

TRANSPORT AND COMMUNICATIONS

Amid today's highly competitive and globalized world, effective and efficient transport and the logistic sector is the backbone of an economy, linking economic and urban clusters with domestic and international markets to enhance broader economic performance. By contributing directly to the economy through value-added and capital stock support, it plays an important catalyst role in improving the efficiency and growth of other industries. This mainly occurs because a well-functioning transport and logistic sector can boost economy-wide productivity by improving transport links to reduce travel time and transaction costs for expanded businesses market access. Consequently, businesses are better able to exploit economies of scale, thereby reducing costs and specializing in areas of comparative advantage for more fruitful participation in regional and global economic cooperation and integration initiatives to increase trade and economic opportunities for more rapid growth. Moreover, it can also help spur innovation by encouraging effective networking, knowledge-sharing, and collaboration amongst businesses located across the region and globe. It also reduces poverty for welfare gains as a result of improving poor people's access to economic opportunities, lowering the cost of goods and services they consume, and providing better access to essential infrastructure services. It is unlikely to put Pakistan's economy on a higher, more sustainable, and inclusive growth trajectory without a modern transport and communication system in place. Presently, Pakistan ranks at 22nd position worldwide for 263,775 Km length of its road network (13,000 km of National Highways and Motorways, 93,000 km of provincial highways and rest are District and Rural Roads). The country is likely to improve its ranking significantly with the construction of new economic connectivity projects, especially under the China Pakistan Economic Corridor (CPEC), the Central Asia Regional Economic Cooperation (CAREC) Programme and continuous government programmes.

Air Linkage

Pakistan Civil Aviation Authority and Pakistan International Airlines Corporation

Pakistan Civil Aviation Authority (PCAA) has been spending a substantial amount on various projects, which generates economic activity and employment opportunities across Pakistan. The Authority also contributes in the form of direct and indirect taxes towards the National Exchequer to the tune of Rs 15-20 billion per annum.

On-Going Projects

- Construction of new green field Gwadar International Airport, Gwadar.
- Reconstruction of main runway and re-carpeting of parallel taxiway track at Quetta Airport.

- Re-habilitation of main runway at Faisalabad Airport.
- Provision of night landing facility at Gwadar International Airport.
- Development of socio-economic airports to promote tourism, pursuant to provisions of National Aviation Policy (NAP) 2019.
- Improvement of airports and their infrastructure for better passenger experience.
- Introduction of energy-efficient equipment at all airports to conserve energy.
- Water conservation measures.
- Upgradation of primary and secondary surveillance radars.

Projects in Pipeline

- Expansion of Allama Iqbal International Airport, Lahore
- Expansion of Faisalabad International Airport.
- Expansion of Quetta International Airport terminal building.
- Replacement of passenger boarding bridges at Karachi
- New radar and establishment of Air Traffic Management System at Islamabad Airport.
- Upgradation of facilities at Jinnah International Airport Karachi.
- Land acquisition for Mansehra Airport in Khyber Pakhtunkhwa.

The Prime Minister of Pakistan advised revising NAP to support the aviation and airline industry in Pakistan. The latest NAP 2019 has been approved by the Federal Cabinet on 26th March, 2019.

Salient Features of National Aviation Policy, 2019

Following incentives/ policy guidelines have been provided in National Aviation Policy 2019:

- Reduced cost of doing business: Rationalization of paid-up capital, security deposit, and PCAA charges.
- Ease of doing business: Rationalization of aircraft age, paid-up capital regulations and license/Air Operator Certificate (AOC) regulations.
- Improved facilities: Provision of state of art infrastructure at airports.
- Future growth: To develop maintenance, repair, and overhaul (MROs), aircraft manufacturing, simulators and flight kitchen setup capacities by providing conducive/business-friendly conditions.
- The outcome of NAP 2019: Contribution to economic growth would be ensured through new airlines, job creation, competitive market, better facilities, and foreign direct investment.
- Tourism Promotion and Regional Integration (TPRI) license: TPRI license has been introduced for the 1st time through NAP 2019, and the application form and its prerequisite/conditions of license have also been approved.
- PCAA has endeavored to encourage foreign carriers to conclude mutually beneficial code share agreements with Pakistan International Airline (PIAC).

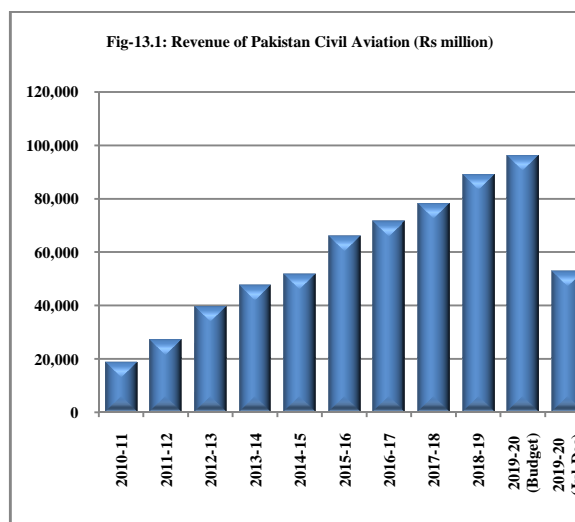
Transport and Communications

- Any new, as well as additional traffic rights to foreign designated airlines, are being awarded after due consultation with PIAC in order to support our national carrier.
- To promote domestic aviation, aeronautical charges for domestic operators have been waived off effective from May 15, 2019, however, passenger based charges were waived off on June 01, 2019.
- The first TPRI license has been given in line with the vision of the Government of Pakistan to promote tourism and socioeconomic connectivity.
- Many interested potential licensees of TPRI have been given guidance and facilitation to apply and sail through the process.

Table 13.1: Revenue of PCAA

Fiscal Year	Revenue (Rs in Millions)
2010-11	18,897
2011-12	27,178
2012-13	39,724
2013-14	47,584
2014-15	51,778
2015-16	66,088
2016-17	71,552
2017-18	78,301
2018-19	89,145
2019-20 (Budget)	96,347
2019-20(Jul-Dec)	52,916

Source: PCAA



Performance of the Pakistan International Airlines Corporation (PIAC)

PIAC follows calendar year for financial and operational matters. The overall performance of PIAC in 2019 is given in Table 13.2 as follows.

Table 13.2: PIAC Performance

Indicators	Units	Year 2016	Year 2017	Year 2018	Year 2019
PIAC Fleet	No. of planes	38	36	32	32
Route	Km	382,057	360,937	332,303	389,725
Available Seat	Million Km	19,196	19,108	18,081	18,372
Passenger Load Factor	Percent	71.6	73.20	77.3	81.3
Revenue Flown	000 Km	79,842	75,207	70,089	70,515
Revenue Hours Flown	Hours	131,838	122,081	110,050	110,640
Revenue Passengers Carried	000 nos.	5,487	5,342	5,203	5,290
Revenue Passengers	Million Km	13,751	13,988	13,975	14,938
Revenue Tonne	Million Km	1,375	1,469	1,472	1,530
Revenue Load Factor	Percent	49.2	55.2	58.4	58.6
Operating Revenue **	Rs Million	89,842	-	100,051	146,097
Operating Expenses **	Rs Million	125,961	-	170,447	160,037
Available Tonne	Million Km	2,798	2,659	2,521	2,610

PIAC financial year is based on calendar year.

**Revenue & Cost is based on provisional/estimated & un-audited accounts

Source: PIAC/Civil Aviation Authority

PIAC has taken measures for its revamping and initiatives for FY2020 are as follows:

1. Recovery of B-777, A 320, and ATR grounded for the last 13-22 months using own resources without funding from the government of Pakistan.
2. Increasing maximum take-off weight limitation on A-320 aircraft, thereby increasing payload carrying capacity.
3. Negotiations with Maintenance Repair and Overhaul (MROs) for rationalization/reconciliation of payments.
4. Resumption of night operations from Bacha Khan International Airport, Peshawar.
5. Resolution of overflying permission over Iran and Turkmenistan.
6. Successful completion of pending audits and holding of AGMs for years 2017 and 2018 in compliance with Companies Act and compliance requirements of the Securities and Exchange Commission of Pakistan (SECP). Removal of PIAC from SECP's defaulters list.
7. Formulation of five-year Business Plan 2019-2023 after consultation with Finance Division, National Bank of Pakistan, State Bank of Pakistan, Original Equipment Manufacturer (OEM) and International Air Transport Association (IATA) and presentation of the same to the Prime Minister.
8. Induction of two narrow-body aircrafts on dry lease to augment existing fleet, earn more revenue, and meet market demand.
9. Achievement of higher passenger revenues to reduce operational losses.
10. Undertaking Hajj operations using their own fleet rather than acquiring aircraft on lease for this purpose.
11. Starting new profitable routes including: Sialkot-Paris, Sialkot-Barcelona, Peshawar-Sharjah, Peshawar-Al-Ain, and Multan-Sharjah.
12. Discontinuing loss-making routes.
13. Operating additional flights on profitable routes like Dubai, Jeddah and Madina.
14. Terminating ghost employees and employees with fake degrees in accordance with the decision and direction of the Supreme Court of Pakistan.
15. Putting in place a centralized medical center for all PIAC employees leading to cost savings.

