

SENATE SECRETARIAT

“QUESTIONS FOR ORAL ANSWERS AND THEIR REPLIES”

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

Tuesday, the 11th June, 2024

***Question No. 1 Senator Kamran Murtaza:**

(Notice Received on 27/05/2024 at 11:23 AM) QID: 41963

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

- (a) the number of employees presently working in the Utility Stores Corporation of Pakistan on regular, contract and daily wages basis indicating also the expenditure incurred on their salary/allowances during the last five years with year wise break up;*
- (b) whether it is a fact that the said employees have not been granted 25% disparity allowance in the year 2021, 15% ad-hoc relief in 2022 and 35% ad-hoc relief in 2023 as announced in the annual budgets for Government employees, if so, the reasons thereof; and*
- (c) whether the Board of Directors of the said Corporation has deliberated the matter of granting the said allowances/ad-hoc reliefs to its employees, if so, the details thereof indicating also the time by which the same will be granted to them?*

Rana Tanveer Hussain: (a) The number of employees presently working in USC are as under:-

a.	Regular	--	5417
b.	Contract	--	3438
c.	Daily Wager	--	2984
d.	Total:	--	11839

Expenditure incurred on salary/allowances of USC employees during last five years, year-wise break up appended below:-

a.	2019	--	5,870 Million
b.	2020	--	5,947 Million
c.	2021	--	6,869 Million
d.	2022	--	7,894 Million
e.	2023	--	10,165 Million

(b) The fact that Utility Stores Corporation pay salaries and allowances from its own resources without any budgetary support from Federal Government.

Further award of any allowance depends upon it's financial health and it's sustainability to continue such allowances in future.

The said employees have not been granted 25% disparity allowance in the years 2021, 15% *ad-hoc* relief in 2022 and 35% *ad-hoc* relief in 2023 as announced in the annual budget for Government employees due to the reason that :-

(a) The case for 25% disparity allowance and 15% *ad-hoc* allowance was placed before Human Resource & Nomination Committee of USC Board of Directors in its 32nd meeting held on 1st February, 2023, the committee recommended as under:-

- i. The Committee found no strong argument to revisiting decisions of Board and Human Resource & Nomination Committee referred above and recommended that Board may direct the management to bring up performance-based incentives policy for all employees of all grades of regular, contractual or market-based employees.
- ii. The Committee directed the management to present a viable plan to make the Organization self-sustainable in case the Government discontinued the provision of subsidy and present the same for consideration of the Board of Directors.
- iii. The case for 25% disparity allowance and 15% *Ad-hoc* allowance was discussed in USC Board in its 178th meeting

held on 5-7-2023. The Board of Directors took note of the working papers. It was informed that subject matter was discussed many time during the Board Committee meetings, however, the same was not approved since the Disparity Reduction allowance was not permissible except Civil Servants and USC employees are not Civil Servant.

- iv. The case for *Ad-hoc* Relief Allowance (35% for BPS-1 to BPS-16 and 30% for BPS 17-22 employees) was placed before the USC BOD Business Development & Finance Committee meeting held on 9th October, 2023 and the committee recommended as under:

“The Committee recommended in principle for approval of the Board of Directors for allocation of the Budget for *ad-hoc* relief allowance (35% for BPS-1 to BPS-16 and 30% for BPS-17 to 22 employees on the basic pay as on 30th June 2023) in salary *w.e.f.* 1st July 2023, subject to availability of cash and profitability of the company”).

However, USC Board of Directors in its meeting dated 26th October, 2023 resolve as under:-

“The Board of Directors directed that issues raised during 3rd Business Development & Finance Committee held on 9th October 2023 may be discussed by the relevant Board Committee”.

(c) The fact that Utility Stores Corporation pay salaries and allowances from its own resources without any budgetary support from Federal Government. Further award of any allowance depends upon it's financial health and it's sustainability to continue such allowances in future.

