that specifically exempts income remittances by, the employees of the Ministry of Foreign Affairs posted in Pakistan Missions abroad.

ii. Any salary paid by or on behalf of Federal Government, wherever the employment is exercised, is considered Pakistan Source Income and taxed accordingly, as provided in sub-section (1) of section 101 of Income Tax Ordinance, 2001. However clause (5) of Part-I of Second Schedule to Income Tax Ordinance, 2001 grants exemption to any allowance or perquisite paid outside Pakistan by the government to a Citizen. of Pakistan for rendering service outside Pakistan.

78. **\*Mr. Muhammad Mohsin Khan Leghari :** (Notice received on 21-11-2013 at 09:30 am)

*Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state:*

- (a) *whether it is a fact that the Privatization Division has deposited an amount of Rs.500 million in an unscheduled Bank;*
- (b) *whether it is also a fact that the said amount has been deposited in violation of the rules of State Bank of Pakistan and investment rules of the Privatization Commission; and*
- (c) *the names and designations of the persons found responsible for the said irregularity and the action taken against them?*

**Mr. Muhammad Ishaq Dar:** (a) Yes. Privatisation Commission deposited an amount of Rs.500 million in Trust Investment Bank Limited (TIBL), an unscheduled bank in May/ June 2010.

(b) Placement of Rs.500 million with TIBL was in violation of the PC Ordinance, 2000 and Finance Division instructions contained in Memorandum No. F. 4(1)/2002-BR.II dated 2nd July, 2003 updated from time to time.

(c) I. The names and designations of the persons found responsible are:—

1. Senator Wagar Ahmed Khan, *Ex-Minister Privatisation*
2. Dr. Kausar Ali Zaidi, *Ex-Director to Minister for Privatisation*

3. Mr. Shahab Khawaja, *Ex-Secretary*, Privatisation
4. Mr. Asif Kamal, Chairman, TIBL
5. Mr. Humayun Nabi Jan, President, TIBL

II. The following actions have been taken against the above:—

- a. Privatisation Commission has filed an application on 8th August 2012 with FIA for registration of FIR against the President, Chairman and Senior Management of TIBL. The FIA, after inquiry and investigation in the matter, lodged an FIR on 21st November 2012 against the aforesaid persons of TIBL.
- b. The names of TIBL management were put on the ECL by Ministry of Interior on the request of Privatisation Commission dated 8th August 2012.
- c. The Honorable Supreme Court has also taken “*suo motto*” notice of the matter and progress report is being submitted by FIA and Privatisation Commission.
- d. The case was referred to NAB by Privatisation Commission.
- e. Suit for recovery for the outstanding amount has been filed against the above mentioned persons in Islamabad High Court (IHC).
- f. Criminal complaint has also been launched against the above mentioned personnel in IHC.

79. **\*Mr. Muhammad Talha Mehmood:** (Notice received on 22-11-2013 at 09:10 am)

*Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state the details of complaints received against the persons working in customs collectorate, Karachi, during the last five years and the action taken against them?*

**Mr. Muhammad Ishaq Dar:** The year-wise number of complaints received against persons have been working in the Model Customs Collectorate, Karachi during the last five years is as under:—

| <i>S.#</i> | <i>Year</i> | <i>Consolidated No. of complaints</i> |
|------------|-------------|---------------------------------------|
| 1.         | 2009        | 06                                    |
| 2.         | 2010        | 04                                    |
| 3.         | 2011        | 07                                    |
| 4.         | 2012        | 02                                    |
| 5.         | 2013        | 18                                    |

The detail are attached *vide* Annexures as under:—

1. FBR (Hqrs.), Islamabad (**Annex-I**).

2. Model Customs Collectorate (Preventive), Karachi (**Annex-II**).
3. Model Customs Collectorate (Exports) and Model Customs Collectorate Exports, Port Muhammad Bin Qasim, Karachi (**Annex-III**).
4. Model Customs Collectorate, Port Muhammad Bin Qasim, Karachi (**Annex-IV**).
5. Model Customs Collectorate Appraisalment (West), Karachi (**Annex-V**).
6. Model Customs Collectorate Appraisalment (East), Karachi (**Annex-VI**).