Road Linkage

A modernized and well-functioning road network with an integrated transport system ensures regional and global economic connectivity and integration. It reduces business costs for enhancing export competitiveness and trade to uplift socioeconomic growth along with providing passenger mobility gains. Moreover, the said network is surely desired to be environmentally and economically sustainable as well as energy efficient.

ADB has been assisting GoP in achieving efficient road networks by not only constructing projects but also at the policy level. First ever National Transport Policy has been approved by the GoP in February 2019 and being implemented. Ministry of Communications has been assisted in establishing Road Asset Management Working Group and Road Safety Council

for better management of assets and bringing the existing to international road safety standards.

Along with National Highways and Motorways (for establishing main corridors), ADB is also assisting Punjab, Khyber Pakhtunkhwa, and Sindh provinces in upgrading Provincial Highways. Institutional development incorporating sustainability is a hallmark of projects being executed.

National Highway Authority (NHA)

The transport sector in general and road infrastructure, in particular, have a profound and enduring effect on the economic growth of Pakistan. NHA is playing a vital role in improving the productivity and competitiveness of businesses, and the quality of travel with an emphasis on safety, apart from creating job opportunities. Pakistan is virtually bisected into two halves by River Indus. The Eastern segment is historically well developed. For better East-West connectivity, numerous bridges have been constructed across river Indus, Jhelum, Chenab, Ravi, and Sutlej. Currently, there are three North-South corridors (N5, N55 and Motorway M1, M2, M4, M5, and M9 whereby M6 is being planned on BoT) with only N55 on the western side of River Indus. A newly planned Western corridor is being executed, which is at different stages of implementation.

Development Programme:

The present NHA network comprises of 39 national highways, motorways, expressways and strategic roads. The existing portfolio of NHA consists of 40 on-going projects with an allocation of Rs 117,514.836 million in PSDP 2019-20 out of which Rs 57,371.916 million is the Foreign Exchange Component (FEC) and Rs 60,142.919 million is the local component.

China Pakistan Economic Corridor:

To ensure smooth and efficient movement of goods and passengers while ensuring safety, NHA is planning and executing Khunjrab to Gwadar connectivity under the China Pakistan Economic Corridor (CPEC). Details are in Table 13.3.

Table 13.3: CPEC Project Details

Sr. No.	Motorway	Length	Status
1	Havelian-Thakot (N-35)	118 km	Completed & Operational
2	Multan-Sukkur		Completed & Operational
3	Hakla (Islamabad) -Yarik (D.I. Khan)	285 km	Under construction
4	Yarik- Zhob (N-50)	235 km	PC-I approved by ECNEC, funding through CPEC is being arranged
5	Zhob- Quetta (N-50)	331 km	Under tendering
6	Hoshab-Awaran	400 km	Under design. PC-I for Hoshab-Awaran (146 km) part-I has been recommended on 16-04-2020.

Source: NHA

Motorways

NHA has already constructed green field segments of Motorway network viz M-1 (Peshawar-Islamabad), M-2 (Islamabad-Lahore), M-3 (Lahore-Abdul-Hakim), M4 (Pindi

Bhattian-Faisalabad-Gojra-Shorkot-Khanewal-Multan), M5 (Multan-Sukkur), E35 (Hassan Abdal-Havelian-Mansehra-Thakot) and M11 (Lahore-Sialkot) boosting economic activities. NHA is now constructing Hakla-Dera Ismail Khan and plans to executed M8 (Hoshab-Awaran-Khuzdar). Public-Private Partnership Authority has approved construction of M6 (Sukkur-Hyderabad) on BoT basis, with details listed in Table 13.4:

Table 13.4 Motorways Project Details

Sr. No.	Motorway	Length (Km)	Status
1	M-1 (Peshawar-Islamabad)	156	Completed
2	M-2 (Islamabad-Lahore)	357	Completed
3	Havelian-Mansehra	39	Completed
4	Hazara Motorway (E-35)	59	Operational
5	Hakla-D.I.Khan	285	Under construction
6	Sialkot-Lahore	91.3	Operational
7	Lahore-Multan (M-3)	230	Completed
8	Faislabad-Gojra (M-4)	58	Completed
9	Gojra-Shorkot (M-4)	62	Completed
10	Shorkot-Khanewal (M-4)	64	Completed
11	KWL-MLN (M-4 Ext.)	56	Completed
12	Sukkur-Multan (M-5)	392	Completed
13	Hyderabad-Sukkur(M-6)	296	PC-1 in process.
14	Karachi-Hyderabad (M-9)	136	Completed
		2362.3	

Source: NHA

Support of Development Partners

Asian Development Bank Assistance:

- Flood Emergency Rehabilitation Project- Phase-I (343 km, Completed).
- Construction of M-4 Gojra – Khanewal Motorway (126 km, Completed).
- Flood Emergency Rehabilitation Project- Phase-II (335 km, Completed).
- Hasan Abdal-Havelian E35 Expressway (59 km, Completed).
- Zhob-Mughalkot N-50 (80 km, Completed).
- QillaSaifullah-WaighumRud N-70 (120 km, Completed).
- Post Flood National Highways Rehabilitation Project (214 Km, on-going)
- CAREC Regional Improvement of Border Services Project (Upgradation of Torkham and Chaman Border Crossing Points, on-going).
- CAREC Corridor Development Investment Programme (Tranche-I):
 - Construction of Additional carriageway Petaro-Sehwan Section of N-55 (128 km, Under construction)
 - Rehabilitation of Peshawar – Dara Adam Khel N-55 (32 km, Under construction).
 - Construction of Additional Carriageway Shikarpur–Ratodero of N-55 (44 km, Under tendering process).
- CAREC Corridor Development Investment Programme (Tranche-II):

- Construction of Additional Carriageway Shikarpur–Rajanpur Section of N-55 (222 km). (PC-1 recommended by Central Development Working Party, CDWP).
- CAREC Corridor Development Investment Programme (Tranche-III):
 - Construction of 4-lane Highway form Rajanpur-Dera Ghazi Khan (121.50 km, recommended by CDWP).
 - Construction of 4-lane Highway Dera Ghazi Khan – Dera Ismail Khan N-55 (315 km PC-1 recommended by CDWP)
- CAREC Corridor Development Investment Programme (Tranche-IV):
 - Rehabilitation of Existing Carriageway Jamshoro-Sehwan Section of N-55 (130 km Planning stage)
 - Rehabilitation of Existing Carriageway Shikarpur–Ratodero of N-55 (44 km Planning Stage)

Islamic Development Bank Assistance:

- Multan– Khanewal Section (57 km) M-4 Extension. (Completed)

Japan Assistance Through Japan International Cooperation Agency (JICA):

- Sehwan–Ratodero Section N-55 (200 km, Completed)
- RakhiGajj–Bewata Section N-70 (34 km, Completed)

Korean Exim Bank Assistance:

- Improvement and widening of Chakdara-Chitral Section (141 km) of N-45. (In procurement stage to appoint a consultant for design and feasibility study).
- Malakand Tunnel (In procurement stage for design consultancy)

United States Grant Through the United States Agency for International Development:

- Quetta-Chaman Section of N-25 (120 km, Completed)
- Peshawar-Torkham Section, including Southern link with N-5. (PC-I is in the process of approval)

Build-Operate-Transfer (BOT) and Public-Private Partnership (PPP) Projects

NHA, through its dedicated efforts, took the lead in the road infrastructure development through private sector participation. NHA successfully attracted private sector investment and has awarded/supported five projects of worth over Rs 90 billion, which include:

- Lahore-Islamabad Motorway (M-2):
Scope: Overlay and modernization (357 km)
Project Cost: Rs 46,007 million
Status: Project successfully completed and operational since August, 2016
- Habibabad Flyover on N-5:
Scope: Construction of flyover on N-5 (1.5 km)
Project Cost: Rs 831 million
Status: Project successfully completed and operational since April, 2015

Pakistan Economic Survey 2019-20

- Karachi- Hyderabad Motorway (M-9):
Scope: Conversion of the existing 4-lane highway into a 6-lane motorway (136 km)
Status: Completed and opened for traffic.
- Lahore- Sialkot Motorway Project (LSMP):
Scope: Construction of 4-lane motorway (91 km)
Project Cost: Rs 43,847 million
Status: Completed and opened for traffic.