The said employees have not been granted 25% disparity allowance in the years 2021, 15% *ad-hoc* relief in 2022 and 35% *ad-hoc* relief in 2023 as announced in the annual budget for Government employees due to the reason that:-

- (a) The case for 25% disparity allowance and 15% *ad-hoc* allowance was placed before Human Resource & Nomination

Committee of USC Board of Directors in its 32nd meeting held on 1st February, 2023, the committee recommended as under:-

- i. The Committee found no strong argument to revisiting decisions of Board and Human Resource & Nomination Committee referred above and recommended that Board may direct the management to bring up performance-based incentives policy for all employees of all grades of regular, contractual or market-based employees.
- ii. The Committee directed the management to present a viable plan to make the Organization self-sustainable in case the Government discontinued the provision of subsidy and present the same for consideration of the Board of Directors.
- iii. The case for 25% disparity allowance and 15% *Ad-hoc* allowance was discussed in USC Board in its 178th meeting held on 5-7-2023. The Board of Directors took note of the working papers. It was informed that subject matter was discussed many time during the Board Committee meetings, however, the same was not approved since the Disparity Reduction allowance was not permissible except Civil Servants and USC employees are not Civil Servant.
- iv. The case for *Ad-hoc* Relief Allowance (35% for BPS-1 to BPS-16 and 30% for BPS 17-22 employees) was placed before the USC BOD Business Development & Finance Committee meeting held on 9th October, 2023 and the committee recommended as under:

“The Committee recommended in principle for approval of the Board of Directors for allocation of the Budget for *ad-hoc* relief allowance (35% for BPS-1 to BPS-16 and 30% for BPS-17 to 22 employees on the basic pay as on 30th June 2023) in salary *w.e.f.* July 2023, subject to availability of cash and profitability of the company”). However, USC Board of Directors in its meeting dated 26th October, 2023 resolve as under:-

“The Board of Directors directed that issues raised during 3rd Business Development & Finance Committee held on 9th October 2023 may be discussed by the relevant Board Committee”.

***Question No. 2 Senator Mohsin Aziz:**

(Notice Received on 27/05/2024 at 12:24 PM) QID: 42093

Will the Minister for Commerce be pleased to state:

- (a) *the volume of exports of the country since 2017-18 with year wise break up; and*
- (b) *whether it is a fact that there is stagnation in the country's exports, if so, the reasons thereof indicating also the steps being taken by the Government to increase the exports?*

Mr. Jam Kamal Khan: (a) Year wise Export of the country since 2017-2018 are as follow:

Pakistan- USD Million		
Years	Exports	% Change
2017-18	23,212	
2018-19	22,958	-1.09%
2019-20	21,394	-6.81%
2020-21	25,304	18.28%
2021-22	31,782	25.60%
2022-23	27,724	-12.77%
CAGR (Compound Annual Growth Rate) 2017-18 to 2022-23	3.0%	

Source: PBS

(b) The growth of Pakistan's exports as shown in above table, declined in 2018-19 and 2019-20 as compared to the previous year. However, exports recovered strongly in 2020-21 and 2021-22 but shrunk again in 2022-23. According to reported figures up to 31 May 2024, exports in current financial year (2023-24) stand at \$28 billion, approx. The Compound Annual Growth Rate (**CAGR**) for 2017-18 to 2022-23 is positive at **3.0%**. Although the export growth rate during this period was not ideal, it cannot be considered as stagnant.

The growth rate of Pakistan's Exports picked up in 2020-21 and continued to increase in year 2021-22, and declined in 2022-23. The Compound Average Growth Rate of the recent three years is **6.7%**. The recent three years exports are overall been positive and the similar trend has been going on in the current fiscal year. It is worth mentioning that Pakistan's Exports crossed USD 25 Billion for the first time in 2020-21. A detailed graph showing Pakistan's 10-year export trajectory is also attached.

Reasons of Slow Growth of Pakistan's Exports in Previous Years:

There are various reasons for the slow growth of exports, some of which are listed below:

- i. Liquidity issues faced by industry (stuck up refund and in-adequate allocation of financing schemes).
- ii. Un-reliable and high cost of energy provision to industry.
- iii. Global demand contraction in Pakistan's exports destination.
- iv. High cost of financing due to high interest rate.
- v. Inflationary pressure.
- vi. Import rationing.
- vii. Non-availability of banking channels in certain destinations.
- viii. Global lockdown due to COVID.

Steps Taken to Address the Issues:

Ministry of Commerce is actively pursuing the resolution of the above-mentioned challenges with the relevant ministries and stakeholders. An Export Facilitation Committee (EFC) has been notified on the directives of the Prime Minister to immediately resolve the issues of the exporters for which two meetings have already being convened. The National Export Development Board (NEDB) has also been re-notified which will be chaired by the PM to steer a strategy on export enhancement.

