

Analyses & Comments by BR Research

# CNG buses - not again

Pakistan's Ministry of Environment has arguably been the lowest profile ministry - but it has been in the mix of things, of late. The Executive Committee of the National Economic Council (ECNEC) has cleared the CNG buses project - worth Rs5 billion to bring on another 8000 new CNG buses in the urban centers of the country. The public-private partnership based project will be financed by the environmental ministry.

The funds would be provided by the government to subsidize the private investors as the Rs5 billion would be utilized to meet the interest component of the buses over the five years lease tenure.

Pakistan's energy woes are well reported and it is no secret that burning the all important fuel for the transportation sector is highly uncalculated for, in an energy deficient country.

The ongoing gas 'load management' reminds everyone of the acute gas shortage Pakistan faces - especially in the winters. To add to the agony, Pakistan's gas reserves do not show a promising picture either, as they are fast depleting and would cater for not more than 17 more years.

CNG consumption in the transport sector has been on a rapid rise, as its share in the consumption pie has gone up 6 percent from a mere 1 percent five years ago. As they say, someone's gain is another's loss - and the loser in this case is the power sector which has suffered a great deal as the expense of the CNG boom, as its consumption

share in the pie has dwindled from 39 percent five years back to a modest 33 percent.

The yesteryears' policy for allowing CNG as a transportation fuel was wrong - but two wrongs do not make a right, therefore shelving the CNG industry is certainly not the way out as it is the bread earner of some 36,000 people. Moreover, no country in the world has more CNG based vehicles and a massive amount of roughly \$2.5 billion has been invested in the sector so far.

But, reading through the ECNEC and Planning Commission's reports leaves one with a sour taste in the mouth - as both talk about encouraging the CNG sector. As if these 8,000 new buses weren't enough, the ECNEC talks about converting the diesel based buses to CNG as well. Imagine a cleaner and a greener Pakistan but at what cost?

It will probably be at the cost of industrial production or the power generation as the petroleum ministry has been asked to ensure a plan for uninterrupted gas supply throughout the year to the mega CNG bus project.

All of it could still be explainable had it been of any benefit to the end consumer. It should be recalled that the CNG was promoted to provide a cheaper alternative fuel for the masses besides the idea of reducing pollution. But the reality is that the CNG buses actually charge much higher fares from the passengers instead of providing them the benefit of the cheaper fuel used.

Being the largest bank within the 'in-fashion' Islamic subsector of the banking industry, Meezan managed to increase its deposit base by a quarter in first nine months of 2009 which is twice the conventional industry deposit growth.

Despite an impressive growth in the deposit base, the bank was not able to capitalize on it by converting the incremental liabilities to lucrative assets. The financing, on net basis, has declined by 6 percent, thus reducing the advance to deposit ratio by 14 percentage points to 42 percent. And to the like of industry, over Rs 7 billion (49%) increase in investments, placed the majority of Rs15 billion incremental deposits to earn some spreads.

Meezan requires to work hard on the conversion of deposits to lucrative financing as its ADR is quite low when compared to that of the overall Islamic banking segment's 66 percent (Mar'09). This is far lower than the current industry ADR ratio of 70 percent. On the positive side, Islamic banking and

## Pakistani students at crossroads



considerable decline in the number of visas granted to the Pakistani students. The Pakistani knowledge seekers rediscovered their love for the British educational institutions as the post 9/11 saw more locals going to UK than the US on student visas.

The UK is already considered an expensive place to live for the foreigners and the recent decision of restricting the foreign students to work part-time will be a huge blow for a vast number of students, as a vast

majority there works temporarily to make a living.

To overcome this issue, it is essential for both the local and international community to design strategies to present the youth with more opportunities for development, as it will help erase the wrong perception about western authorities that are supporting the war on terror.

In this regard, they can take the cue from a report published by the British council, titled "Pakistan: The next generation", which has highlighted the challenges faced by the youth and also accentuated the importance of education to combat the present set of challenges.

Primarily, foreign assistance is required in the form of foreign scholarships and work permit visas, not only from western countries but also from Middle Eastern countries. In this regard, Kerry Lugar bill, which has allocated a sizeable portion of funds for the educational expenditure will certainly have positive consequences on the youth - if executed efficiently.