Maritime Linkage**Pakistan National Shipping Corporation (PNSC)**

PNSC Group has positively moved towards a considerable growth in the bulk carrier segment, as well as in the liquid cargo segment through its managed vessels. Despite macroeconomic challenges faced by the country, PNSC Group has managed to achieve 6 percent increase in profit of Rs 1,411 million (after-tax from July 2019 to March 2020) compared with Rs 1,332 million in the corresponding period last year. Group earnings per share increased to Rs 10.68 vis-a-vis Rs 10.09 (restated) in the corresponding period last year. Cumulatively, Group achieved a turnover of Rs 9,621 million relative to Rs 7,859 million during the same period last year. This includes substantial growth in tankers segment revenue of 63 percent (from Rs 4,213 million to Rs 6876 million). On the other hand, the bulk carrier segment experienced a decrease of 7 percent (from Rs 1,717 million to Rs 1,609 million).

At present, the PNSC fleet comprises of 11 vessels of various types (05 Bulk carriers, 04 Aframax tankers and 02 LR-1 Clean Product tankers) with a total deadweight capacity of 831,711 metric tonnes, i.e., highest ever carrying capacity since the inception of PNSC. PNSC is currently in the process of inducting one more Aframax tanker into its current fleet before the end of FY2020 to carry more crude oil into the country for meeting rising energy needs. The said induction will raise the number of PNSC's Aframax tankers to five.

Financial Performance:

PNSC has made a profit of Rs 1,530 million during the first nine months of FY2020. The financials of PNSC are in Table 13.5:

Table 13.5: PNSC Financial Performance

Financial Performance	(Rupees in 000)
Revenue	9,621,477
Expenses	(6,454,630)
Gross Profit	3,166,847
Administrative, impairment, Finance Cost &Others	(2,331,640)
Other Income	694,810
Profit before Tax	1,530,017

Source: PNSC

Karachi Port Trust

Karachi Port Trust managed a total cargo and container volume of 34.155 million tonnes during the first nine months (July- March) of FY2020 (Table 13.6). It experienced a 14

percent decline in total cargo and container handling in FY2019 over the previous year. While export cargo and container volume grew by 8 percent in FY2019, imports exhibited a decline of 21 percent over the same period due to government's import compression policies for tackling the large current account deficit.

Table 13.6: Cargo & Container Handling At Karachi Port (000 tonnes)

Fiscal Year	Imports	Exports	Total	%Change		
				Imports	Exports	Total
2015-16	34,594	15,451	50,045	-	-	-
2016-17	42,638	9,855	52,493	23	-36	5
2017-18	41,669	13,016	54,685	-2	32	4
2018-19	32,863	14,031	46,893	-21	8	-14
2019-20 (Jul-March)	21,860	12,295	34,155			

Source: KPT

Port Qasim Authority

Port Qasim handled a total cargo volume of 39.185 million tonnes during the first nine months (July- March) of FY2020. Out of 39.185 million tonnes, 33.334 million tonnes were imported while 5.851 million tonnes was exported.

Gwadar Port

Gwadar Port is about 630 km away from Karachi and 120 km from the Iranian border. Gwadar Port is in the process of becoming the Gateway Port for Pakistan and the region and a world-class maritime hub. Gwadar Port, the first deep seaport in the country, is a complement to Karachi Port and Port Qasim in order to stimulate the economic growth of Pakistan in general and Balochistan in particular by better utilizing the available resources of the country. Gwadar Port is also providing an outlet for land-locked energy-rich Central Asian States, Western China and Afghanistan through transit trade and offering trans-shipment facilities. In doing so, the development of both Gwadar City and Gwadar Port will make important contributions to the socio-economic development of the Gwadar district and the province of Balochistan while also contributing considerably to the national economy.

Port Operation and Renovation

Since May 2013, the port's Concessional Rights were transferred to the new operator, viz. China Oversea Ports Holding Company Limited (COPHCL). Since the concessions were handed-over to COPHCL, it has been working on improving port facilities, surrounding environment, and port businesses. It had invested more than \$ 40 million for port facilities up-gradation. This is now fully operational and receiving commercial vessels on a regular basis.

Gwadar Port Free Zone

- The construction of Free Zone Phase-I has been completed with all infrastructures, including power, water, road, telecommunication, waste treatment, drainage systems are now in operation. More than 30 enterprises from various sectors, such as banks, insurance, financial leasing, hotels, warehouses, fishery products processing, edible oil processing, pipe, furniture manufacturing, electric vehicle assembly, trade and logistics, have already been registered in Gwadar Port Free Zone.

- Following 03 companies have completed the construction;
 - M/S China Communication Construction Company (Business Center),
 - M/S Linyi Trade City (Exhibition Center), and
 - M/S Yulin Company (Steel Tube Industry).
- Work on the main Free Zone on 2,220 acres of land will be started soon for which China Port Holding Company (COPHC) has completed the master planning and feasibility work.

Gwadar Port and its Share in CPEC

Since 2013-14, Gwadar Port Authority (GPA) has been part of all planning and appraisal processes of the CPEC programme. For the early harvest/prioritized phase of the CPEC, following projects related to Gwadar Port and the Port City of Gwadar have been agreed, which are in different stages of project implementation and approval:-

CPEC Projects "Construction of East Bay Expressway"

The works on this CPEC project, with the help of the People's Republic of China is in full swing. Eastbay Expressway will be completed during the next financial year, which will connect Gwadar Port with hinterland through M-8 and Makran Coastal Highway.

Development and Construction of Port Allied Structures- (GM Business Complex)

A number of port related businesses have started operations in port and surrounding areas. These operating companies need accommodation and office spaces. As well as providing this, GPA has also developed commercial structures, such as bank branches, stevedore services, agency offices, cargo storage sheds, and marine repair workshops to facilitate the investors as well as for revenue generation on 69 acres of land.

Up-gradation of GPA Housing Complex

This project was initiated to upgrade the residential facilities of the officers and employees of the Gwadar Port. Construction of additional residential blocks, GPA House (Chairman's residence), walking track, community center, commercial center, playground, and water supply system, etc., are part of the project along with a renovation of present infrastructure for the fulfillment of the present and future requirements of GPA. This project is in the final stage and will be completed around 90 percent during the current FY2020.

Railways Linkage

Pakistan Railways (PR) is a single major mode of transport in the public sector, contributing to economic growth and providing national integration. Pakistan Railways comprises total of 474 locomotives (458 Diesel Engine and 12 Steam Engines) for 7,791 km length of the route.

During the first eight months of FY2020 (July-February), gross earnings grew by 8.4 percent and amounted to Rs 36,916.85 million compared with Rs 34,066.12 million during the same period last year. During July-February FY2020, the number of carried passengers decreased to 39.4 million against 39.9 million during the corresponding period last year, representing a decline of 1.20 percent. Passenger traffic (km million), freight carried (tonnes million), and

freight (tonnes km million) declined by 3.54 percent, 0.56 percent, and 0.07 percent, respectively.

ADB assisted Pakistan Railways to prepare Pakistan Railways Strategic Plan (PRSP), which has been approved by Railways Board. ADB also gave training to PR staff on route optimization bringing efficiency in current operations. PRSP includes suggestions to facilitate PR, achieving its targets of being efficient and profitable. The policy dialogue is still on-going.

The Pakistan Railways has recently submitted a business plan to the Supreme Court of Pakistan, outlining a strategy for turning the railways into a profitable entity. The 121-page report was prepared in connection with a suo-motu case on the losses incurred by the railways. It was informed in the report that 50 percent of its train engines are old and need replacement. Besides, a shortage of the required funds is affecting the repair work of engines. As per the proposed plan, the Pakistan Railways will need to sign international joint venture agreements to become a profitable entity. Passengers will be provided with secure, comfortable, and affordable travel facilities. The Pakistan Railways will require the assistance of other departments to make itself financially stable. It will also need political and financial support and effective monitoring of its governance and the railway's board. The entire railway system will be digitalized, and the private sector needs to be engaged in the process.

