



TRANSPORT AND COMMUNICATIONS

Infrastructure is both a cause and a consequence of economic growth. The role of infrastructure in integrating countries into the global economy by providing transport and telecommunication services is well known. Infrastructure can also raise the quality of human capital, which is a key factor in achieving high and sustainable levels of growth. Improvements in the quality and quantity of infrastructure have a disproportionately positive impact on the poor, and thus play a vital role in reducing income inequality.

A well performing Transport and communication structure is vital for a country's development. Investment in a country's infrastructure directly affects economic growth as producers find the best markets for their goods, reducing transportation time and cost, and generating employment opportunities.

Pakistan, with 161 million people, has a reasonably developed transport infrastructure. The country generates a total domestic transport load of around 239 billion passenger kilometers and 153 billion tonne kilometers annually. The growth in demand for transportation services is considerably higher than the growth in GDP. Road transport is the backbone of Pakistan's transport system. The 9,574 km long National Highway and Motorway network - which is 3.65 percent of the total road network - carries 80 percent of Pakistan's total traffic. Over the past ten years, road traffic - both passenger and freight - has grown significantly faster than the national economy. Currently, it is accounting for 91 percent of national passenger traffic and 96 percent of freight. However, neglect of other modes of transportation in favor of improvement

of the road infrastructure has been a prevalent problem in the country's transportation sector. Recent initiatives and developments in sectors such as shipping, railways, and aviation are a welcomed step towards mending this bias.

Port traffic in Pakistan has been growing at 8 percent annually in recent years. Two major ports, Karachi Port and Port Qasim, handle 95 percent of all international trade. Gwadar Port, which was inaugurated in March 2007 and is being operated by Singapore Port Authority, is aiming to develop into a central energy port in the region. In addition, 14 dry ports cater to high value external trade.

Pakistan Railways (PR) has a broad gauge system (with a small network of meter gauge in the South East). The network consists of the main North - South corridor, connecting the Karachi ports to the primary production and population centers in Pakistan. The track is in good condition with an axle-load of 23 tons and maximum permitted speeds of 100/110 Kilometers per hour.

There are 36 operational airports. Karachi is Pakistan's main airport but significant levels of both domestic and international cargo are also handled at Islamabad and Lahore. Pakistan International Airlines (PIA), the major public sector airline, though facing the competition from a few private airlines, carries approximately 70 percent of domestic passengers and almost all domestic freight traffic.

The transport and communications sector accounts for about 10.0 percent of the country's GDP, and 22.0 percent of Gross Fixed Capital Formation in

FY07/08. It provides over 2.3 million jobs in the country (6% of all employment) and receives 12 to 15 percent of funds from the annual Federal Public Sector Development Program (PSDP). Apart from being a significantly large source of budgetary expenditure, the transportation sector imposes huge demand on Pakistan's energy supply, absorbing approximately 35% of total energy annually.

Infrastructure development has been a priority area for Pakistan as evident from a number of projects completed or in progress. In the long term, the transport system is likely to experience tremendous improvement with the implementation of the National Trade Corridor (NTC) program.

The telecommunication sector of Pakistan witnessed a robust growth over the last few years with its share in total GDP increasing every year. Teledensity of the country has crossed 57% which has placed Pakistan's telecom sector among those of the rising East Asian economies.

I. TRANSPORT

Pakistan's transportation network, albeit not as modern and efficient as that of developed countries, is considerably more efficient than it was a decade ago. Users of the network have a wider range of modes to choose from. Pakistan Railway is still the only enterprise providing rail service in the country, but the Airline industry has greatly benefited from the competition provided by private sector players such as Air Blue, Shaheen Air and Aero Asia. The road network has been expanding constantly. New motorways and expressways made throughout the country have significantly reduced the time it takes for goods and people to reach their destinations. The successes of service providers such as Daewoo have provided consumers with benefits of choice and affordability. New initiatives like the establishment of Gwadar Port and the construction and upgradation of new airports around the country and a further expansion of the highway network hold promises of a brighter future.

While visible progress has been made in the transportation sector, key issues and challenges

remain. A comprehensive and holistic National Transportation Policy that covers all modes of transportation for both Urban and Rural transport is yet to be implemented. Urban traffic congestion, lack of quality public transport, environmental pollution and other negative spill-overs from the transportation sector, along with safety (especially road safety) are all matters that need to be addressed if Pakistan's transportation is expected to perform efficiently and provide the benefits of a modern, well functioning and fully equipped transportation network.

i. Road Transport

Pakistan's transport system is primarily dependent on road transport, which makes up 90 percent of national passenger traffic and around 96 percent of freight movement. Over the past several years, road traffic – both passenger and freight – has grown much faster than the country's overall economic growth. The National Highway and Motorway network, which stretches an impressive 10,849 km, contributes 4.2 percent of the total road network and carries 90 percent of Pakistan's total traffic.

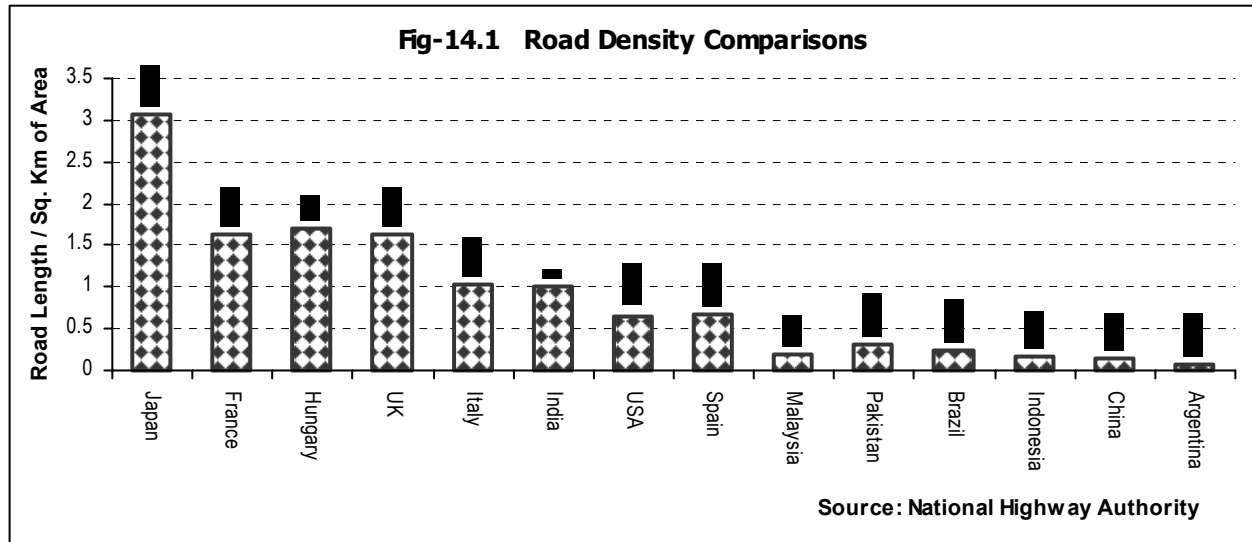
Road density (Total length of road/ Total area), is a common indicator for the development of a country's road system and concurrently used as an index for prosperity, economic activity and development. It is unfortunately low in Pakistan, especially when compared to other developed and developing countries. This fact is revealed in Fig-14.1. Pakistan, with a population of 161 million people, has a reasonably developed transport system, but still intends to double its current road density of 0.32-km/sq. km to 0.64-km/sq. km gradually over the next 10 years.

a) Road Network

Pakistan is gifted with a naturally geo-strategic location. It is at the peripheral of South Asia on one side, and Central Asia on the other. In the south, the Arabian Sea forms a gateway to the vast Eurasian hinterland. It is here that cultures of Central, West and South Asia crisscross. This ideal location makes Pakistan one of the most attractive

and shortest routes for transit to the Central Asian Republics (CARs). Indian trade to that region, in an economical/convenient manner, is also dependent on the availability of passage through Pakistan. The rapid development of Asian

economies in the recent past has also necessitated the establishment/effectiveness of operations regarding the transcontinental transport links, warranting the development of land transport corridors to facilitate trade flows.



This fact has been recognized by the United Nations Economic & Social Commission for Asia & Pacific (UNESCAP) by designating different routes passing through various Asian countries as the Asian Highway Network (AHN). A number of inter-provincial national highways of Pakistan are a component of AHN.