*(Annexures have been placed on the Table of the House as well as Library.)*

80. **\*Mr. Abdul Haseeb Khan:** (Notice received on 22-11-2013 at 04:00 pm)

*Will the Minister for Industries and Production be pleased to state:*

- (a) the number of large, medium and small industrial units in private sector in the country with district-wise breakup; and*
- (b) the number of industrial units in public sector in the country?*

**Mr. Ghulam Murtaza Khan Jatio:** The information is being collected from all the Provincial Governments and reply will be given on next Rota Day.

81. **\*Mr. Abdul Haseeb Khan:** (Notice received on 25-11-2013 at 04:00 pm)

*Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state the amount of taxes collected from traders having annual turnover upto Rs. 2 million, more than Rs. 2 million and industries, separately, during 2010-11, 2011-12 and 2012-13?*

**Mr. Muhammad Ishaq Dar:** The summary of the taxes collected from traders and industries having annual turnover upto Rs. 2.0 million and more than Rs. 2.0 million during the financial years 2010-11, 2011-12 and 2012-13 is as follows:

| Financial Year 2010-11 (Tax Year 2011): | Rs. in million |           |     |       |
|---|----------------|-----------|-----|-------|
|   | Income tax     | Sales tax | Fed | Total |
| Traders                                 |                |           |     |       |
| Taxes paid by traders                   | 811            | 78        | 12  | 901   |

having turnover upto  
2.00 million.

|  |        |       |    |        |
|--|--------|-------|----|--------|
| Taxes paid by traders<br>having ,turnover more<br>than 2.00 million. | 14,722 | 2,350 | 25 | 17,097 |
|--|--------|-------|----|--------|

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| Traders | Income tax | Sales tax | Fed | Total |
|---------|------------|-----------|-----|-------|
|---------|------------|-----------|-----|-------|

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**Industries**

|  |     |    |    |     |
|--|-----|----|----|-----|
| Taxes paid by Industries having<br>turnover upto 2.00 million. | 261 | 41 | 10 | 312 |
|--|-----|----|----|-----|

|   |         |         |        |         |
|---|---------|---------|--------|---------|
| Taxes paid by Industries having<br>turnover more than 2.00 million. | 150,322 | 244,460 | 92,832 | 487,614 |
|---|---------|---------|--------|---------|

**Financial Year 2011-12 (Tax Year 2012):**

**Rs. in Million**

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| Traders | Income tax | Sales tax | Fed | Total |
|---------|------------|-----------|-----|-------|
|---------|------------|-----------|-----|-------|

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|  |     |     |   |     |
|--|-----|-----|---|-----|
| Taxes paid by traders<br>having turnover upto<br>2.00 million. | 406 | 103 | 2 | 511 |
|--|-----|-----|---|-----|

|   |        |       |   |        |
|---|--------|-------|---|--------|
| Taxes paid by traders<br>having turnover more<br>than 2.00 million. | 16,650 | 2,958 | 6 | 19,614 |
|---|--------|-------|---|--------|

**Industries**

|  |     |    |   |     |
|--|-----|----|---|-----|
| Taxes paid by Industries having<br>turnover upto 2.00 million. | 408 | 93 | 7 | 508 |
|--|-----|----|---|-----|

|   |         |         |        |         |
|---|---------|---------|--------|---------|
| Taxes paid by Industries having<br>turnover more than 2.00 million. | 165,625 | 279,843 | 87,367 | 532,835 |
|---|---------|---------|--------|---------|

**Financial Year 2012-13 (Tax Year 2013):**

Complete data of the tax payments made by traders and industries during the F.Y. 2012-13 (*i.e.* T.Y. 2013) is not available as yet because returns of income for T.Y. 2013 have yet not been filed by all the taxpayers. Last date of filing of income tax returns is 15.12.2013, after which the complete data of tax payments would be available.