Table 13.7: Earning of Pakistan Railway

Fiscal Year	Earning (Rs in million)	% Change
2009-10	21,886	-
2010-11	18,740	-14.4
2011-12	15,444	-17.5
2012-13	18,070.55	17.0
2013-14	22,800.22	26.2
2014-15	31,924	40.0
2015-16	36,581.87	14.6
2016-17	40,065.00	9.5
2017-18	49,569.68	23.7
2018-19	54,507.90	10.0
(July-Feb)		
2017-18	30,891.16	-
2018-19	34,066.12	10.3
2019-20	36,916.85	8.4

Source: Ministry of Railways

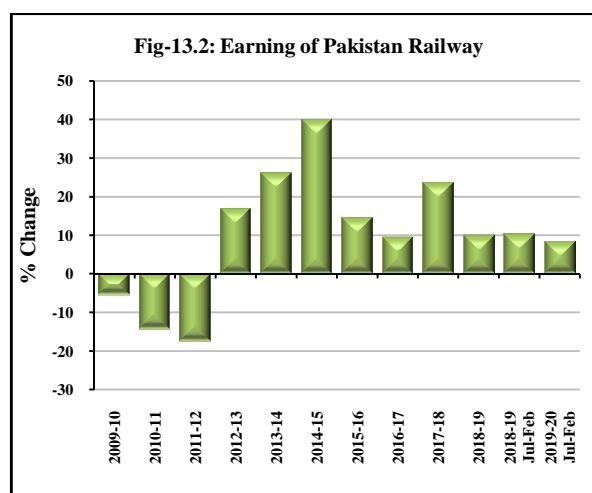
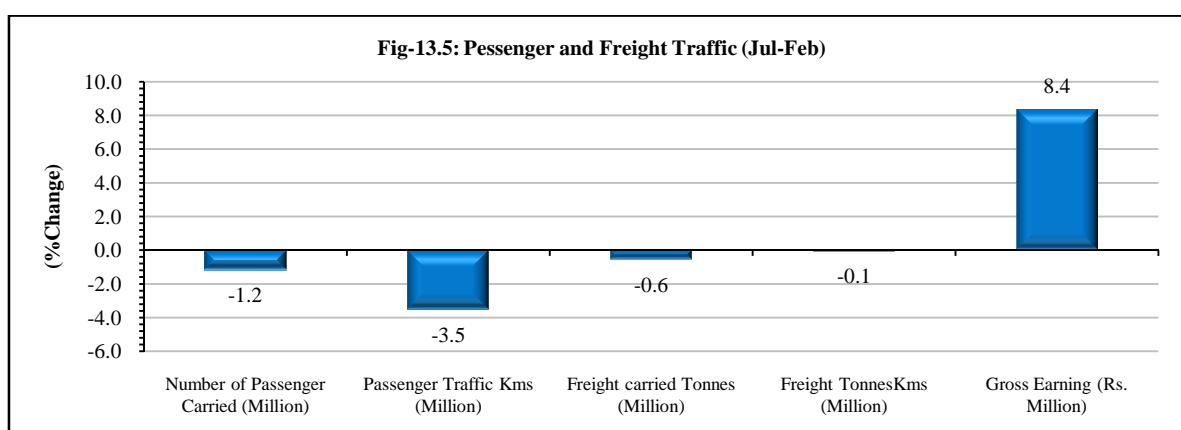
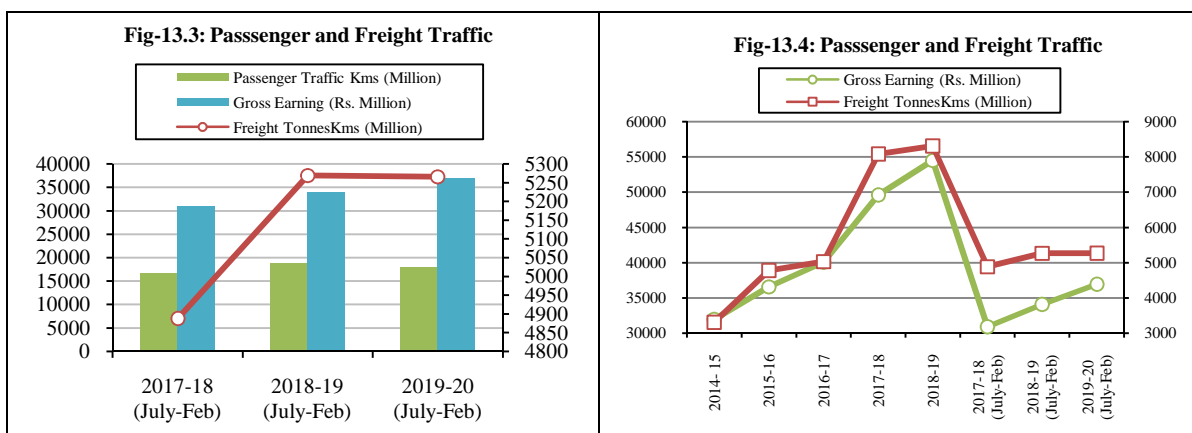


Table 13.8: Passenger and Freight Traffic

Subject	(July-Feb)			%Change
	2017-18	2018-19	2019-20	
Number of Passenger Carried (million)	35.9	39.9	39.4	-1.20
Passenger Traffic Km (million)	16,753.2	18,745.8	18,083.04	-3.54
Freight carried Tonnes (million)	5.2	5.33	5.30	-0.56
Freight Tonnes Kms (million)	4,887.4	5,269.6	5,266.05	-0.07
Total Working Expenses (Rs million)	34,383.3	34,383.3	41,049.90	19.10
Gross Earning (Rs million)	30,891.2	34,066.1	36,916.85	10.30

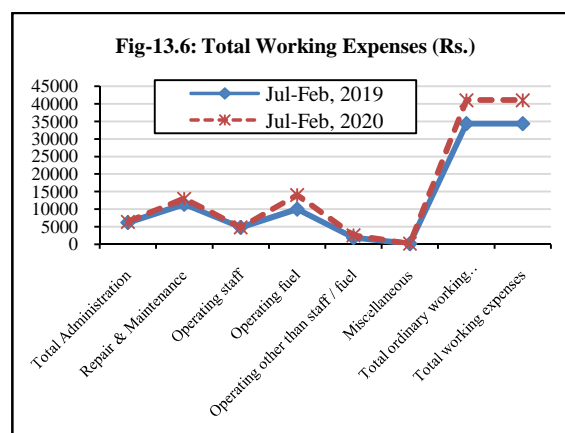
Source: Ministry of Railways



Total working expenses of the Corporation have increased by 19 percent during July-February FY2020 over the same period last year as depicted in Table 13.9 and Figure Fig-13.6 below.

	Jul-Feb, 2019	Jul-Feb, 2020
Total Administration	6205.7	6412.0
Repair & Maintenance	11347.4	12990.5
Operating staff	4820.7	4837.7
Operating fuel	10014.7	14054.1
Other operating expenses	1848.6	2581.3
Miscellaneous	146.2	174.4
Total working expenses	34383.3	41050.0

Source: Ministry of Railways



Communication

Information and Communication Technology Sector (ICT)

The dynamically evolving ICTs hold critical importance, as it is one of the key core enabling sectors that facilitates development across all the sectors of an economy, including agriculture, manufacturing, and services for accelerated growth and jobs. The telecommunication industry in Pakistan is open and deregulated, offering level playing field

to businesses. The sector was deregulated in 2003 after the promulgation of the deregulation policy. Resultantly, two new cellular mobile licenses were awarded to Telenor and Warid through an open auction. Later on, China Mobile acquired Paktel and started providing mobile cellular services. In addition, multiple Long Distance and International (LDI) and Local Loop licenses were granted to local and international companies. The frequency spectrum was also auctioned to different companies for Wireless Local Loop (WLL) operations.

1. Telecom Sector

A. Policy Interventions

i. Renewal of Cellular Mobile Licenses

The Ministry of Information Technology & Telecom, after undertaking extensive stakeholders' consultations furnished its recommendations for consideration of the Federal Government, keeping in view the requirements set by the Telecommunications Policy 2015 and the provisions of Cellular Mobile licenses issued in 2005. Accordingly, the Federal Government issued a Policy Directive on the Renewal of three Cellular Mobile Licenses in 2019 in the exercise of powers conferred under section 8(2) read with section 22(3) of Pakistan Telecommunication (Re-organization) Act, 1996.

Subsequently, three Cellular Mobile Operators, i.e., Telenor Pakistan, Pakistan Mobile Communication Limited (Jazz) and CM-Pak (Zong) have deposited their partial (50 percent) payments, on account of their respective license renewal fee, amounting to a total of \$ 687.8 million equivalent to Rs 107.6 billion. The remaining 50 percent is payable in five equal installments. It is pertinent to note that the license renewal fee of telecom companies collected by the Pakistan Telecommunication Authority (PTA) is a significant source of non-tax revenue for the Federal Government.

ii. Measures for the introduction of 5G in Pakistan

In line with the Policy Directive of the Ministry of Information Technology & Telecom, two Cellular Mobile Operators, i.e., Zong and Jazz, successfully carried out the 5G trials in Pakistan. A 5G Pakistan Plan Committee has been constituted by the Ministry of Information Technology & Telecom, comprising of all stakeholders from the public and private sectors. The Committee is tasked to develop a strategic plan and roadmap for 5G technology in Pakistan, keeping in view the aspects of spectrum management, infrastructure development, review of telecom regulations, and 5G applications/use cases.

iii. National Cyber Security Policy (NCSP):

Cyber Security is one of the highest priority areas of the present government. Through extensive efforts of the Ministry, the 2nd meeting of the Cyber Governance Policy Committee was held on 4th September 2019, under the Chairmanship of the Federal Minister for Information Technology & Telecom, with the participation of all stakeholders. During the meeting, the draft of the Cyber Security/Governance Policy was reviewed. Accordingly, it was decided that the draft may be amended in view of Pakistan's cyber security dynamics and be titled as the NCSP. The stakeholders' consultations are underway for the formulation of Pakistan's first NCSP.

iv. Right of Way (ROW)

A process to formulate ROW Rules has been initiated through stakeholder consultations.