Pakistan’s road network is vital for the movement of people and goods and plays an important role in integrating the country, facilitating economic growth and reducing poverty. The total road network is about 260,000 km of which around 60% is paved. Road density is 0.32 km/km² which is low and compares unfavorably with other South Asian countries (Bangladesh-1.7 km/km², Sri Lanka-1.5 km/km² and India-1.0 km/km²). The Government intends to generate/ mobilize all possible resources to double road density to 0.64 km/km². Total roads, which were 229,595 KM in 1996-97, increased to 264,853 KM by 2007-08 — an increase of 15.4 percent. During the out-going fiscal year, the length of the high typed road network increased by 3.2 percent but the length of the low type road network declined by 2.8 percent. Extent of high type roads have increased by 41.5

percent since 1996-97. A sizable and continuous improvement of the high type road network can be observed from 2001 to 2007, where the network grew at an average rate of above 3 percent. The continuous improvement and rehabilitation of the existing roads reflects the government’s enhanced focus on infrastructure. As a result of an emphasis on high type roads, many low typed roads were converted to high typed roads during this period. There are many ways by which availability of improved and wide spread modern road networks can facilitate economic activity. For example, they could help alleviate poverty by providing access to far flung rural areas, create more jobs by supporting economic activity along the network and provide numerous small-scale investment opportunities. In addition, introduction of Khushal Pakistan Programme, has helped to rehabilitate and modernise rural road network along with implementation of wide ranging development activities through various district governments under the devolution programme. The annual growth of roads in Pakistan between 1996-97 and 2007-08 is given in Table-14.1 and Fig-14.2

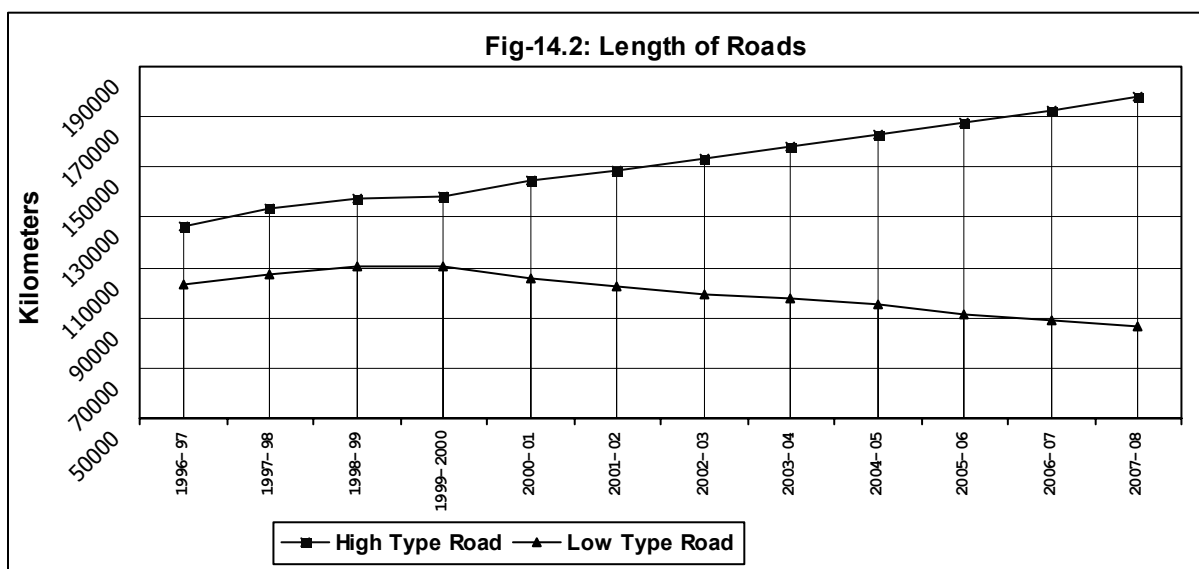
Table 14.1: Length of Roads*(Kilometres)*

Fiscal Year	High Type		Low Type #		Total	
	Length	%Change	Length	%Change	Length	% Change
1996-97	126,117	6.5	103,478	3.6	229,595	5.2
1997-98	133,462	5.8	107,423	3.8	240,885	4.9
1998-99	137,352	2.9	110,132	2.5	247,484	2.7
1999-2000	138,200	0.6	110,140	0	248,340	0.3
2000-01	144,652	4.7	105,320	-4.4	249,972	0.7
2001-02	148,877	2.9	102,784	-2.4	251,661	0.7
2002-03	153,225	2.9	98,943	-3.7	252,168	0.2
2003-04	158,543	3.5	97,527	-1.4	256,070	1.5
2004-05	162,841	2.7	95,373	-2.2	258,214	0.8
2005-06	167,530	2.9	91,491	-4.1	259,021	0.3
2006-07	172,891	3.2	88,930	-5.6	261,821	0.1
2007-08	178,423	3.2	86,430	-2.8	264,853	1.2

* Estimated

Source: Ministry of Communications

: The percentage change in low type roads can be negative as many of these roads are being converted to high type roads.



b) National Highway Authority (NHA)

The responsibility for development, operation, maintenance and preservation of the national highway network has been assigned to the National Highway Authority. Its objective is to secure the delivery of an efficient, reliable, safe and environment-friendly national highway network with a view to improving the quality of life in Pakistan.

The Authority plays a major role in all-weather reliability, reduced transportation costs and increased access to markets for local produce and products, access to new employment centres,

employment of local workers on various projects, better access to health care and other social services, as well as strengthening of local economies.

The NHA is currently the custodian of nearly all of Pakistan's major inter-provincial road links called the national highways, including the motorways and strategic roads. This network represents the main transport corridors linking ports to population centers and providing linkages to Afghanistan, the Central Asian Republics, China, Iran and India. These roads comprise of only around 4 percent of Pakistan's total road network but carry 80 percent

of the country's commercial traffic. Consequently, the network is under pressure and its importance from a development perspective cannot be over emphasized. The province wise breakup of NHA network is given in Table.14.2.

Table:14.2 Province Wise Break-up

Province	Km	% Share
Punjab	2659	23.16
Sindh	1604	13.96
NWFP	1651	14.38
Balochistan	4629	40.30
NA/AJK	942	08.20
Total	11485	100%

Source: NHA

The total NHA network of 11,485 km primarily consists of "low capacity" roads. About 75 percent are 2-lane (6.1m single carriageway), 20 percent are 4-lane divided highways (7.3m dual carriageways) and only 5 percent 6-lane highways (11m dual carriageways). Approximately 25 percent (or 2500 km) of the NHA network is in need of rehabilitation. This results in very low number of travel trips, slow speeds and an un-safe driving environment. Commercial traffic running speeds are between 35-45 kph, and average trip speeds are around 25kph; 1/3rd of the average trip speeds in developed countries.

The present highway network is under strain because of rising traffic flow and a slow pace of increase in capacity. Consolidation, preservation and improvement of the existing highways are needed on an urgent basis. A Gradual extension of the network is also equally important to develop remote areas and to better connect major economic and social centers of Pakistan. The details of some selected major projects for the next five years are shown in Table.14.3.

Operation & Maintenance: The NHA is giving special emphasis to the preservation of the existing highway infrastructure and on highway safety. Its endeavors to operate and maintain the network in a safe condition at an optimum cost while ensuring user satisfaction is limited by immense traffic and insufficient resources to meet the growing needs of the sector. Since O&M activities are dependent on toll, special attention is being accorded to enhance the efficiency of tolling systems and revenue

management through installation of Electronic Toll and Traffic Management Systems (ETTMS) under a phased program. Under the Annual Maintenance Plan 2007-08, NHA incurred an expenditure of Rs 5951 million for operation & maintenance of 9098 km of its network. The breakdown of this expenditure is given below:

Description	Km	Rs in Millions
Rehabilitation	114	1417
Structural Overlay	287	1638
Functional Overlay	514	1676
Routine Maintenance	8183	810
Highway Safety	N/A	410
Total	9098	5951

Providing adequate capacity is one of the key aims of the NHA presently. Pakistan's primary traffic movements are concentrated along the Karachi-Lahore-Islamabad-Peshawar links which serves domestic needs. This also links Punjab and the northern parts of the country with ports and commercial hubs in the south. The main artery along this corridor is the 1819 km long N-5 which serves 80% of Pakistan's urban population and carries over 65% of intercity traffic. The other main corridor is the Indus Highway (N-55). N-5 is an access-free, 4-lane divided facility with a capacity of 66,000 Passenger Car Units (PCUs). The current traffic volumes range from 7,000 to 40,000 vehicles per day which is 35% to 93% of existing capacity. Presently, 50% length of N-5 is in poor condition. Karachi - Lahore (1260 km) travel time is 48 hours and Karachi - Peshawar (1700 km) is 72 hours. Moreover, the average commercial operating speed is only 23 to 26 kph. The Government's goal of sustaining 7-8% economic growth would double traffic demand by 2017 but the N-5 will not be able to support this projected transport demand.

The NHA's portfolio cost is Rs 705.48 billion with a "throw-forward" of Rs 570.84 billion. The ratio of throw-forward to annual allocation is 31, meaning that at current funding level of Rs 29 billion; approximately three years are needed to complete the ongoing portfolio. Due to limited fiscal space and an increase in yearly allocation being rather unlikely, NHA is looking towards new and innovative methods of financing. A new

business plan is currently under finalization for approval by the Government.