82. **\*Mr. Muhammad Talha Mehmood:** (Notice received on 25-11-2013 at 09:15 am)

*Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state the details of complaints received against the persons working in Customs Collectorate, Peshawar during the last five years and the action taken against them?*

**Mr. Muhammad Ishaq Dar:** The year-wise number of complaints received against persons have been working in the Model Customs Collectorate, Peshawar during the last five years is as under:

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| S.# | Year | No. of complaints |
|-----|------|-------------------|
| 1.  | 2009 | Nil               |
| 2.  | 2010 | 01                |
| 3.  | 2011 | 06                |
| 4.  | 2012 | 04                |
| 5.  | 2013 | 07                |

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The detail is at **Annex-I & II.**



83. **\*Mr. Abdul Haseeb Khan:** (Notice received on 25-11-2013 at 09:30 am)

*Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state:*

- (a) the target of Tax / GDP ratio to be achieved by 2018;*
- (b) whether there is any proposal under consideration of the Government to revise the said target, if so, its details; and*
- (c) whether there is any proposal under consideration of the Government to bring all types of income, irrespective of its sources, in the tax net, if so, when?*

**Mr. Muhammad Ishaq Dar:** (a) Tax GDP ratio is expected to reach at around 15% by 2018.

(b) Under the prevailing economic conditions there is no proposal of the Government to revise the said target.

(c) Mid to long term strategy of the government is to bring all sources of income under the tax net.

84. **\*Col (R) Syed Tahir Hussain Mashhadi:** (Notice received on 25-11-2013 at 11:15 am)

*Will the Minister for Industries and Production be pleased to state the ratio / percentage of subsidy given on various commodities by the Utility Stores in the country during 2010-11 and the present ratio/ subsidy?*

**Mr. Ghulam Murtaza Khan Jatoi:**

1. RAMZAN RELIEF PACKAGE 2010-2011

a. The Government approved Ramzan Relief Package 2010 for an amount of Rs.2 Billion. Under this package the following commodities were sold on subsidized rates as indicated against each:—

(b) In addition to Ramzan Relief package 2010 sugar was sold on subsidized rates during the year 2010-2011. The amount of subsidy per kg is as under:—

2. **RAMZAN RELIEF PACKAGE 2013:** The ECC of the Cabinet in its meeting held on 27th June 2013 approved Ramzan Packate 2013. Under Ramzan Relief Package 2013 the following commodities were sold on subsidized prices. The subsidy available on each items and ratio/ percentage is as under:—

3. Subsidy on the sales of Sugar during financial year 2013-14 is as under:—

85. **\*Mrs. Khalida Parveen:** (Notice received on 25-11-2013 at 02:55 pm)

*Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to refer to Senate un-starred Question No. 6, replied on 1st November, 2013 and state whether the Government has some ways and means, other than the distribution from Divisible Pool and Straight Transfers under the NFC Award, to ensure social and economic well being of the people at grass roots level across the board, if so, the details thereof?*

**Mr. Muhammad Ishaq Dar:** Unstarred senate question (No.6) was in the context of Article-38. (Annex-I). Therefore, it is further clarified that Chapter-II of the Constitution of the Islamic Republic of Pakistan 1973 provides for Principles of Policy (Articles 29 to 40) as broad policy parameters. Among these, Article 38 relates to promotion of social and economic well-being of people (Annex-II).

Implementation of Principles of Policy is an overall responsibility of all the Federal and Provincial Governments as per specific distribution of duties. As a reporting mechanism is a tangible means to weigh performance/ activities of government departments, the Federal Government prepares an annual report on observance of Principles of Policy for laying before the Parliament. Preparing and publication of such report is responsibility of the Cabinet Division under the Rules of Business, 1973.

**Annexure-I**

GOVERNMENT OF PAKISTAN

**FINANCE DIVISION**

(NFC Secretariat)

SUBJECT: UNSTARRED SENATE QUESTION No. 6

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| QUESTION | ANSWER |
|----------|--------|
|----------|--------|

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**Releases of Divisible Pool Taxes & Straight Transfers to Province  
(Financial year -2010-11)**

Rs. in billion

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| Total | Punjab | Sindh | Khyber<br>Pakhtunkhwa | Balochistan |
|-------|--------|-------|-----------------------|-------------|
|-------|--------|-------|-----------------------|-------------|