The objective of these consultations is to develop a standard mechanism to resolve the issue of ROW. The first draft was further evaluated and reviewed by the Prime Minister's Task Force on Telecommunication, comprising of prominent experts from the telecom sector. Recently, the Federal Cabinet has nominated and notified the Secretary, Ministry of Information Technology & Telecom as the appropriate Federal Government representative, relating to all federal and provincial authorities.

v. Local Manufacturing of SIMs and Smart Cards

Evidence suggests that approximately 07 million SIM cards and 10,000 banking cards are being imported in Pakistan every month. The current import regime for SIMs and smart cards incentivizes their importation. Moreover, these imported SIMs/smartcards pose security concerns as identified by the concerned authorities. Therefore, a Committee on Local Manufacturing of SIMs/Smart Cards was constituted by the Prime Minister comprising of all relevant stakeholders, keeping in view the cross-sectoral implications, with the Ministry of Information Technology & Telecom as the lead. A report on the matter has been completed and submitted to the Office of the Prime Minister for consideration.

B. Infrastructure Development in Unserved and Underserved Areas of the Country:

Projects are being designed under different categories each of which bridging the gap of necessary services and associated systems to connect the unconnected people in the unserved and underserved areas of the country.

i. Broadband for Sustainable Development (BSD) Programme:

BSD is a flagship programme to establish telecommunication infrastructure that provides coverage of voice and broadband internet services to unserved mauzas across the country. Universal Service Fund (USF) has launched projects to provide telecommunication coverage to approximately 12,000 unserved mauzas with a population of around 15 million, across all provinces of Pakistan. More than 8,000 unserved mauzas throughout the country have been provided with coverage through USF. In the current fiscal year, 366 mauzas have been served by USF under previously running projects. Moreover, Rs 1.3 billion have been disbursed upon completion of different project milestones. Furthermore, USF has signed a contract, worth Rs 90 million, for a new project to provide services in 411 uncovered mauzas of South Waziristan Agency and Tank.

ii. Next Generation(NG)-Broadband for Sustainable Development (BSD) Programme:

The target areas are unserved and underserved mauzas. Approximately, 30 million unserved and underserved people in 46 districts will benefit from this programme in the next 4 years. To date, projects have been launched targeting 45,538 unserved and underserved mauzas having an approximate population of 12 million in 19 districts.

In the current fiscal year, contracts for 8 projects, worth approx. Rs 3.33 billion have been awarded to provide NG-BSD services in the districts of Matiari, Tando Allahyar, Hyderabad, Tando Muhammad Khan, Badin, Sujawal, Bahawalpur, Rahim Yar Khan, Bahawalnagar, Tharparkar, Mirpur Khas, Layyah, and DG Khan. Through this allocation, 5,057 unserved and underserved mauzas containing 9.2 million population is being targeted.

iii. Next Generation BSD Programme for National Highways and Motorways:

This programme targets unserved areas along the national highways and motorways across

the country. It is estimated that around 7,700 km of routes are currently unserved. A salient feature of this programme is national roaming, which facilitates commuters to get seamless coverage irrespective of their originally subscribed networks. These will be first of their own kind projects to offer this facility in Pakistan.

In the last fiscal year, 3 contracts were signed to cover 1,795 km of un/underserved road segments along the National Highways N10, N25, N65, N50, and N70. It is expected that more projects under this category will be launched in the next fiscal year. In the current fiscal year, to date, USF has completed the provision of NG-BSD services along 366 km of un/underserved road segments with Rs 0.89 billion disbursements for NG-BSD Projects.

iv. Optic Fiber Cable (OFC) Programme

The USF OFC programme is concentrating on connecting the unserved Tehsil Headquarters (THQs), and major towns' re-route. To date, 7,230 km of OFC has been laid, and 1,234 THQs and towns have been provided with the connectivity. In the current fiscal year, USF has planned to launch its FATA Package-2 targeting OFC connectivity to 40 THQs and towns with the help of 837 km of OFC in the agencies of Bajaur, Mohmand, Khyber, Orakzai, Kurram, Peshawar and Kohat. The programme was initiated in 2007, and to date, USF has covered 552 cities and towns and has established a customer base of more than 780,000 subscribers.

2. Information Technology Sector

Government's incentives for IT industry include:

- Zero income tax on IT exports till June, 2025
- Three-year tax holiday for Pakistan Software Export Board (PSEB) registered IT startups
- 100 percent equity ownership allowed to foreign investors
- 100 percent repatriation of capital and dividends allowed
- Tax holiday for venture capital funds till 2024.

IT Exports and Remittances

There has been a consistent growth in IT, and IT-enabled services (ITeS) remittances over the last 5 years, with a compound annual growth rate (CAGR) of 19.5 percent, the highest growth rate vis-a-vis all other industries, and the highest in the region. Pakistan's IT and ITeS exports have crossed \$ 4.1 billion during FY2019, with export remittances nearing \$1.0 billion. Micro enterprises, independent consultants, and freelancers have contributed an estimated \$500 million in IT and ITeS exports, whereas annual domestic revenue exceeds \$1.0 billion.

It is pertinent to mention here that IT and ITeS export remittances have surged to \$ 887.470 million at a growth rate of 26.24 percent during July-February 2019-20, in comparison to \$ 702.990 million during the same period last year. The reported foreign direct investment (FDI) inflow in the ICT sector (IT and Telecom) for the period of July 2019 - March 2020 is \$ 605.8 million. Pakistan is the 5th most financially attractive location in the world for offshore services, according to A.T. Kearney's Global Services Location Index. In addition, freelancers and independent consultants are making their own mark in IT-enabled services

as Pakistan is ranked as the 4th most popular country for freelancing as per initial data for 2019 of Online Labor Index by Oxford Internet Institute (OII).

3. Infrastructure Development for IT Facilitation

i. Establishment of Information Technology Parks

The Software Technology Parks (STPs) are a major factor in facilitating the IT companies and play a major role in the development of the IT industry. A new state of the art IT Park in Islamabad is being established under financing from Korea Exim Bank through the Economic Development Cooperation Fund (EDCF), with more than 61,000 square meters of covered area. It shall be a G+9 structure with two basements for parking. The total land available for IT Park Islamabad is 14.9 acres located in Chak Shahzad. The estimated cost of this project is \$ 88.383 million for which the loan agreement has been signed, and the design phase of the project is now in progress. This project shall be completed and become operational in 2022. In addition to the above, a consortium of Korean consultants has been engaged to conduct a detailed feasibility study of establishing an IT Park in Karachi. The feasibility study is almost complete and project, worth \$ 186 million, is expected to be funded through EDCF of Korea Exim Bank.

ii. Establishment of Disaster Recovery Site for National Data Center (NDC) at Lahore

The national-level E-Government platform is running on NDC at National Technology Council (NTC) headquarter in Islamabad, which is compliant to international standards. To further improve the availability and reliability, NTC is establishing a geographically distant disaster recovery site in Lahore to overcome untoward scenarios in the face of natural calamities or national emergencies with a cost of around Rs 600 million, which will be operational in a couple of next months. This data center facility will essentially be a valuable addition to digital infrastructure for the public sector of the country.

4. Legislative Measures for ICTs

The Ministry of Information Technology & Telecom has reinitiated the stalled process of the formulation of the country's first Personal Data Protection Act. In this regard, all comments received from stakeholders have been reviewed and appropriately incorporated. The draft has been updated, keeping in view the challenges, international best practices, and overall impact. The updated draft will be circulated/uploaded on the website for the final round of consultation in the 4th quarter of FY2020.

Peoples Development Programmes

i. Digital Skills Training Programme for Freelancing

The programme aims to increase:

- Number of individuals working as freelancers in the country
- Number of hours worked per freelancer
- Earnings per hour or per project for freelancers
- Household incomes

- Financial inclusion
- IT exports
- Number of experts in specialized skills

ii. Capacity Building of the IT Industry

PSEB has assisted quality certification of 05 IT companies at ISO 27001: 2015, 05 at ISO 20000-1, 02 companies on CMMI Level-2, 03 Companies at CMMI Level-3, and 01 companies on CMMI Level-5. Whereas, certification of 10 IT companies is in process on ISO27001/20001/CMMI/L2/L3/L5.

iii. Capacity Building of IT Professionals

PSEB aims to create a highly-skilled resource pool within Pakistani IT industry by training 10,000 IT industry professional and IT graduates to match advanced specialized international technologies, i.e., Big Data/Cloud Computing, Scrum, SQA, Mean/Full stack development, Python, Cyber Security, CCNA, Oracle, PMP, Prince2, and CMMI. The project was launched in December 2019, and registration of the applicant is in process.