Initiatives and Future Outlook: The Government of Pakistan has planned 50 mega projects for provision of better quality highways, expressways & motorways throughout the country during the next few years. Some of the planned initiatives include: construction of major new motorways, modernization of trucking fleet with newer, more efficient, and environment friendly vehicles; promotion of industrial clusters along highways/ motorways, establishment of warehouses by the private sector along the network. NHA is also implementing a major National Highway Improvement Program (NHIP) in phases at a cost of Rs 20.25 billion. Out of a total length of 836 km to be reconstructed / rehabilitated, work on 380 km has been completed. Out of the balance, 268 km

shall be completed by Dec 2008 & the remaining 188 km by Jun 2009. Program includes reconstruction and upgradation of Lahore - Gujranwala Section from 4 to 6 lanes. A complete list of on-going and future projects is given in the tables below.

The National Highway Authority plays a vital role in the efficiency and productivity of Pakistan's transportation sector. In order for the country to reap the benefits of a truly efficient road network, efforts must be made to maintain the existing network in optimal condition. An increase in the network is required to facilitate the increase in traffic and movement of goods in the future. Innovative methods of financing, private sector participation, and environmental aspects must be taken into consideration while adding to the existing network.

Table:14.3 Selected Major Planned Projects for the Next Five Years

S.No.	Project	Length (KM)
1.	Improvement/Widening of KKH (Khunjerab-Raikot Section)	335
2.	Realignment of KKH (Raikot-Sazin Section)	120
3.	Improvement/Widening of KKH (Sazin-Manshera Section)	258
4.	Manshera-Abbottabad-Hasanabdal Expressway	97
5.	Peshawar-Torkhum	51
6.	Peshawar Northern Bypass	34
7.	Underpass at Wah Gate No.1, Taxila-Hasanabdal Section	-
8.	Wazirabad-Pindi Bhattian Expressway (E-3)	100
9.	Hiran Minar Interchange (M-2) with link road	-
10.	Faisalabad-Khanewal Expressway (E-4)	184
11.	Khanewal-Lodhran Expressway	100
12.	Lodhran-Sukkur Expressway	385
13.	Ratodera-Sehwan (N-55), ACW	200
14.	Karachi-Hub-Dureji-Dadu Motorway (M-7)	270
15.	Karachi-Hyderabad Motorway (M-9)	136
16.	Jand-Kohat Notional Highway (N-80)	46
17.	Noshki-Dalbadin Section (N-40), Balochistan	165
18.	Gujranwala-Dina Expressway	100
19.	Chakdara-Dir, Kalkatak-Chitral (N-45)	120
20.	4 Bridges over River Indus in Punjab & Sindh	-

Source: NHA

ii. Pakistan Railways

An efficient transportation system plays a vital role in the economic development of a country. The government vision for economic growth and poverty reduction requires massive investment and development of infrastructure for sustainable economic growth. Pakistan Railways has a definite edge over roads for long haul and mass scale

traffic movement both for passengers and freight in addition to providing a safe, economical, and environment friendly mode of transport.

Throughout world history, rail traffic has played an important part in the development and economic prosperity of nations. Railways are a valuable source of employment while generating large

amounts of revenue to the benefit of the economy. An effective railway system facilitates commerce and trade, reduces transportation costs (monetary and non-monetary), and promotes rural development and national integration while reducing the burden on commuters. Pakistan Railways was the primary mode of transportation in the country till the seventies. However, owing primarily to a diversion of already scarce resources towards the expansion of the road network, the performance and condition of Pakistan Railway declined and its share of inland traffic reduced from 41 percent to 10 percent for passenger and 73 percent to 4 percent for freight traffic.

During the last seven years (2000-2007), Pakistan Railways has shown improving trend in both passenger and freight traffic, registering an average increase of 5.2 percent and 5.8 percent per annum, respectively. A reduction in passenger traffic has been seen for this year with a negative growth rate of -12.5 percent whereas freight traffic has grown by 18 percent over the same period last year. The

positive growth trend for the past seven consecutive years can be attributed to the wide range of improvements made by the Pakistan Railways through completion of a number of development projects and better policies aimed at modernization of PR. The fall in growth rates for passenger traffic this year can be attributed to the chaos, political strife, and rioting that the year 2007-08 has seen. Many parts of the railway track have been destroyed with immense damage being caused to the property of Pakistan Railways. The service remained closed for a substantial amount of time following the violence witnessed in the country in December 2007 after the assassination of one of its political leaders. Some estimates put the loss suffered by Pakistan Railways at the expense of this year's disturbance at Rs 10 billion.

Pakistan Railways has introduced 9 new train services in order to facilitate passengers as well as freight customers. (See Table.14.5). PR has also improved the quality of its services, timeliness and cleanliness. This trend is reported in Table.14.4.

Table 14.4 Trend of Passengers Traffic and Freight Traffic (Road vs Rail)

Fiscal Year	Passenger Traffic (Million passenger Km)				Freight (Million Ton KM)			
	Road	%Change	Rail	%Change	Road	%Change	Rail	%Change
1996-97	163,751	5.9	19,114	1.1	84,345	5.6	4,607	-9.3
1997-98	173,857	6.2	18,774	-1.8	89,527	6.1	4,447	-3.5
1998-99	185,236	6.5	18,980	1.1	95,246	6.4	3,967	-10.8
1999-00	196,692	6.2	18,495	-2.6	101,261	6.3	3,753	-5.4
2000-01	208,370	5.9	19,590	5.9	107,085	5.7	4,520	20.4
2001-02	209,381	0.5	20,783	6.1	108,818	0.2	4,573	1.2
2002-03	215,872	3.1	22,306	7.3	110,172	1.2	4,820	5.4
2003-04	222,779	3.2	23,045	3.3	114,244	3.7	5,336	10.7
2004-05	232,191	4.2	24,238	5.2	116,327	1.8	5,532	3.6
2005-06	238,077	2.5	25,621	5.7	117,035	0.6	5,916	6.9
2006-07			26,446	3.2			5,453	-7.8
Jul-Mar								
2006-07	191,057		20,921		88,032		3,786	
2007-08*	--	--	18,296	-12.5	----	--	4,488	18.5

* Estimated

Source: Ministry of Railways & Ministry of Communications

In order to continue improvements and to consolidate reforms, Pakistan Railways has prepared a business plan for 2005-11. The plan places emphasis on encouraging private sector participation in order to increase its competitiveness, responsiveness and efficiency. Pakistan Railway is planning to take a series of interlinked initiatives, which will enable it to

compete efficiently in the fast growing transport sector in Pakistan.

Pakistan has awarded a contract to an international consortium to carry out a feasibility study for establishing a rail link with China. A rail link could further boost trade relations between the two countries by facilitating the already growing trade with China and operations of Gwadar Sea Port.

Table: 14.5 New Trains

S.No	Trains	Section	Date of Commencement
i)	Thar Express	Karachi-Zero Point	18-02-2006
ii)	Margala Express	Lahore-Rawalpindi	22-05-2006
iii)	Marvi Express	Mirpurkhas-Khokhropar	07-06-2006
iv)	Sindh Express	Lahore-Karachi	24-07-2006
v)	Buraq Express	Rawalpindi-Karachi	14-08-2006
vi)	Peshawar Express	Peshawar-Rawalpindi	15-12-2006
vii)	Pakistan Express	Rawalpindi-Karachi (Via Hafizabad, Faisalabad And Multan)	16-12-2006
viii)	Jinnah Express	Karachi-Rawalpindi.	08-01-2007
ix)	Sir Syed Express	Rawalpindi-Karachi	08-03-2007

Source: M/O Railways

The PDSP allocations for the Railway sector were increased from Rs 3. billion during 2000-01 to Rs 11.642 billion in 2007-08. Major development schemes include track renewal of 240 KM of rails and 220 KMs of sleepers planned for main line from Karachi- Khanpur. Additionally, 20 units of locomotives in CKD condition received from China will be manufactured at the Pakistan Locomotive Factory in Risalpur. This will complete the scheme for Procurement. Manufacture of 69 DE locomotives. The scheme for recommissioning of 55 DE locomotives will be completed in the year 2007-08 as well. 655 CKD wagons received from China will be manufactured at Pakistan Railway Workshop in Moghalpura thus completing the scheme for Procurement/Manufacture of 1300 high capacity wagons. Rehabilitation of 400 old coaches is underway with 130 coaches expected to be rehabilitated in this fiscal year. Another on-going development project is the next phase in the doubling of tracks from Khanewal- Lahore (246 KM).

In addition to these development projects, the following feasibility studies have also been sanctioned to explore future prospects and initiatives:

- High Speed Double Track between Lahore and Rawalpindi.
- Rail link from Havelian to Pak-China Border.
- Doubling of track and realignment between Shahdara-Rawalpindi.

- Doubling and Realignment of track between Golra Sharif-Peshawar.