Recent Achievements:

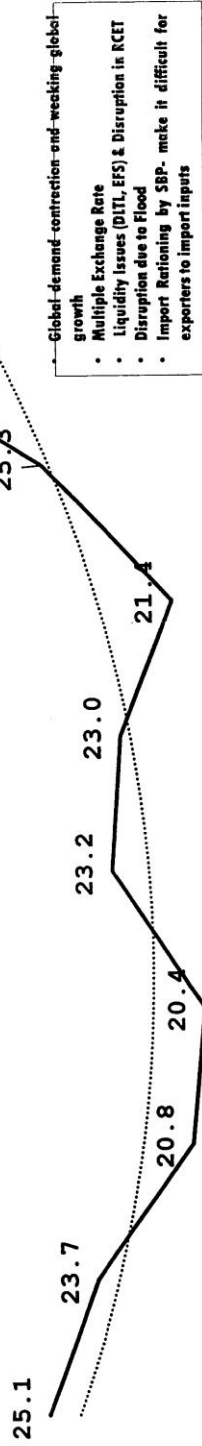
The Ministry of Commerce is also taking measures to promote and enhance market access for Pakistan's exports worldwide. Some of the recent developments are as follows:

- Preferential Trade Agreements (PTA) with Turkiye & Uzbekistan.
- Transit trade agreements with Uzbekistan & Tajikistan.
- Four-country exhibition held under the look Africa policy in Kenya, South Africa Nigeria & Egypt.
- New international exhibition held by Trade Development Authority of Pakistan (TDAP) in Pakistan (Engineering, Health care issues, food Ag. and expo for trade promotion.
- Certification for improved market access in China.

Pakistan Export Trajectory 2014-24

Exports in \$Billion

- Higher International Demand
- Realistic Exchange Rate
- Preparedness in Covid Pandemic
- Provision of RCET
- Financial Support-DITL-TERF-EFS-Duty Drawback & ST Refunds
- Market Access
- Import and Tariff Rationalization



- Global demand contraction and weakening global growth
- Multiple Exchange Rate
- Liquidity Issues (DITL, EFS) & Disruption in RCET
- Disruption due to Flood
- Import Rationing by SBP- make it difficult for exporters to import inputs

2013-14 2014-15 2015-16 2016-17 2017-18 2018-19 2019-20 2020-21 2021-22 2022-23 2023-24*

SOURCE: PRAL

***Question No. 3 Senator Mohsin Aziz:**

(Notice Received on 27/05/2024 at 12:24 PM) QID: 41992

*Will the Minister for Industries and Production be pleased to state:**(a) the accumulated losses of Pakistan Steel Mills (PSM) at present; and**(b) the number of persons employed in (PSM) at present?*

Rana Tanveer Hussain: (a) PSM is halted since June 2015. The Corporation operated at zero production capacity during 2022-23 due to which fixed cost cannot be absorbed. During the F.Y 2022-23, PSM again faced losses of Rs. 25,455 million. The accumulated losses up to the year ended June 30, 2023 stands at Rs. 224,631 million.

However, the accumulated losses for the last two financial years are as under:

DESCRIPTION	2023	2022
	Audited	Audited
REVENUE	(Amount in Million Rs.)	
Sales (Net)	27,709	3,999
Other Operating Income	2,940	31,491
Total Income	5,649	35,490
Operational Expenditures		
Cost of Sale	8,969	10,057
Distribution Cost	47	46
Administration Expenses	4,318	4,156
Other Operating Expenses.	2,204	1,475
Total Operating Expenditure	15,538	15,734
Gross Profit/Loss)	(6,260)	(6,058)
Finance Cost	17,569	14,681
TOTAL EXPENSES	33,107	30,415
Share of Profit from Associates	-	9
Profit/(Loss) before taxation	(27,458)	5,084
Taxation	2,003	2,065
Profit/(Loss) after taxation	(25,455)	7,149
Accumulated Losses	(224,631)	(206,068)

The Above figures have been taken from the latest audited accounts for the FY 2022-23.

(b) Presently, 3019 employees are working at PSM detail its **Annex-A**.