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|                      |                |                |                |                |               |
|----------------------|----------------|----------------|----------------|----------------|---------------|
| Divisible Pool Taxes | 807.080        | 417.580        | 198.130        | 118.010        | 73.360        |
| Straight Transfers   | 155.000        | 38.659         | 75.837         | 24.033         | 16.290        |
| <b>Grand Total</b>   | <b>962.080</b> | <b>456.239</b> | <b>273.967</b> | <b>142.043</b> | <b>89.650</b> |

### Financial year -2011-12

Rs. in billion

|                      | Total           | Punjab         | Sindh          | Khyber<br>Pakhtunkhwa | Balochistan    |
|----------------------|-----------------|----------------|----------------|-----------------------|----------------|
| Divisible Pool Taxes | 1014.530        | 524.920        | 249.070        | 148.320               | 92.220         |
| Straight Transfers   | 119.516         | 30.678         | 53.365         | 23.622                | 12.965         |
| <b>Grand Total</b>   | <b>1134.046</b> | <b>555.598</b> | <b>302.435</b> | <b>171.942</b>        | <b>105.185</b> |

### Financial year -2012-13

Rs. in billion

|                      | Total           | Punjab         | Sindh          | Khyber<br>Pakhtunkhwa | Balochistan    |
|----------------------|-----------------|----------------|----------------|-----------------------|----------------|
| Divisible Pool Taxes | 1048.860        | 542.680        | 257.490        | 153.340               | 95.340         |
| Straight Transfers   | 98.863          | 9.378          | 54.131         | 23.305                | 16.905         |
| <b>Grand Total</b>   | <b>1147.723</b> | <b>552.058</b> | <b>311.621</b> | <b>176.645</b>        | <b>112.245</b> |

### 1st quarter of Financial Year 2013-14

Rs. in billion

|                      | Total          | Punjab         | Sindh         | Khyber<br>Pakhtunkhwa | Balochistan   |
|----------------------|----------------|----------------|---------------|-----------------------|---------------|
| Divisible Pool Taxes | 242.270        | 118.060        | 56.020        | 37.370                | 30.820        |
| Straight Transfers   | 52.145         | 2.602          | 29.448        | 9.133                 | 10.961        |
| <b>Grand Total</b>   | <b>294.415</b> | <b>120.662</b> | <b>85.468</b> | <b>46.503</b>         | <b>41.781</b> |

## Annexure-II

### Article-38 of the Constitution of Islamic Republic of Pakistan

#### 38. Promotion of social and economic well-being of the people. The State shall—

- (a) secure the well-being of the people, irrespective of sex, caste, creed or race, by raising their standard of living, by preventing the concentration of wealth and means of production and distribution in the hands of a few to the detriment of general interest and by ensuring equitable adjustment of rights between employers and employees, and landlords and tenants;

- (b) provide for all citizens, within the available resources of the country, facilities for work and adequate livelihood with reasonable rest and leisure;
- (c) provide for all persons employed in the service of Pakistan or otherwise, social security by compulsory social insurance or other means;
- (d) provide basic necessities of life, such as food, clothing, housing , education and medical relief, for all such citizens, irrespective of sex caste, creed or race, as are permanently or temporarily unable to earn their livelihood on account of infirmity, sickness or unemployment;
- (e) reduce disparity in the income and earnings of individuals, including persons in the various classes of the service of Pakistan;
- (f) eliminate riba as early as possible.
- [(g) ensure that the shares of the Provinces in all Federal services, including autonomous bodies and corporations established by, or under the control of, the Federal Government, shall be secured and any omission in the allocation of the shares of the Provinces in the past shall be rectified.]

86. **\*Mrs. Khalida Parveen:** (Notice received on 25-11-2013 at 02:55 pm)

*Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state the mechanism devised by the Government for promotion of educational and economic interests of backward classes and areas of the country during the last five years in pursuance of Article 37 of the Constitution of the Islamic Republic of Pakistan?*

Reply not received.