The earning of Pakistan Railways since 1998-99 are given in Table.14.6.

Table-14.6 : Earnings of Pakistan Railways

<i>(Rs. Million)</i>		
Year	Earnings	% Change
1998-99	9,310	--
1999-2000	9,889	6.2
2000-01	11,938	20.7
2001-02	13,046	9.3
2002-03	14,812	13.5
2003-04	14,636	-1.2
2004-05	18,027	23.2
2005-06	18,184	0.9
2006-07	19,194	5.5
July-Mar		
2007-08	13,954	

Source: Ministry of Railways

iii) Civil Aviation Authority (CAA)

Civil aviation plays an important role in the development of a country's economy by providing fast and efficient access between different parts of the country as well as different destinations around the world. Private participation on this front has been encouraged through concessions and incentives for development of airports and airlines to increase the availability of air transport services both domestically and internationally. It is important to construct and maintain airports in the country to facilitate economic activity in an increasingly globalized world. The construction of the new Islamabad international airport (NIIA) is expected to play a major role in the national

aviation sector. The airport will be developed by the Civil Aviation Authority (CAA) on a self-finance basis with an estimated cost of Rs. 30 billion on 3200 acres of land, and is expected to be completed by December 2010. The project has been designed with all the essential facilities to handle an annual traffic of 9 million passengers as well as 100,000 metric tons of cargo.

To supplement the growth and development of Balochistan, the CAA is going to construct the New Gwadar International Airport (NGIA) through the Public Sector Development Programme (PSDP), at a total estimated cost of Rs. 3.6 billion. The airport will be developed as a major hub for all aviation activities in the region, and it is expected to be completed by November 2010. The upgrading of Multan and Peshawar International Airports have also been initiated with estimated costs of Rs. 2.6 billion and Rs. 0.6 billion respectively.

a) Pakistan International Airlines (PIA)

The year 2007 turned out to be an exceptionally difficult year for PIA. The Airline experienced a series of financial, operational and marketing problems during the past year that severely hampered its performance. In the early part of the year, an operating restriction was placed on PIA flights by the European Union. Apart from providing a negative image for the Corporation, this translated to a loss in market share as well as growth in business which made the situation exceptionally difficult. An unprecedented increase in oil prices adversely impacted PIA's bottom line and neutralized recovery efforts. Attempts were made to contain the impact of a rising fuel bill by reducing the utilization of older and fuel inefficient planes. The airline was also mired by increases in pay to certain categories of personnel and a depreciation of the Rupee against the Dollar.

Ever increasing competition and entry of new operators in certain key markets reduced the level of traffic for PIA. Yields were increased despite the added competition but revenues remained static for the year. The financial position of the company remains under strain as financial costs increased by almost 50 percent, negating a reduction in operating expenses of Rs 2.6 billion.

The restrictions imposed by the EU were lifted near the end of 2007 as PIA was able to satisfactorily address the issues highlighted by the Air Safety Committee. A route rationalization plan was implemented whereby services to some non-performing sectors were discontinued while capacity on other routes were realigned with available traffic. These and various cost reducing measures taken by the management did not result in profits for the airline, but was effective in reducing the magnitude of the losses suffered.

Despite these financial difficulties, the airline remained on track on its fleet modernization plan and by December 2007, the average age of PIA's fleet was reduced to 13 years.

The total international passenger traffic to and from Pakistan increased by 5.7 percent over the last year, but due to EU restrictions on PIA flights and the damage to its image, PIA's international passengers declined by 4.2 percent. Thus against an international market share of 48 percent in 2006, PIA's market share dropped to 43.5 percent. In the domestic market, despite an overall traffic decline of 6.4 percent, PIA was able to retain its market share at 69.4 percent. On a system-wide basis, PIA's market share was 51.2 percent against 54.9 percent last year. In terms of capacity utilization, the System Passenger Seat Factor (excluding Haj) was 69 percent against 70 percent last year while with the Haj inclusion, the System Seat Factor was 67.4 percent against 68.5 percent last year. Though the airline faced shortfall in ASKs (Available Seat kilometres) by 8 percent in 2007 as against 2006, it registered an increase of Rs 1.1 billion in passenger revenue as compared to 2006. PIA's cargo traffic in terms of RFTKs (Revenue Freight Tonne Kilometers) was significantly down by 17.9% over last year

Pakistan International Airlines' revenue passengers carried for the year 2007 was 5.415 million as compared to 5.732 million passengers in the same period of last year, showing a decline of 5.5 percent. The airline's revenue was Rs. 70,480.73 million in 2007 as against Rs. 70,587.15 million generated in the corresponding period of 2006, registering a marginal decrease of 0.2 percent. During 2007, cargo traffic was 350.76 million

Revenue Freight Tonne Kilometre (RFTKS) as against 427.01 RFTKS in the same period last year thus registering a decline of 17.9 percent. The unprecedented hike in oil prices over the course of the year adversely impacted PIA's bottom line and neutralized the efforts for recovery. PIA, however, made efforts for containing the fuel bill by reducing utilization of older fuel-inefficient fleet. The total number of aircrafts in PIA's fleet stood at 42.

iv) Ports & Shipping

a) Karachi Port Trust (KPT)

The steady and continuous progress made by KPT has helped boost the national economy over the

years with international trade ever-increasing in a globalized world. The KPT had an annual cargo handling size of 30.8 million tons during 2006-07, showing a slight decrease of 4.4 percent over last year's record cargo handling of 32.3 million tons. However, there has been a rise in activity during the first seven months of the current fiscal year, showing remarkable increase in all types of cargo handling including bulk, Break bulk and containers. Figures show that during the first seven months of the current fiscal year, already 20.5 million tonnes of cargo has been handled. Statistics of cargo handled during the last ten years are given in Table 14.7

Table 14.7 : Cargo Handled at Karachi Port (000 Ton)

Year	Imports	%Change	Exports	%Change	Total	% Change
1996-97	18,362	-1.9	5,113	5.2	23,457	-0.4
1997-98	17,114	-6.8	5,570	8.9	22,684	-3.4
1998-99	18,318	7	5,735	3	24,053	6
1999-2000	17,149	-0.9	5,613	-2.1	23,762	-1.2
2000-01	20,064	10.5	5,918	5.4	25,98	9.3
2001-02	20,330	1.3	6,362	7.5	26,692	2.7
2002-03	19,609	-3.5	6,273	-1.4	25,852	-3.1
2003-04	21,732	10.8	6,081	-3.1	27,813	7.6
2004-05	22,100	1.7	6,515	7.1	28,615	2.9
2005-06	25,573	15.7	6,697	2.8	32,270	12.8
2006-07 (July-Jan)	23,329	-8.77	7,517	12.24	30,846	-4.41
2007-08	15,090	-	5,455	-	20,545	-

Source: KPT

The existing port facilities appear to be inadequate to handle the growing cargo at the port. In order to address these constraints, the KPT has launched a number of projects that are at different stages of execution. A number of these projects have been formulated for phased implementation on a BOT basis, covering various activities in port operations. The KPT has commissioned the project titled "Karachi Interval Container Terminal (KICT)". The project is already operational at the west wharf and it has annual capacity of 350,000 twenty equal units (TEU). An additional \$ 65 million was invested to enhance its capacity upto 525,000 TEU. The 3rd phase of the project was launched on March 7, 2005, with an investment of US\$ 55 million to extend the capacity up to 700,000 TEU. In addition, KPT has awarded a contract for a second container terminal on BOT basis with

estimated cost of US\$ 75 million. To ease transportation problem between the port and the factory, the KPT has pledged to contribute over Rs.2.8 billion for reconstruction of roads. As the new generation of container ships come on board, KPT is taking initiatives to be able to cater to the even higher capacity fifth and sixth generation ships. This involves the development of 10 deep draught berths with the total cost of US \$ 1,087 million. Furthermore, a Cargo Village and Industrial Park in the Western backwaters of Karachi Port has also been proposed. Finally, to provide connectivity between the Pakistan Deep Water Container Port and the Cargo Village, KPT is planning to construct a Cable Stayed Bridge across the channel, which will also connect Clifton with Manora and Hawksbay.

b) Port Qasim

Port Qasim is the first industrial and commercial port of Pakistan operating under landlord concept. Today it caters for around 40% of shipping requirements of the national economy. During the last financial year 2006-07, PQA handled a record volume of 24.3 million tonnes cargo showing an impressive growth of around 13% over corresponding period. However, from July to March of the current financial year, 2007-08, PQA handled 19.76 million tonnes of cargo depicting a growth rate of 10% over the same period last year. Cargo volume also surpassed the budget targets by 3% during the same period under review.