Annex-A

Description	Regular	Contract	Daily Wage	Total
Officers	167 PSM = 60 Edu/ Medical= 107	40	28	235
Workers	2133	112	539	2784
Grand Total	2300	152	567	3019

*Question No. 4 **Senator Mohsin Aziz:**

(Notice Received on 27/05/2024 at 12:25 PM) QID: 42032

Will the Minister for Finance and Revenue be pleased to state the number of present denominations of Coins and Rupee notes in circulation indicating also the reason of discontinuation of coins of 50 paisas?

Mr. Muhammad Aurangzeb: The details of regular rupee banknotes and coins in circulation are given as under:-

Rupee banknotes	Rs. 10, Rs.20, Rs.50, Rs.100, Rs.500, Rs.1000 and Rs.5000
Coins	Rs. 1, Rs.2, Rs.5 and Rs.10

The Federal Government *vide* amendments in the Pakistan Coinage Act,1906, inserted a new section 15AA on March 14, 2013 which stipulated that the SBP shall exchange coins of 1,2,3,10,25 and 50 paisas, already issued by the Federal Government. Thereafter, these coins shall cease to be legal tender. In pursuance to above provisions. SBP *vide* circular dated September 30, 2013, issued necessary instructions to banks for dis-continuation of issuance of decimal coins and exchange thereof.

Regarding reasons of dis-continuation of 50 paisas coin, it is informed that Banknotes and coins are primarily used to settle payments for goods and services. Central banks and governments introduce various denominations to facilitate these transactions. Issuing authorities adjust coin denominations based on economic conditions and inflation. When the metal value of coin exceeds its face value, it becomes impractical to

continue production. Therefore, the Government of Pakistan stopped issuing decimal coins and withdrew their legal tender status in 2013. India did the same in 2011. Japan in 1953, and South Korea in 1966.

Coins, as a form of money, function as a medium of exchange and a means to settle claims for transactions at pre-determined process ($\text{Quantity} \times \text{Price} = \text{Value of Claim}$). This implies that while coins are necessary for settling transaction value, they are not required for determining prices. Globally, it is a well-established principle that transaction value are rounded off and settled in the nearest complete unit, such as one rupee. Consequently, the determination of prices in fractions and decimals does not depend on the availability of decimal coins.

In essence, while coins are essential for the actual exchange and settlement of transaction values, their presence is not necessary for the calculation or setting of prices, which can still be expressed in fractions or decimals. The elimination of decimal coins in various countries reflects this principle, ensuring that transactions remain efficient and practical in the face of changing economic conditions and material costs.

***Question No. 5 Senator Dr. Zarqa Suharwardy Taimur:**
(Notice Received on 29/05/2024 at 3:19 PM) QID: 42100

Will the Minister for Science and Technology be pleased to state the details of quality standard tests conducted on locally manufactured edible Oil and Banspatti Ghee by Pakistan Standard and Quality Control Authority (PSQCA)?

Dr. Khalid Maqbool Siddiqui: 1. Pakistan Standards & Quality Control Authority (PSQCA), being a National Standards Body of Pakistan, as per section 14 of PSQCA Act-VI of 1996, is mandated to monitor the quality of 173 Products including 10 Edible oils and 01 Banaspati Ghee (**Annex-I**).

2. PSQCA has complete mechanism under Section 14 of Act-VI of 1996 and Pakistan Conformity Assessment Rule 2011 to check the quality of Edible Oil (blended and refined) & Banaspati Ghee products as per Pakistan Standards Specifications (PSS).

- The quality of locally manufactured Edible Oils and Banaspati Ghee in the country is regularly being checked and

monitored by PSQCA through biannual inspections of the manufacturing units and market surveillance from time to time as per requirements of relevant Standards Specifications. Almost complete tests are being conducted at PSQCA Laboratories Karachi and Lahore except Trans Fatty Acids in Banaspati Ghee, for which any public or private accredited testing laboratory is outsourced.

- List of Tests conducted for Edible Oil (blended and refined) & Banaspati Ghee are enclosed at **Annex-II**.

(Annexures have been placed in library and on the table of the mover / concerned member.)

ISLAMABAD,
the 10th June, 2024

SYED HASNAIN HAIDER,
Secretary.