Moreover, policies at home should address the issues of local students trapped in unregistered or low rating universities. A lot of such cases have been reported where the youth, frustrated with the poor domestic resources and lack of opportunities, spend their parents' life-long savings and get themselves registered with the even worse so called colleges abroad.

either as none of the CNG buses run on seat-to-seat basis, which raises questions on such high fares charged. The only ones who benefit are probably the private owners, who run vehicles which are heavily subsidized by the government.

## Meezan needs impetus in advances

| Item        | 2009  | 2008  | % Chg | 2009  | 2008  | % Chg |
|-------------|-------|-------|-------|-------|-------|-------|
| Assets      | 1,210 | 1,210 | 0%    | 1,210 | 1,210 | 0%    |
| Liabilities | 1,210 | 1,210 | 0%    | 1,210 | 1,210 | 0%    |
| Profit      | 1,210 | 1,210 | 0%    | 1,210 | 1,210 | 0%    |
| Loss        | 1,210 | 1,210 | 0%    | 1,210 | 1,210 | 0%    |

Meezan bank in particular, held a lower ratio of bad advances provision compared to the conventional banks.

Despite the falling ADR, spreads earned by the bank were enough to register a pre-provisioning core income increase of 52 percent during CY09. But the core revenues withered by the mounted toxic debts, as more than doubled provisioning reduced the growth to a mere 9 percent. However, the benefit of

forced sale value and a likely fall in bad debts growth during the last quarter (less than half provisioning in last quarter versus previous) is a good omen for the upcoming quarters.

In an effort to increase its branch network by over 15 percent to cross the 200 mark, the bank could not manage to match the cost cutting solutions of the conventional giants. However, by virtue of impairments booked last year, its bottom line boosted by 65 percent in 2009. Barring Rs362 million impairments on AFS securities, the net income

### Restoration of water, medical supplies AQ Khan files application

**RECORDED REPORT**  
LAHORE: Dr Abdul Qader Khan has filed an application before the Lahore High Court (LHC) challenging ban on water and medical supplies to him under the garb of court order.

The application was filed through counsel Barrister Syed Ali Zafar stating that the government once again stopped Dr Khan from going outside his residence even to visit his brother who was critically ill in the hospital.

The counsel said that not only Dr Khan's family members and friends were being stopped from visiting him but also the government restricted the supply of water to him and stopped his doctor and medical staff to visit him.

It was alleged that all this was being done under the garb of a recent interim order of the LHC in which the court had directed the federal government to give security to the scientist.

Barrister Zafar submitted that Dr Khan was facing a most serious breach of fundamental rights and that this could not be the intention of the LHC when passing recent orders.

The counsel prayed to the court to direct the government not to dictate the terms of security to his client in the meanwhile.



KARACHI: Prime Minister Yusuf Raza Gilani addressing during the induction ceremony of PNS Shaukat Khan on Monday. — AFP

### Repatriation of Dr Aafia LHC disposes of petition seeking directive to Centre

**RECORDED REPORT**  
LAHORE: The Lahore High Court (LHC) here Monday disposed of a petition seeking directions to the federal government to take steps for the repatriation of Dr Aafia Siddiqui after being convicted by an American court.

The court directed ministry of foreign affairs to have consultation with law ministry on suggestions of the petitioner and take steps, if viable, about her bringing back to Pakistan.

The court had already disposed of Barrister Iqbal Jaffree's different petitions seeking Siddiqui's repatriation by knocking the door of International Court of Justice (ICJ). Previously, the court had directed foreign ministry to collect evidence from Dr Aafia.

Jaffree had argued that American CIA had arrested Dr Aafia from Karachi in 2003 and her son was killed during her arrest. He said she was later shifted to America.

Barrister had also presented the copy of a judgement of South African constitutional court that had ordered American court to stop trial of African national.

He said the American court had not only followed the order of African court but had also ordered repatriation of African national to his home country. He said African court had passed the order to the same court, which is trying Dr Aafia on the charges of attacking American soldiers in Afghanistan.

Barrister Jaffree submitted that the court had earlier directed the government to take action for the release and repatriation of Dr Aafia, but it did not comply with court orders. He said the court had also asked the government to move ICJ for the release of Dr Aafia, but the government remained failed.