There has been a vast improvement in cargo handling over last five years. Average annual growth has been around 13.5% over the last five years which calls for development of new berths/terminals for capacity enhancement. The current handling capacity of the port, with ten berths, is 34 million tonnes per annum. To meet the ever growing requirement of capacity enhancement, PQA has chalked out an ambitious development plan. As against 3 private sector projects, 9 private sector projects which include Liquid Cargo Terminal, 2nd Container Terminal, Grain & Fertilizer Terminal, Coal & Cement/clinker Terminal, Gasport LNG Floating terminal, Granada LNG Terminal, 2nd IOCB, 2ND Oil Jetty and Mashal project by Sui Southern Gas Company are being implemented by the private sector with the completion of these terminals expected by 2010. With the projects in the pipelines, the PQA aims to increase its handling capacity to 85 million tonnes per annum, an increase of 150%.

PQA is committed to the objectives laid out under the National Trade Corridor, i.e. capacity enhancement, deeper draught berths, competitive tariffs and uninterrupted flow of cargo. PQA plans to deepen its navigation channel at a cost of US\$ 100 million.

The Port Authority is also pursuing the development of industrial zones. Plans are in the pipelines to spend more than Rs. 13 billion on infrastructure facilities in various industrial zones.

Currently 104 projects are already operational while 179 are in construction phase. The completion of these will not only accelerate industrialisation in the country, but will also be a valuable source of employment generation.

During the last 3 years a marked improvement has also been witnessed in revenue growth. The revenue generation over the last five years was increased from Rs. 2 billion to Rs.3.4 billion. The PQA is currently pursuing a large number of projects for capacity enhancement and industrialization, attracting foreign direct investment (FDI) and simultaneously undertaking major infrastructure development to enhance its efficiency. The port has already attracted US \$ 1.5 billion of FDI.

c) Pakistan National Shipping Corporation (PNSC)

PNSC fleet comprises of 14 vessels with a total capacity of 536,821 dwt. The fleet consists of 10 multi-purpose cargo vessels, 3 Aframax crude oil tankers and one Panamax bulk carrier vessel which were acquired through PNSC's own resources. The three Aframax oil tankers are participating in national and regional crude oil trade. PNSC has carried crude oil cargoes for India, Bangladesh and Sri Lanka. During first six months of the current fiscal year, the PNSC has lifted 5.87 million tonne of liquid cargo and 1.3 million tonne of dry cargo. The Corporation is continuing with its efforts to add more vessels. The share of lifting cargo has increased from 10.55% in 2001 to 17.47% in 2007. PNSC is expected to increase its fleet in 2007-08 by acquiring 3 new ships. A loan agreement has been signed with a foreign bank for this very purpose for an amount of US\$ 135 million. For the first six months of the current fiscal year, the PNSC group has generated Rs 7,471 million in revenue, a 11 percent increase from the revenue earned during the same period last year. For FY 2007-08, PNSC has posted a before tax profit of 1,957 Rs million, an increase of Rs 100 million from profits in the same period last year. The Corporation also witnessed a healthy increase of 9.1 percent in earnings per share.

d) Gwadar Port

Gwadar, a district of Balochistan enjoys a strategic position on the coastline with immense trade potential for not only Pakistan, but also for the region in general. The purpose of developing a port at Gwadar is to stimulate economic growth in the western and northern parts of Pakistan, utilizing the available coastline resources of the country and also providing an outlet for land-locked Central Asian Countries and Afghanistan through transit trade and offering trans-shipment facilities. With a fully equipped and well-functioning port at Gwadar, Pakistan will be able to promote trade and transport with Gulf States, China, Europe, Africa and Central Asian Countries; unlock the development potential of hinterland; divert the influx of human resources from upcountry to Gwadar instead of Karachi; provide a socio-economic uplift of Gwadar, the province of Balochistan and the country in general; establish shipping related industries; reduce the congestion and dependency on existing ports; and serve as a regional hub for major trade and commercial activities.

Work on Gwadar Port started in 2002 with major construction having been completed in early 2007 and the official inauguration on 20th March 2007. The total cost of Phase I of the Gwadar Deep Water Port Project was Rs. 17.3 billion with generous support from the Chinese Government, who not only provided financial support but also technical expertise.

To facilitate the growth and development of Gwadar Port, the Government of Pakistan has granted special waivers and tax exemptions on construction equipment, machinery, corporate income and provisional and local taxes.

A deep sea port like Gwadar is already attracting global attention, and once it is fully developed with all supporting facilities required to handle trans-shipment and trade, Gwadar will become one of the important gateways to the region. In order to achieve the objectives of the Gwadar Deep Water Project and enhance the economic development of Pakistan, the operations and management of the port was handed over to the Port of Singapore Authority (PSA) under a 40 year agreement. PSA

is a global leader in port operations, and is already operating 19 ports in 11 different countries. They have the plans and capacity to turn Gwadar into a regional hub through their strong links in the Maritime world and their contacts with various shipping lines.

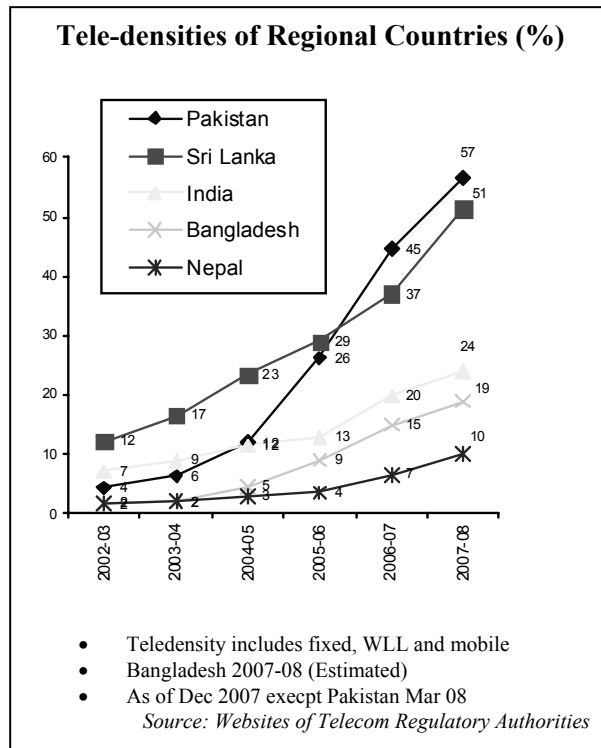
e) Future Outlook

National Trade Corridor

In 2005, the Government of Pakistan launched major initiatives around the National Trade Corridor Improvement Program (NTCIP) to reduce the cost of trade and transport logistics and bring the quality of services offered to international standards. The aim being a reduction in the cost of doing business and ultimately enhance industrialization and the competitiveness of the Pakistani economy

The word “corridor” is a vestige of the initial Peshawar-Karachi (North-South) focus of this initiative, but at present NTCIP has evolved into a national program to improve the overall cost and efficiency of all links in the chain (infrastructure and services) that support trade logistics. The NTCIP also aims to meet increased demand through both improved infrastructure and more efficient services, while keeping costs under control. It is a medium term program that eventually links to the Government’s Vision 2030.

With a reform agenda supplemented by a strong investment program, NTCIP has become, essentially, the medium term development framework for the transport sector. Policies have been developed to meet NTCIP’s challenges: (a) modernize and streamline trade and transport logistics practices and customs; (b) improve port efficiency, reduce the costs for port users and enhance port management accountability; (c) create a commercial and accountable environment in Pakistan Railways and increase private sector participation in operation of rail services; (d) modernize the trucking industry and reduce the cost of externalities for the country; (e) sustain delivery of an efficient, safe and reliable National Highways system; and (f) promote and ensure safe, secure, economical and efficient civil aviation operations and boost air trade.



Since the launch of the NTCIP, some early gains of the program have already been achieved: (i) reduction of port entry charges by 15 percent at Karachi and Port Qasim; (ii) reduction of port transit times from nine to four days and reductions of customs clearance times from four to less than one day for containers; (iii) increase in daily freight express trains on the main north-south corridor from 1 to 5, reducing up-country container travel times by 10-20 percent; (iv) reduction of import tariffs on new trucks; (v) the approval of the first Trucking Policy (covering the overall road freight industry) followed by an organized effort to start preparation and implementation of this policy; (vi) the approval of the new civil aviation policy after a long series of consultations (including the Government seeking public comments for the first time in the history of civil aviation in Pakistan); (vii) the approval of the trade facilitation policy for Pakistan; (viii) Pakistan Railways preparing the very first draft "Network Statement" which is a key step towards movement on track access; (ix) main-streaming of Public Private Partnership in the NTCIP effort by the setting up of a specific sub-