Solicitation and Funding Activities

Ministry of Information Technology & Telecom has been focusing on 4th industrial wave technologies over the past three years. This includes, but not limited to, the following areas:

1. 3D/4D printing
2. Augmented reality (AR)/virtual reality (VR)
3. Big data/artificial intelligence (AI)
4. Block chain
5. Cloud
6. Neurotech
7. Robotics
8. Shared economy
9. Internet of things
10. Wearables/Implantable

Under the unsolicited stream, applications are accepted throughout the year from aspiring applicants both from academia and industry (especially the startups), thus creating the right balance between pure research and product development. From July to March FY2020, 27 new technology research and development (R&D) and innovative product development projects worth Rs 679 million were submitted that are at various stages of evaluation. These projects span over telecom, health, energy, agriculture, aviation, and education sectors. Some of the technology areas targeted by these projects include AR/VR, AI/Big data, robotics, cloud, and shared economy.

National Grassroots ICT Research Initiative (NGIRI)

The programme is aimed to promote R&D and innovation at the grassroots level by providing financial support to selected final year projects (FYP) of undergraduate students enrolled in ICT related disciplines of public and private sector institutions. NGIRI 2019 was launched on 19th March 2019, and total 2,124 FYP applications were submitted for

evaluation. During July - December FY2020, a total of 815 FYP applications of worth Rs 44 million were approved for funding.

Pakistan Telecommunication Authority

PTA continued to support and stimulate innovation for the benefit of the citizens and the economy and introduced new technology such as 5G, which has already been tested and will reshape the social and economic fabric of our society. International Telecommunication Union (ITU) has also recognized PTA efforts by declaring it as the only regulator in South Asia that has reached the 4G level of ITU's ICT regulatory tracker. PTA is also making efforts to be included in G5 level regulators in the world. Some of the major initiatives are highlighted in the following paragraphs.

Device Verification System (DIRBS) on Road to Success

PTA has successfully launched DIRBS in the current fiscal year, and very encouraging results have been witnessed in terms of evaporating grey market, a substantial decrease in illegal/counterfeit devices, a significant drop in snatching/theft of devices and increased revenue to the government. FBR collected revenue of over Rs 28 billion in the first 6 months of FY2020 from mobile import taxes, which is expected to cross Rs 50 billion by the end of the fiscal year as against Rs 22 billion last year showing a potential increase of about 127 percent.

PTA has also facilitated local manufacturing/assembling of mobile devices. Local manufacturing has been kick-started, and Pakistan produced over 11.7 million handsets in 2019, which is 126 percent higher than the previous year. Commercially imported legal handsets for the same period stood at 16.3 million, which is 26 percent higher than the previous year. A total of 1,597,388 individuals have registered their devices during January-March 2020 out of which 666,767 registered through the FBR baggage rule exemption and others 1,378,099 registered after the payment of FBR custom duties. Commercial imports and locally assembled devices have increased tremendously after the launch of DIRBs in January, 2019.

CMOs' license renewal

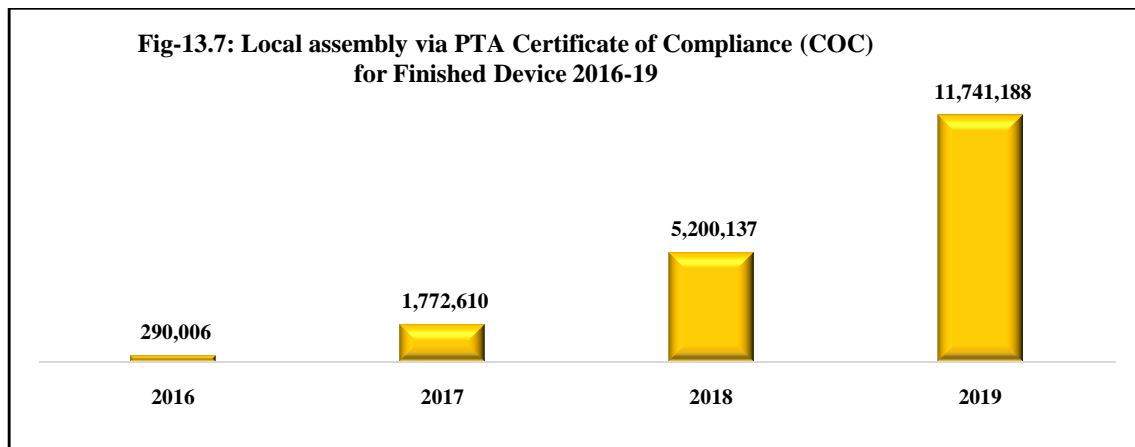
Three mobile licenses renewals are under process, and companies have already deposited \$ 688 million in the national treasury, which is 50 percent of the total amount. This was done as per Government of Pakistan's Policy Directive dated 09 May, 2019 for renewal of the mobile cellular license of three operators, i.e., Telenor, Jazz and CMPak setting per megahertz (MHz) renewal price for frequency spectrum in 900 MHz and 1800 MHz as \$ 39.5 million and \$ 29.5 million, respectively.

Introduction of 5G technology in Pakistan

5G is the latest technology which is available only in a few countries so far. To meet rising businesses and consumer's demand for faster and more reliable mobile broadband services, PTA has allowed operators to test new technologies such as 5G. This will enhance the productivity and competitiveness of businesses to reshape the socioeconomic fabrics of our society.

Local assembly of mobile handsets

To encourage local assembly, PTA is facilitating Pakistani businesses in setting up mobile handset assembly plants. So far, 31 companies have been given formal permission for local manufacturing and assembly. There were 11.74 million locally assembled devices in 2019 that were registered via PTA's DIRBS. Moreover, locally assembled devices in 2019 showed about a 126 percent increase over the last year, as shown in Fig-13.7. Locally assembled devices included over 70,000 4G phones in 2019. This initiative has created approximately 3,200 jobs and enabled young professionals to gain skills in this highly specialized and growing field.



Raids on Illegal Gateways

In order to curb the menace of illegal Gray Trafficking, PTA along with the Federal Investigation Agency (FIA) carried out successful raids on illegal Voice over Internet Protocols (VoIP) setups at Gujranwala, Karachi, Lahore, Mansehra, Multan, Mirpur AJK, Burewala and Sukkar between November 2019 and February 2020. In all, 45 raids were conducted, and 76 illegal gateways, numerous active SIMs, and other allied equipment, including routers, modems laptop, etc., were confiscated, and further interrogation is currently underway.

Digital Payments

In order to increase digital payments in Pakistan, PTA is facilitating the Asaan Mobile Account (AMA) scheme under the National Financial Inclusion Strategy (NFIS) aimed at bringing the lower-income bracket population into formal financial services. Currently, there are over 1,309 million annual mobile banking transactions with an annual volume of over Rs 4.5 trillion. It is expected that after the launch of the AMA scheme, accounts and transactions will increase by many folds.

Consumer Support Centre (CSC)

To facilitate telecom consumers, PTA launched a CSC with efficient and trained agents on 18th February 2020. The PTA CSC services are available 7 days a week from 9:00 AM–9:00 PM through a dedicated toll-free number: 0800-55055. The aim of the new CSC is to provide ease and facilitation to the public for lodging their complaints pertaining to telecom

services. Consumers can register their complaints related to cellular mobile telephony, internet service providers, fixed/wireless telephony, device identification registration and blocking system, and web content reporting, such as blasphemy and pornography.

Pakistan Citizen Portal (PCP)

Prime Minister of Pakistan inaugurated online mobile application for PCP, where people can lodge complaints and concerned departments and offices are bound to respond in the specific timeline to address their complaints. Prime Minister Office is overseeing the progress on these complaints. PTA is also receiving complaints through PCP since 12th November, 2018. To handle these complaints, a dedicated department is available and working to resolve the complaints from the concerned telecom operator/licensee on top priority. The status of complaints is in Table 13.10.

Table 13.10: Complaints received through PCP (12 November 2018 to 31 March, 2020)

Complaints Received	25,882
Complaints Resolved	24,967
Redressal Percent	96.46%

Source: PTA

Telecom Sector Analysis

Telecom sector has emerged as one of the vibrant sectors of Pakistan economy, generating increased revenues, investment, and contributions to the national exchequer. From July 2015 to February 2020, the telecom sector has attracted over \$ 1.5 billion FDI inflows, whereas a total of \$ 8.5 billion has been invested by telecom players in Pakistan since 2002.