87. **\*Mr. Muhammad Talha Mehmood:** (Notice received on 26-11-2013 at 09:00 am)

*Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state:*

- (a) *the amount collected as customs duty by the Customs Collectorate, Peshawar, during the last five years; and*
- (b) *the names of major items on which the said duty was charged?*

**Mr. Muhammad Ishaq Dar:** (a) The amount collected as customs duty. by MCC, Peshawar during the last five years is as under:—

(Rs. in Million)

---

| Year    | Customs duty collected |
|---------|------------------------|
| 2008-09 | 2,110                  |
| 2009-10 | 2,704                  |
| 2010-11 | 3,607                  |
| 2011-12 | 4,237                  |
| 2012-13 | 7,244                  |

(b) The names of major items, on which the said duty was charged during the last five years, are as under:

|                                      |   |             |
|--------------------------------------|---|-------------|
| other products of Paper &            | Uncoated Kraft paper , and<br>Paper Board | Acrylic tow |
| Arms & ammunition                    | Polythylene                               |             |
| Black & Green Tea                    | Polyester blankets                        |             |
| Fabrics                              | RBD Palm Oil                              |             |
| Filaments                            | RBD Palm olein                            |             |
| Footwear                             | Refined glycerin                          |             |
| Fresh fruits                         | Shoes                                     |             |
| Garments and other cloth accessories | Stearic acid                              |             |
| Cepharaine larginine                 | Tin plate                                 |             |
| Leather goods                        | Vehicles                                  |             |
| Waste scraps/steel sheets            | Viscose staple fibre                      |             |
| Pharmaceuticals                      |   |             |

ISLAMABAD :  
*The 16th December, 2013.*

AMJED PERVEZ,  
*Secretary.*

**SENATE SECRETARIAT**

**“UNSTARRED QUESTIONS AND THEIR REPLIES”**

**For Tuesday, the 17th December, 2013**

5. **Mrs. Khalida Parveen:** (Notice received on 25-11-2013 at 02:25 pm)

*Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state the amount incurred by the Federal Government on various development projects in Lahore, Karachi, Peshawar and Quetta during the last three years?*

**Mr. Muhammad Ishaq Dar:** Expenditure incurred by Federal Government on various project is as follow's.

(Rs. Million)

| Description        | July 2010 to<br>June 2011 | July 2011 to<br>June 2012 | July 2012 to<br>June 2013 | Grand Total        |
|--------------------|---------------------------|---------------------------|---------------------------|--------------------|
| Karachi            | 22,052.176                | 27,773.997                | 27,418.714                | 77,244.888         |
| Lahore             | 22,973.779                | 30,113.056                | 34,215.921                | 87,302.756         |
| Peshawar           | 11,241.536                | 8,475.092                 | 9,288.536                 | 29,005.164         |
| Quetta             | 6,729.157                 | 7,875.237                 | 6,655.927                 | 21,260.322         |
| <b>Grand Total</b> | <b>62,996,648</b>         | <b>74,237,382</b>         | <b>77,579,099</b>         | <b>214,813,129</b> |

6. **Mrs. Khalida Parveen:** (Notice received on 25-11-2013 at 02:25 pm)

*Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to refer the Senate un-starred Question No. 8, replied on 1st November, 2013 and state the details of revenue/ taxes collected by the Federal Government since the announcement of NFC Award 2009 with division-wise breakup?*

**Mr. Muhammad Ishaq Dar:** The amount collected under the heads of various taxes and duties since announcement of NFC Award 2009 is as under:—

FBR does not maintain division-wise tax collection due to jurisdiction issues.

(Rs Million)

| Years   | Direct Taxes | Customs | FED     | Sales Tax | Total     |
|---------|--------------|---------|---------|-----------|-----------|
| 2008-09 | 443,548      | 148,403 | 117,455 | 451,744   | 1,161,150 |
| 2009-10 | 525,977      | 160,273 | 124,784 | 516,348   | 1,327,382 |
| 2010-11 | 602,451      | 184,853 | 137,353 | 633,357   | 1,558,014 |
| 2011-12 | 738,424      | 216,906 | 122,464 | 804,899   | 1,882,693 |
| 2012-13 | 743,409      | 239,459 | 120,964 | 842,528   | 1,946,360 |

ISLAMABAD :  
*The 16th December, 2013.*

AMJED PERVEZ,  
*Secretary.*