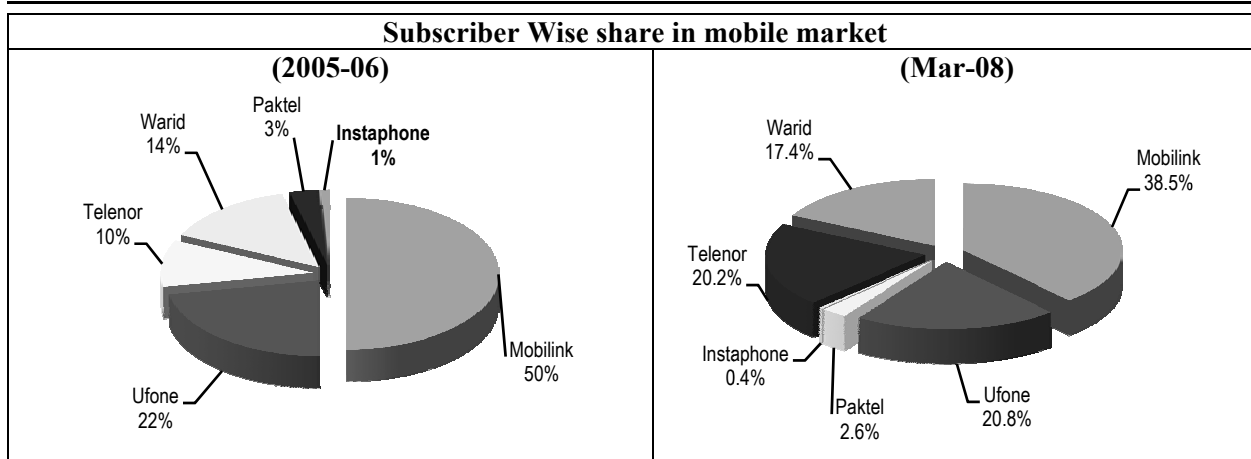
committee under the NTCIP task force led by the Infrastructure Projects Development Facility; (x) finalizing the overall transport policy document for Pakistan with ADB and World Bank collaborating on its development and a road map being laid down by the Planning Commission for its finalization; (xi) Port Qasim Authority preparing its first Business Plan which is now in the system for approval; (xii) the discussion of the first draft of the revised Afghanistan- Pakistan Transit Trade Agreement; (xiv) the procurement of Pakistan Automated Customs Community System.

Telecom Sector

Telecom sector continued to show stellar growth in last few years. Tele-density in the country has jumped from a mere 6% to 57% (Mar- 08) in few years. Pakistan was far behind in terms of telecom penetration few years back compare to its peer countries like India and Sri Lank however; its tele-density crossed both of these countries in last two years. Prudent policies of the government and concrete steps by the regulator have placed Pakistan telecom sector among rising economies like Malaysia and Singapore. Pakistan telecom sector has emerged as the fastest growing sector in the world where the infrastructure and subscriber growth patterns are unmatched all across the region. On average, more than 2 million subscribers are being added on cellular mobile networks per month which is an exemplary growth in the region. Currently, the total subscription base of cellular mobile companies is about 80 million while the WLL subscribers are 2.2 million. WLL is a latest technology introduced in Pakistan especially to cover the digital divide between rural and urban areas.

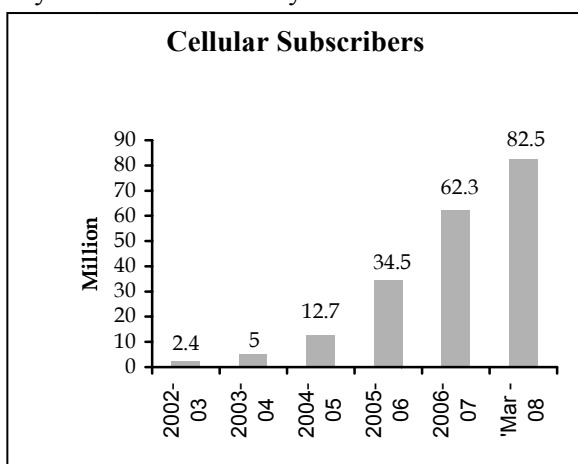
Telecom Sector Overview

Fixed Tele-density has slightly declined from 3.1% in 2006-07 to 2.9% in 2007-08 (Mar-08). Major reason behind this decline is the churn of subscribers from fixed line to wireless based services like WLL and mobile services. WLL sector is performing well and its tele-density has reached to 1.48% in 2007-08 (Mar-08). Total subscribers of WLL in Pakistan crossed 2.3 million in March 2008 which has boosted tele-density in the country.



Cellular Mobile

Pakistan has become one of the fastest growing mobile markets among the emerging telecom markets. This year the sector grew by 80% whereas average growth rate in last 4 years is more than 100%. Today total subscriber base stands at 82.5 million (Mar 2008) whereas it was 34.5 million in 2006 and 12.7 million in 2005. This tremendous growth is attributed to many internal and external factors starting from deregulation down to implementation of Mobile Number Portability. The government and regulator are trying their best to facilitate the sector and are making every effort to provide mobile access to every corner of the country.



Out of the total population of Pakistan, almost 90% of population is covered with mobile networks in addition to availability of fixed and WLL services to this percentage. All operators are increasing their networks to number of cities/ towns/ villages. Upto December 2007 more than 7,011 cities/

towns and villages have mobile networks by one or all operators.

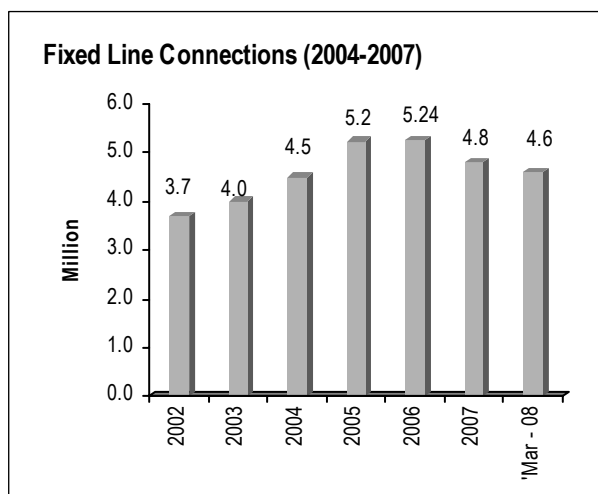
Long Distance and International

The Long Distance and International (LDI) segment has evolved after the deregulation of Pakistan telecom sector in 2004. PTA awarded 14 licenses for Long Distance and International services till 2007. Out of these 14 LDI licensees only Multinet has not started its services. 3 out of 6 cellular operators have also acquired LDI licenses. The LDI operators are performing aggressively in the local market by offering affordable tariffs for large number of countries. PTCL also reduced its tariffs at the end of 2006 and now international direct dialing facility is available on every PTCL connection and call booking is no more required. Similarly international dialing facility from mobile number has also revolutionized the LDI segment.

The sector witnessed blooming health wherein telecom consumers enjoyed international dialing as low as Rs. 1/- minute (to specific countries by Wateen). Due to this aggressive competition it is becoming increasingly difficult for inefficient operators to sustain their financial health and growing pressures from the market. Companies have started looking for foreign investment to survive in the market e.g. Worldcall has sold 65% of its shares to Oman telecom, also 30% shares of Burraq have been acquired by Qatar Telecom. These changes in the market also show increasing interest of Mid-East based telecom companies in the telecom market of Pakistan.

Fixed Local Loop Services

Fixed-line telephony in Pakistan is one of the difficult areas where the incumbent operator, PTCL, holds monopoly with share of more than 98% of the total Fixed-line subscribers. Fixed Local Loop (FLL) growth remained about half percent during the previous year, slow growth is due to the cumbersome activity of laying cables. However, new operators are gaining momentum in fixed-line telephony though their services remained localized in main cities by targeting businesses in the first place. FLL subscribers reported 4.6 million and tele-density is 2.9% at the end of March 2008.

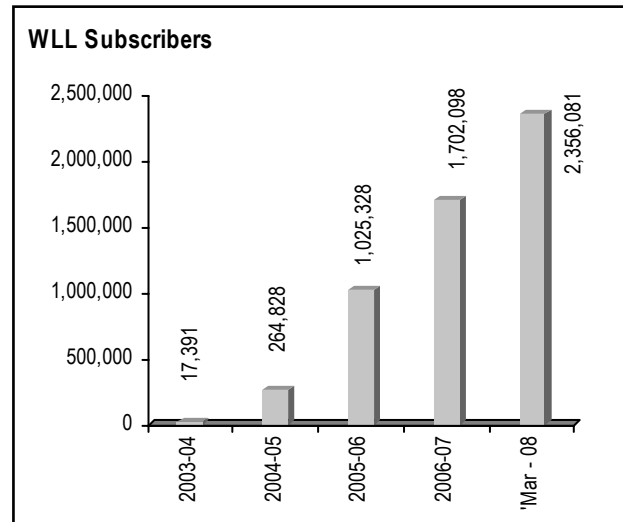


Wireless Local Loop

Wireless Local Loop services were introduced in Pakistan after deregulation of local loop sector in 2004. The Authority auctioned frequency for commercial operations of WLL services. A total of 17 companies won WLL licenses, out of which six operators obtained WLL license in all 14 telecom regions after winning the frequency. Out of these 17 WLL companies 7 (PTCL, Worldcall, Telecard, Great Bear, Burraq, Wateen and Mytel) are fully operational. The recent development is the introduction of WiMax technology by WLL operators, which will make available high quality broadband data/ Internet services.