Table 13.11: Telecom Investment

\$ Million

	2015-16	2016-17	2017-18	2018-19	2019-20 Jul-Feb
FDI (inflow)	377.9	116.4	288.5	235.5	555.6
Telecom Investment	719.0	971.7	792.6	635.3	426.7
Total	1,096.9	1,088.1	1,081.1	870.8	982.3

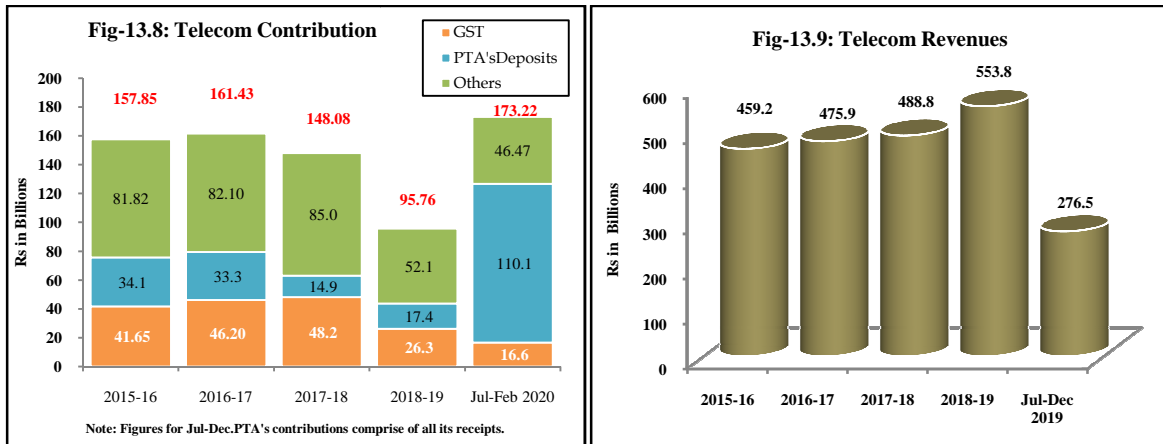
Source: PTA

Telecom Sector Contribution

The telecom sector is a significant source of revenue generation for the national treasury. During the first two-quarters of the FY2020, the telecom sector contributed Rs 173.22 billion to the national exchequer in terms of taxes, regulatory fees, initial and annual license fees, activation tax, and other charges (Fig-13.8).

Telecom Revenues

The commercial launch of 3G and 4G services has opened new opportunities for revenue generation for mobile operators and has enabled the development of new applications and database services. People of Pakistan are quickly adapting to these new technologies and services. Annual revenues from the telecom sector have reached an estimated Rs 553.8 billion during FY2019, up from Rs 440 billion last year, registering an annual growth of 13.3 percent. Revenues from the telecom sector have reached an estimated Rs 276.5 billion in the first two quarter of FY2020 (Fig-13.9).

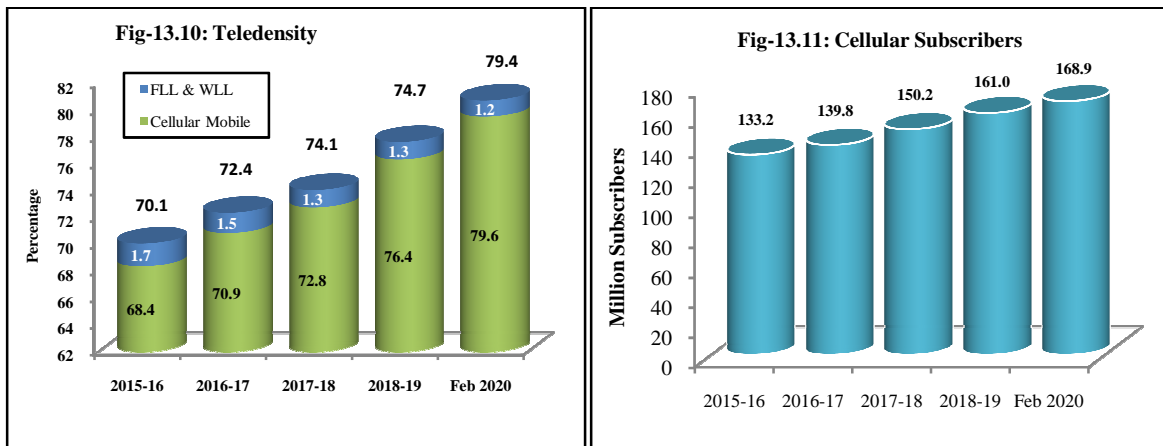


Teledensity

Till the end of February 2020, total teledensity in the country reached 80.8 percent, registering a growth of 3.93 percent during July-February FY2020. The cellular mobile segment was the main contributor towards overall growth in teledensity as a fixed local loop (FLL), and WLL segments continued with its declining trend (Fig-13.10).

Cellular Subscribers

Cellular mobile subscribers (number of active SIMs) in Pakistan reached 168.9 million at the end of February 2020 compared to 161 million as of the end of June 2019, depicting the growth of 4.9 percent in eight months (Fig-13.11).



Broadband subscribers

Mobile and fixed broadband subscriber base showed strong growth from July to February FY2020. At the end of February 2020, broadband subscribers stood at 82.2 million as compared to 71.24 million in FY2019 (Fig-13.12).

Local Loop Subscribers

The subscriber base of the local loop segment has reduced to 2.45 million at the end of September 2019 as compared to 2.57 million as of June 2019. Net loss of 0.12 million subscribers has been reported translating into a negative growth of 4.9 percent from July to

September 2019. The closure of WLL connections and the mobile substitution effect has resulted in a gradual decline of the local loop subscriptions, as shown in Fig-13.13.

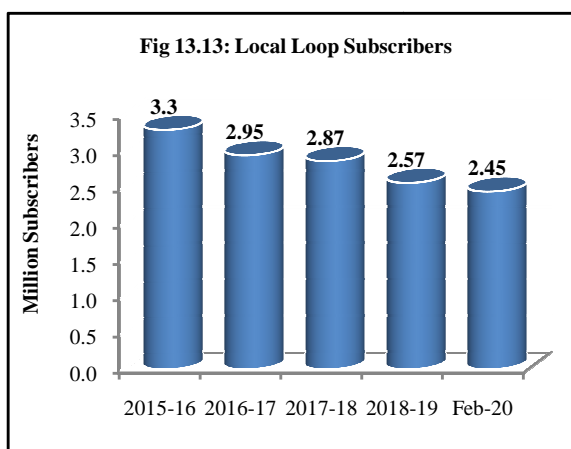
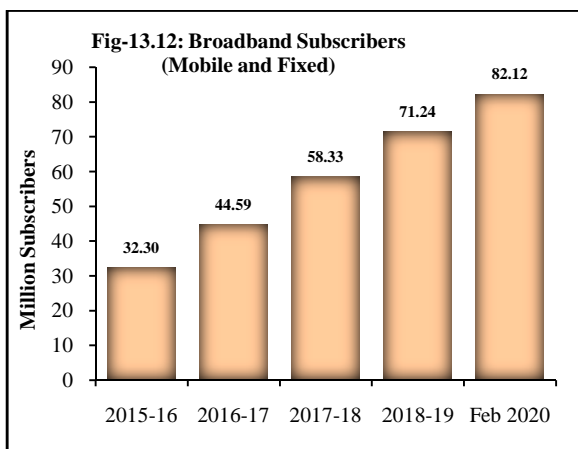


Table 13. 12: Local Loop Subscribers (Nos.)

Financial Year	Telephones (FLL & WLL)	Broadband Connections (Mobile & Fixed)	Mobile Phones
2013-14	5,231,731	3,795,923	139,974,754
2014-15	3,931,296	16,885,518	114,658,434
2015-16	3,295,169	40,147,991	133,241,465
2016-17	2,986,310	44,586,733	139,758,116
2017-18	2,884,889	58,339,814	150,238,653
2018-19	2,574,937	71,026,087	161,021,628
Feb-2020	2,461,916	80,370,986	168,861,744

Source: PTA

Pakistan Electronic Media Regulatory Authority

Pakistan Electronic Media Regulatory Authority (PEMRA) has been established under PEMRA Ordinance 2002, as amended by the PEMRA (Amendment) Act, 2007. The aim is to facilitate and regulate private electronic media in Pakistan and to improve the standards of information and entertainment for enlarging the choice available to the people of Pakistan, including on the news, current affairs, religious knowledge, art and culture, and science and technology. The Authority is responsible for facilitating and regulating the establishment and operation of all types of broadcast media and distribution services in Pakistan established for the purpose of international, national, provincial, district, and local area community based or special target audiences. It also facilitates the devolution of responsibility and power to the grassroots level by improving the access of the people to mass media at the local and community level. Finally, it ensures accountability, transparency, and good governance by optimization of the free flow of information.

Licensing Status (till March, 2020):

PEMRA issued 254 Licenses for FM Radio; the number was 240 till March 2019. Similarly, PEMRA issued 4,062 Cable TV Licenses; the number was 4,007 till March 2019.

Financial Contributions:

Besides collecting advance tax from licensees at the time of issuance of licenses and their renewal, PEMRA has deposited significant amounts in the Federal Consolidated Fund (FCF). Detail of financial contribution by PEMRA in national exchequer in recent years is reported in Table 13.13:

Table 13.13: Financial Contribution by PEMRA (in Rs)

Financial Year	Surplus	Fine & Penalty	Total
2012-13	8,337,636	2,986,800	11,324,436
2013-14	205,537	1,894,750	2,100,287
2014-15	20,077,535	22,746,500	42,824,035
2015-16	481,304	6,588,000	7,069,304
2016-17	5,287,295	25,983,500	31,270,795
2017-18	390,912	11,161,999	11,552,911
2018-19	936,885,338	6,471,000	943,356,338
2019-20 (upto Dec-19)	-	3,728,000	3,728,000
Total:	971,665,557	81,560,549	1,053,226,106

Source: PEMRA

Economic Contribution

The growth of the media industry in Pakistan has multiplied rapidly during the last decade, with a cumulative investment of approximately \$4-\$5 billion. The sector is providing employment to more than 300,000 people. Moreover, new licenses would inject investment of approximately \$2-\$3 billion.