## Confrontation between institutions to be harmful: JI chief

**RECORDED REPORT**  
LAHORE: The Jamaat e Islami chief Syed Munawar Hasan said that confrontation between institutions would be harmful for the country and the PPP would be the major loser.

Addressing a press conference at Mansooria on Monday, he expressed the view that the government was heading towards a clash on the Supreme Court judgement on NRO, which it had not accepted so far.

The JI chief opposed dialogue with India unless the stopped state terrorism in Kashmir and accepted it a disputed territory.

He said that on one hand, the US was pressuring Islamabad to withdraw troops from the eastern border while on the other hand, India was suffering from war hysteria. He believed that India had a hard in the Karachi killings.

He was of the view that peace could not be established in Karachi as long as the PPP and MQM were ruling the

the government even failed to implement its agenda.

Stating that the rulers had not handled Dr Aafia Siddiqui's case properly. He stressed upon the government to direct the Pakistani ambassador in US to prevent the case afresh. The US jury decision in this case had exposed the American judicial system, he added. He urged the masses to unite for securing her release.

While in a press statement Jamaat e Islami chief Syed Munawar Hasan and secretary general Liaquat Baloch strongly condemned the attack at the election office of Awami Muslim League chief Sheikh Rashid Ahmed in Rawalpindi and said this was an attempt to sabotage the by-elections.

In a joint statement here, they expressed deep grief over the loss of life in the attack and injuries caused to the departed souls and for quick recovery of Sheikh Rashid Ahmed.

### Launch of Units of KASB Capital Protected Gold Fund Managed by KASB Funds Limited

KASB Funds Limited (Management Company of KASB Capital Protected Gold Fund) is pleased to announce that the Securities and Exchange Commission of Pakistan has approved the Offering Document of KASB Capital Protected Gold Fund ("KCPGF" or "the Fund"). In this regard, the Units of the Fund will be publically available from February 16, 2010. Thereafter, Units of the Fund will be offered to public till February 25, 2010.

The Offering Document of the Fund has been placed on the website of the Management Company (www.kasbfunds.com). The prospective investors of the Fund can visit the website to access the Offering Document for study and review. A hard copy of the Offering Document can also be obtained by a written application to the Management Company (Office address: 11<sup>th</sup> Floor, Trade Centre, I.I. Chundrigar Road, Karachi- 74200 (UAN-021-111-535-535)).

**Disclaimer: The investors are advised in their own interest to carefully read the contents of the Offering Document in particular the Risk Factors mentioned in Clause 2.9, Disclaimer in Clause 2.9.2 and Warnings in Clause 9 before making any investment decision.**

Mirza Mahmood ul Hasan  
Company Secretary  
February 8, 2010 - Karachi

**KASB FUNDS**  
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## US gives \$200,000 as donation to LABARD

**RECORDED REPORT**  
LAHORE: The US Ambassador Anne W. Patterson on Monday handed over a cheque of \$200,000 to Muhammad Pervez Malik, President of the Lahore Businessmen Association for Rehabilitation of Disabled (LABARD) as a donation.

US Political Counselor Bryan D Hunt, LABARD Senior Vice President Mian Nusratuddin, Secretary General Bushra Aitzaz Ahsan besides others were also present in the meeting, says a spokesman of the Association.

Speaking on the occasion, the US Ambassador said that United States would continue to work with the LABARD in its endeavour to impart vocational training to the disabled persons. She said the grant to LABARD was a continuation of US initiatives in Pakistan to support the cause of early rehabilitation of disabled persons. She said that the United States recognized that we could not have a healthy and growing society unless the communities we work in were healthy and sustainable. She said "we are committed to improving the quality of life in all parts of the world and also committed to LABARD's all future initiatives."

In his address, the LABARD President Pervez Malik thanked the US Ambassador for the donation. He said that this would help LABARD further extend the circle of its services and more disabled persons would be able to get training of different skills.

He said that LABARD was not only establishing camps in various parts of the City for the registration of disabled persons but was also focusing on building confidence in all such people who were suffering due to some disability so that they could be able to face all challenges boldly.

Speaking on the occasion, the LCCI Vice President Faisal Iqbal Sheikh said that the LABARD was doing a marvelous work by providing training and job placements to the disabled persons and it was duty of all the segments of the society to play their role for this noble cause. He said that LABARD was the only organization that had an excellent arrangement to cater the needs of disabled persons. He said that the Lahore Chamber of Commerce & Industry would continue to support the LABARD in days and years to come.