Total WLL subscribers have reached 2.3 million and the tele-density is 1.48. The sector has witnessed 65% growth in subscribers during 2006-07. PTCL is currently leading the WLL market as well with maximum share of 53% followed by

26% share of Telecard. In addition, the WLL operators are also providing Payphone facilities to the general public. There are a total of 225,980 wireless PCOs in Pakistan.



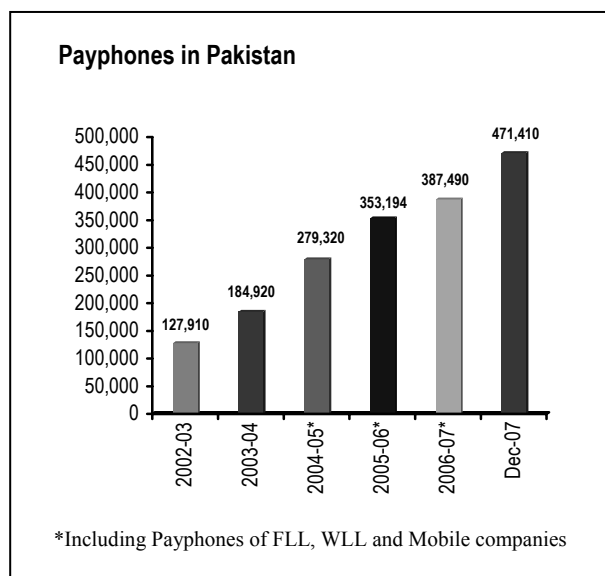
Value Added Services

Value added Services have been deregulated since 1990 in Pakistan and private operators are providing these services to consumers. In 2005 PTA introduced Class Value Added Service (CVAS) regime where most of the CVAS licenses have been merged into one single license. Some of the services have been exempted by the Authority from obtaining license and the process of simple registration has been established for convenience of operators and telecommunication services users.

Since the introduction of CVAS licensing regime in October 2005, PTA has issued 224 CVAS licenses and 4 Class Value Added Registrations (161-Voice Class Value Added Services licenses, 67-Data Class Value added services Licenses). Out of 161 “Voice TYPE” CVAS licenses, 153 Licenses have been issued to CPP operators

Payphones

All over the world, payphones are regarded as the poor man’s telephony. They provide easy access to people who can not afford to have telephone access at home. It is also a source of self employment in developing countries. Card payphone service in Pakistan was deregulated in 1990s.



During the last one and a half year a number of new companies have applied for Voice Class Value Added services license. Now, these companies are joining hands with mobile Companies to establish Mobile PCOs rather than fixed line PCO. Mobilink, Telenor and CMPak (Paktel) have started providing Mobile PCOs after obtaining the permission from PTA. Similarly, some old players of CPP industry themselves got licenses for WLL and now they are offering services on their WLL networks.

Total payphones reached to 471,410 at the end of December 2007. Currently, more than 121,358 Fixedline, 262,116 WLL and 57,939 Mobile PCOs are working all across the country.

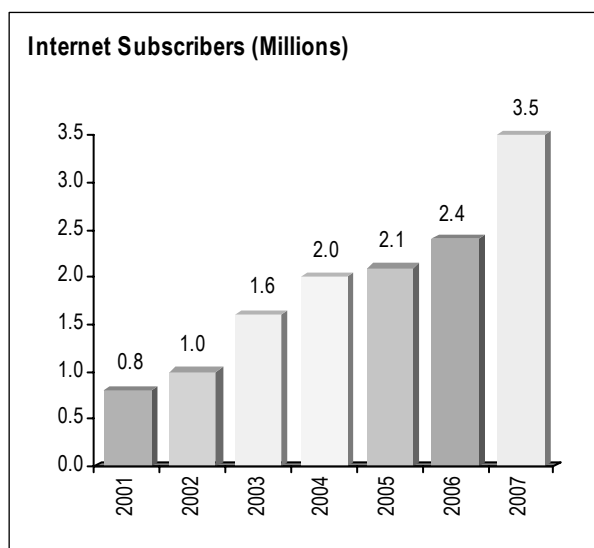
Broadband Services

Pakistan's broadband market has been slow despite the fact that services have been available since almost five years. Currently there are a total of almost 12,689 Broadband subscribers which provide dismal picture when compared with other similar economies. Telecom regulator is trying hard to improve broadband penetration in Pakistan; however, factors like lack of education, IT equipments are main hurdles in the way of its growth. To make the service affordable for common man, PTA has already reduced Bandwidth charges tremendously.

Internet Services

Internet service is becoming an integral part of life in Pakistan particularly in urban areas where large portion of populace using it for different purposes. Most Airlines including PIA and Air Blue have started e-ticketing through Internet to provide better and efficient services to its customers. Internet is also being used for educational and entertainment purposes and its use is increasing very fast. Major reason for rapid growth of the service is low cost of the service which make service affordable to poor strata of the population. Almost 70 companies are providing Internet service all across the country.

According to estimates by the Internet Service Providers Association of Pakistan (ISPAK), currently there are about 3.5 million internet subscribers all across in Pakistan where total users crossed 17 million marks. Currently around 3,008 cities are connected to internet cities.



Telecom Economy

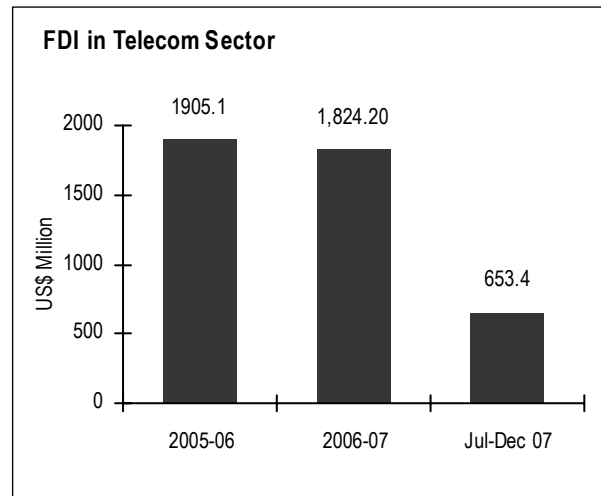
Foreign Direct Investment (FDI)

Government has created a conducive and investor friendly environment in the telecom sector by awarding licenses in a fair and transparent manner. Award of cellular mobile licenses increased Foreign Direct Investment considerably.

During 2007-08 (July-March), an FDI inflow of US\$ 811.6 million has come in the telecom sector which is almost one third of the total FDI in the country during the period. This trend has continued and during Jul 07-Dec 07, US\$ 653.4 million FDI inflows came in the telecom sector and it is expected that during 2007-08 this will be increase further.

Contribution to Government Revenues

Telecom sector is a major contributor in generating revenues for the Government. During 2006-07 total revenue collected by the Government in the form of taxes, duties and regulatory charges was more than Rs. 100.5 billion. The government collected total of Rs. 36.6 billion against GST/CED, it is expected that this collection would grow exponentially in the coming years. The government also collects activation tax on new mobile connections @ Rs.500. During 2006-07 total amount collected in the form of activation tax was Rs. 17.6 billion. Similarly PTA also deposited Rs. 7 billion to the national exchequer [Table 14.8].



Employment

The telecommunications sector liberalization in Pakistan has created huge employment opportunities (direct and indirect) in the country. It is estimated that over one million job opportunities have been created since the liberalization of the sector in 2003.

Table-14.8: Telecom Contribution to Exchequer (2007) (Rs. in Billions)

Period	GST	Activation Tax	PTA Deposits	Others	Total
2001-02	8.9	0.12	0.04	0.99	10.05
2002-03	11.5	1.91	0.47	15.75	29.63
2003-04	12.1	4.02	0.69	21.59	38.40
2004-05	20.5	7.53	17.72	21.38	67.13
2005-06	26.8	11.40	17.38	21.55	77.10
2006-07	36.28	17.58	9.72	36.95	100.55

Source: Central Board of Revenue and Pakistan Telecommunication Authority. Others include custom duties, WH Tax and other taxes.

Regulatory Steps for Promoting Telecom in Pakistan

Rural Telephony

PTA Launched a project of Tele-centres (Rabta Ghar) across Pakistan to provide basic telecom facilities to the people who cannot afford such telecom facilities at their own. PTA planned to set up 400 Tele-centres (Rabta Ghars) free of cost. The first phase of Rabta Ghar scheme has been launched during the year where 353 Rabta Ghar are being established. Each Rabta Ghar is being equipped with a PC, one Wireless PCO, One Internet enabled Wireless set, Printer, scanner, copier and fax (4 in 1 machine). In addition to that

each Rabta Ghar owner is being provided with a comprehensive training from the GID.