Pakistan Television Corporation Limited (PTV)

The government of Pakistan kept Rs 200.000 million for the project "Modernization of Camera and Production equipment of PTV."The government of Pakistan has released Rs 160.000 million from July–December against which PTV is importing electronic/IT equipment to upgrade its channels, including PTV-Home, PTV News, and PTV Sports from standard definition technology to high definition technology. The aforementioned equipment is expected to be imported by the last quarter of FY2020. PTV is trying its level best to improve signal quality to terrestrial network in the less developed areas of Pakistan, for which Digital Terrestrial Multimedia Broadcast (DTMB) project, supported by a Chinese grant, is in the pipeline. The number of registered TV sets holders as of 31st January 2020 are 20,528,134.

Pakistan Broadcasting Corporation (PBC)

PBC is one of the most important and effective electronic media, for the projection of government policies and aspirations of the people of Pakistan both at home and abroad. It also counters adverse foreign propaganda and negative perceptions. A budget of Rs 4,422.621 million has been allocated to PBC to meet employee's and operational related expenses for FY2020, and Rs 2,300.159 million was released to PBC from 01.07.2019 to 31.12.2019 for the expenditure of first two-quarters of FY2020.

Pakistan Post Office

Pakistan Post Office is one of the oldest government departments in the subcontinent. In

1947, it began functioning as the Department of Post and Telegraph. In 1962 it was separated from the Telegraph and Telephone and started working as an independent attached department. Pakistan Post is a state department that functions as Pakistan's primary and largest postal operator with 44,000 employees to make secure and timely delivery of mail, money, and material at the doorsteps of the customers at an affordable cost. An autonomous High-Powered Postal Services Management Board has been established through Pakistan Postal Service Management Board Ordinance, 2002.

Pakistan Post's Recent Initiatives

Pakistan Post has recently taken important initiatives to provide the most efficient postal services to the people of Pakistan. The details are as follows:

i. Pakistan Post Mobile Application

Pakistan post launched its own mobile application in December 2018, offering tariffs, postcodes, post office locator complaint registration, track, and trace and pick up facilities.

ii. Pakistan Post E-Shop

Pakistan Post has the capacity and commitment to deliver for online vendors for their cash on delivery products with proof of delivery and prompt reconciliation of their payments. Many international web portal operators have shown their interest in entering into the Pakistani market with the Pakistan Post as their delivery partner. This initiative was launched in February 2019 to capitalize on the fast-growing E-Commerce sector. Pakistan Post created its own web portal to register partners through the launching of Pakistan Post Online E-Shop, which offers partnership for delivery, collection and return services, counter booking, and co-branding in selling products. Pakistan Post has registered 1,770 partners to date.

iii. Pakistan Post's Facebook Page

Pakistan Post is maintaining a Facebook page to receive feedback and suggestions for improvement in postal operations from the public and takes immediate appropriate remedial steps for further improvement. <https://www.facebook/pakistan post office>

iv. Computerized Pension Payment System

Over 1.7 million pensioners have been drawing pension from Pakistan Post through computerization of Military Pension Payment System, which is available at all Government Post Offices (GPOs). The pensioners are receiving the pension in a convenient environment. Pakistan Post is also disbursing pension to over 49,175 Pakistan Telecommunication Company Limited (PTCL) pensioners every month.

v. Achievements of Saving Bank

Table 13.14: Progress of Saving Bank

S.No.	Description	Number(s)
1	Total Number of Accounts on 31-12-2019	2,174,707
2	Total closing balance on 31-12-2019 (Rs Million)	200,168.718
3	Total commission till 31-12-2019 (Rs Million)	905.936

Source: Pakistan Post

vi. Western Union Money Remittance Business:

During July-December FY2020, Pakistan Post has received foreign remittance amounting to \$30.860 million, equivalent to Rs 4,832.505 million.

vii. Benazir Income Support Programme (BISP):

A Complete web-enabled tracking and monitoring system for disbursement of funds for BISP has been evolved that includes continuous processing, monitoring, and reconciliation of the specialized money orders scheme. During July-December FY2020, a total of 71,442 BISP money orders along with funds of Rs 71.442 million were received from BISP authorities with 60 percent MOs out of the aforesaid funds amounting to Rs 42.865 million have been paid.

viii. Achievements in International Postal Services

Pakistan post received more volume of mail than it dispatched for delivery. Thus it always remains net-creditor. Pakistan Post received an amount of Rs 72.407 million during the period from July 2019 to December 2019 on account of terminal dues for the imbalance of international mails received from and dispatched to other countries.

ix. First Micro Finance Banking (FMFB)

Pakistan Post has earned Rs 2.740 million during the period from July-December FY2019 through commission on disbursement/recovery of FMFB loans and services/space provided to the FMFB operators.

x. Joint International Remittance Service with NBP

Five hundred designated post offices across the country are offering foreign exchange disbursement service, and payment is made after biometric verification. During July-December FY2020, 894 remittance payments have been made by designated post offices, and an amount of Rs 58.252 million was paid.

Postal Life Insurance (PLI)

PLI is the brainchild of the Ministry of Finance, and Pakistan Post serves as its agent. However, Director General, Pakistan Post, is exclusively responsible for managing, organizing, and controlling its operations and marketing its various products. PLI is exempted from corporate and income tax. All the money generated is invested in Post Office Insurance Fund controlled by the Ministry of Finance. Pakistan Post gets a return at the prevailing government investment return rates. This policy ensures the security of funds, attractive return, and increased public confidence. The update about PLI for the period from July, 2019 to November, 2019 is given below:-

Fresh Policies:

No. of Fresh Policies Issued	=	7,520
Fresh Premium Income	=	Rs 252.910 million
Sum Assured	=	Rs 3,302.478 million

Inforce Policies:

No. of Policies	=	441,189
Premium Income	=	Rs 3,225.307 million
Sum Assured	=	Rs 80,173.497 million

Philately:

The Commemorative Postage Stamps issued for the period from July 2019 to February 2020 are reported in Table 13.15.

Table 13.15: Commemorative Postage Stamps

1	70 th Anniversary of the Commonwealth Organization (1949-2019)	14-08-2019	Rs 20/-
2	Commission on Science & Technology for Sustainable Development in the South (COMSATS)	04-10-2019	Rs 20/-
3	Japan's International Cooperation Towards Pakistan	22-10-2019	Rs 20/-
4	30 th Years of the Convention on the Rights of the Child (CRC)	04-11-2019	Rs 20/-
5	550 th Birthday Celebrations of Sri Guru Nanak Dev Ji (1469-2019)	12-11-2019	Rs 20/-
6	Commemorative Postage Stamp on Golden Jubilee Celebrations of OIC	30-12-2019	Rs 50/-
7	100 th Birthday of Shaheed Hakim Muhammad Saeed.	10-10-2020	Rs 20/-
8	Commemorative Postage Stamp on Kashmir Solidarity Day	05-02-2020	Rs 20/-
9	High Level International Conference in Islamabad on 17-18-2020 to 40 years of presence of Afghan Refugees in Pakistan.	17-02-2020	Rs 20/-
10	Issuance of Commemorative Postage Stamp on Mr. Muhammad Ali Under the Stamp Series "Tehreek-e-Pakistan K Mujahid".	18-02-2020	Rs 20/-

Source: Pakistan Post

Number of Post Offices as on February-2020

Summary of rural and urban post offices is provided in Table 13.16:

Table 13.16: Post Offices (Nos)

Urban	Rural	Total
1717	8352	10069

Source: Pakistan Post

Conclusion

Transport and economic activity are inextricably bound together. A well-developed and functioning transport and communication infrastructure improves business's productivity and efficiency by helping them realize agglomeration, economies of scale, economies of scope, and network externalities benefits to stimulate export, investment, and growth for jobs and welfare gains. Transport and communication sectors in Pakistan are extensive, varied, and serve a population of over 211 million people. In recent years, new national highways have been built, with the addition of motorways which have improved trade and logistics within the country. Pakistan's rail network is also undergoing expansion in recent years. Airports and seaports have also been built through foreign and domestic funding. Central Asia is traditional, an economically closed region owing to its geography and lack of developed infrastructure; however, with the development of the economic connectivity and integration projects under the CPEC and the CAREC programme, the region will have greater access to the sea and to the global trade network. Moreover, improved regional connectivity and integration with Central Asian countries, People's Republic of China and other neighboring economies can have a significant positive impact in Pakistan through markets, ideas and people linkages to enhance trade and tourism and attract investments that will create jobs and other opportunities to ultimately drive sustained high inclusive growth in Pakistan.