### Elevation of Justice Khwaja Application moved for early hearing

**RECORDED REPORT**  
LAHORE: Watan Party has moved an application in the Supreme Court for early hearing of a constitutional petition seeking elevation of CJ LHC Khwaja Muhammad Sharif as judge of Supreme Court.

The petitioner through Barrister Zafar Ullah Khan also sought appointment of Justice Mian Saqib Nisar as new CJ LHC. He submitted in the petition that presidency has sent

### Shazia's torture, murder case Remand extended, next hearing tomorrow

**RECORDED REPORT**  
LAHORE: A judicial magistrate Salim Sheikh here Monday extended one-day physical remand of Ch Naeem advocate, the main accused in murder case of maid servant Shazia.

The investigating officer of Defence-A Police Station had requested the court to grant custody of the accused for further 2 days as the investigation of the case was in progress.

On this, counsel of the accused G.A Tariq opposed the request saying that 13 days remand had already been granted to the police and as per the law, physical remand could not be granted for more than 14 days. At this, the magistrate allowed 1-day remand of the accused and directed the police to produce him again on February 10 (tomorrow).

Earlier, police produced the accused advocate before court amidst tight security. A large number of lawyers were also present in the court.

Meanwhile, members of the Christian community held a protest demonstration outside the court premises while putting tape on their lips.

### Breast-feeding awareness programme today

ISLAMABAD: The Nutrition Wing of Ministry of Health will launch and disseminate "Protection of Breast-feeding and Child Nutrition Rules" on Tuesday (today) to improve the nutritional status of breast-fed babies.

The launching ceremony will be held at Islamabad in which Minister for Health Makhdoom Shahabuddin, Secretary Health Khumsood Akhtar Lashari and other high officials of the Ministry of Health, international partners, donors and stakeholders will participate. The conference will help in promoting breast-feeding as child's exclusive birthright. — PR

119 is now Helpline 1199 for round the clock assistance.

Sul Southern Gas Company Limited  
**TENDER NOTICE # 1610**

Sul Southern Gas Company Limited invites offers on FOB/C&F basis for the supply of following:

| Tender No. | Description  | Closing Date / Time      |
|------------|--|--------------------------|
| FF0201     | Office Phones for 12' Office Meter Make Dan Holder or Equivalent 22 Nos. | 18-02-2010<br>11:00 hrs. |

**Corrigendum**

Bid opening date has been extended as under:

|        |  |            |
|--------|--|------------|
| GC0003 | Review of Internal Controls on Procurement practices in SSGC and submission of Reports / Suggestions (Under Two Envelope Bidding System) | 12-02-2010 |
| FF0210 | OSM/GPRS Remote Communication System with Accessories to Integrate Electronic Volume Correlator 72 Nos.                                  | 24-02-2010 |

**Note:**

- Tender documents can be obtained from Tender Room, Ground Floor, CNG Building, Head Office Complex, Sir Shah Jahan Road, Gulshan-e-Iqbal, Karachi-75300 on payment of Rs. 200/- through Pay Order / Demand Draft or SSGC's Cash Receipt from Monday through Friday between 0900 hrs. to 1300 hrs.
- New Suppliers are to provide copy of GST Registration and NTN Certificate (Not applicable for Foreign Tender) with request letter for issuance of tender as also an undertaking on Rs. 100 non-judicial stamp paper certifying that they are not blacklisted by any Government/Autonomous body and are not defaulted suppliers.
- Bids will be opened publicly 30 minutes after bid submission time. In case the bid opening date falls on a holiday, bids will be opened on the next working day at the same time.
- Bidders are essentially to provide correct and latest postal, e-mail & web addresses, phone/cellfax numbers at the time of purchase of tender for effective and timely communication.
- Sufficient time for submission of bid is given as per rules. Bidders are requested to submit bids accordingly.
- SSGC will appreciate, if the bidders who have collected the tenders shall intimate in writing the reason if they are not participating through fax 0992-21-6231583 or by email talal.ahmed@ssgc.com.pk
- SSGC reserves the right to reject any or all bids and to cancel the bidding process. For further details, please visit our website www.ssgc.com.pk or contact Mr. Tufail Ahmed Khan Ph: 0992-21-69221216.

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