Technical Solution to Counter Illegal Telecom Traffic

PTA had taken several regulatory measures to counter the grey (Illegal) traffic in the country which is causing huge losses to the national exchequer and to the operators in Pakistan who have invested heavily in telecommunications infrastructure. PTA has estimated that approximately US\$ 50 million (Rs 3 billion approx) loss accrued per annum to national exchequer due to international traffic leakage. To

control this leakage, PTA has acquired technical solution to detect/block all illegal traffic bypassing legitimate gateway exchanges in Pakistan. To overcome this menace, Pakistan Telecommunication Authority (PTA) has signed an agreement with “Inbox Business Technologies” to acquire and deploy Technical Solution [See Table-14.9].

The Technical Solution has been developed by NARUS, Inc, a US based company which is also the leader in carrier-class security for the world's largest Internet Protocol (IP) networks. It is a production proven solution which is currently being used by various telecom operators across the globe. The list includes AT&T, Telecom Egypt, Saudi Telecom and Brazil Telecom, to name a few.

Table-14.9: Direct and Indirect Employment in Telecom Sector of Pakistan

Sector	2003-04	2004-05	2005-06	2006-07
Cellular Mobile	130,770	242,026	516,760	743,025
<i>Direct</i>	6,000	9,000	10,000	12,000
<i>Indirect</i>	44,296	84,087	188,754	273,779
<i>Induced</i>	80,474	148,939	318,006	457,246
Local Loop				12,898
WLL	1,318	2,303	2,917	2,500
LDI	99,231	106,942	112,943	117,666
Broadband	345	462	623	746
Payphones	231,150	349,150	441,493	484,363
Equipment vendors/suppliers	3,254	4,485	4,996	5,500
TOTAL	466,068	705,368	1,079,732	1,366,698

Source: Telecom Engineering Consulting House and PTA estimates

PTA check on Unauthorized Sale of SIMS

Pakistan Telecommunication Authority (PTA) has started checking the unauthorized sale of new SIMs for the last few years to ensure that new mobile connections are issued after proper scrutiny of documents. PTA had earlier directed that franchisees must acquire the copy of the Computerized National Identity Card (CNIC) of the customer while issuing mobile telephone numbers. Various teams of PTA Zonal offices at Karachi, Lahore, Muzaffarabad, Peshawar, Quetta and Rawalpindi carried out surprise checks and recommended sealing the franchisees found selling cell phone SIMs without appropriate procedures and records. PTA has taken number of steps to deal with this issue and has directed cellular mobile companies to ensure that new SIMs are sold only through its franchisees or their authorized sale points. PTA and cellular service providers have simultaneously embarked on an awareness raising campaign employing the media to encourage the general public to get their connections transferred in their names if they have not done so already.

Quality of Service Survey of Mobile Companies

Services of the operators are continuously monitored in order to ensure quality as per the license conditions. Previously, PTA conducted four manual comprehensive Quality of Service (QoS) surveys of Mobile Operators. Fifth QoS survey of mobile operators was conducted by PTA Zonal Offices located at Peshawar, Rawalpindi, Lahore, Karachi and Quetta from September to November 2007, using recently procured state of the art monitoring equipment. The services of five GSM operators i.e. Ufone, Mobilink, Telenor, Warid, and CMPak were checked in selected major and small cities. Service parameters including Network Accessibility, Service Accessibility, Access Delay, Voice Quality and SMS were checked with the automated monitoring tool.

3G Licensing

The Mobile Cellular Policy 2004 provides framework for the award of 3rd Generation (3G) Mobile Licensing/spectrum auction. Similarly, Cabinet Committee on Regulatory Bodies decided that three 3G mobile licenses/spectrum shall be auctioned amongst existing mobile operators in Pakistan. PTA therefore was required to award 3G

licenses after vacation of the 3G bands by FAB. Consequently Frequency Allocation Board was tasked to vacate frequency spectrum identified for the 3G auction and the Authority prepared Information Memorandum for 3G spectrum auction/licensing. The draft IM was circulated to all stake holders including mobile operators for their opinion and input. The industry strongly recommended delay in the licensing of 3G services. The industry is of the view that the mobile data market in Pakistan is insignificant, the base price is very high and the local market is not ready for it. The Authority therefore considering operators (who are the main stake holders) viewpoint, has forwarded industry's concern and its own viewpoint to the government of Pakistan. The industries is worried about the cost of the spectrum and are interested that instead of auction the spectrum should be given to all of the operators at reasonable price. FAB is still working on the vacation of the band and as soon the same is cleared, PTA would issue IM and initiate process for 3G spectrum auctions.

III. Electronic Media

a) Pakistan Electronic Media Regulatory Authority (PEMRA)

PEMRA was setup under an Ordinance in March 2002 to oversee and regulate private broadcast media affairs in the country. For more than five decades since independence, people have had very limited access to information, education and entertainment. The environment was never as conducive for the private media to flourish. It was for the first time that electronic media was opened up to the private sector in 2002. Complete freedom and facilitation served as a catalyst for the unprecedented growth of electronic media in a short span. Today there are nearly 50 private TV channels transmitting information, entertainment and education to all nooks and corners of the country against none, five to six years ago. This has also opened new vistas for investment and employment.

Within a few years, Pakistan has developed a modern media network encompassing all mediums such as Satellite TV, Mobile TV, IPTV, FM Radio

Stations, MMDS, and Cable networks etc etc. free and widespread access to media has kept large portions of the nation up-to-date with national and international developments, and disseminated information and education at an unprecedented level.

PEMRA has issued IPTV licences to two mainstream companies making Pakistan the sixth country in the region to adopt such technology. This service is due to be rolled out in the fiscal year 2008-09. Telenor and Mobilink have also attained Mobile Tv licenses from PEMRA.

During the last three years, PEMRA has issued 33 new licenses for Satellite TV stations with the total reaching 36 by December 2007. 24 new satellite TV licences have been issued in the year 2007-08. The introduction of "Landing Rights" has brought foreign channels under the regulatory province of PEMRA. To date, 33 foreign channels have been granted Landing Right permissions, including 8 new channels in the fiscal year 2007-08.

PEMRA has maintained its efforts to reach the milestone of having at least one FM radio station in each district of the country. 51 new FM radio licences have been issued so far through an open and transparent bidding process. Total number of FM radio licenses issued to date is now 106, with 14 for Universities teaching Mass Communications. Of these 82 FM stations are already on air. 6 FM licenses have also been granted for the AJK, a first for the area. Radio licenses have been awarded to 3 new stations during July 2007- March 2008.

State of the art broadband wireless point-to-multipoint technology is also being encouraged by PEMRA, with a total of 6 MMDS licenses having been issued throughout the country.

Cable TV remained the fastest growing sector in the national electronic media area. To date, PEMRA has issued 1874 licenses to cable operators.

b) Pakistan Television Corporation Limited (PTV)

This year, PTV played a significant role in covering and conducting the Elections of 2008 for the National Assembly as well as the Provincial Assemblies. In this regard, PTV had made extra ordinary arrangements by providing a live telecast all over the world, with a marathon transmission that lasted 72 hours. PTV was also efficient in providing the latest positions of the Election 2008 results for the public as soon as they received the information from their correspondents that were placed across the different constituencies of the country.

PTV also imported four Drive Away Digital Satellites News Gathering (DSNG) units that are installed in the vans and also handed to the respective centres for live coverage of news, current affairs and sports. Besides this, PTV procured a number of electronic equipment for their TV centres as well as Satellite Video phones and BGAN equipment for efficient news reporting.

PTV is now operating five channels in the country, namely: PTV Home; PTV News; PTV Bolan; PTV National; and PTV Global (for UK, USA). For this, it installed Satellite Earth Stations for all five channels, digitalization of two studios at all five TV centres and the provision of one main OB Van each for the five TV centres.

c) Pakistan Broadcasting Corporation (PBC)

Radio is the fastest, mobile and cheapest electronic media which is capable of reaching the masses far and near. With its varied and wide ranging programmes, PBC is catering to all segments of society. PBC has 31 Broadcasting Houses, 33 medium wave transmitters, 8 short wave transmitters and 21 FM transmitters which transmitted programmes for listeners at home and abroad. Programmes in 21 national and regional languages are broadcast on the medium wave in Home Service and 16 foreign languages in the External Service for foreigners and in national language in the World Service for Pakistanis living abroad. The network of Radio Pakistan covers 98 percent of the population and 80 percent of the total area of the country.

Presently 8 FM Stations are broadcasting FM 101 Service. In addition to FM-101 and 93, other FM stations have also been established in 12 important cities of Pakistan which besides National circuit programs radiate regional services emphasizing on community issues and matters related to local populations.

PBC News is the biggest source of dissemination of news in the country. Its General News room in Islamabad and attached units are presently putting on air 136 news bulletins daily. PBC is now accessible to audiences around the world through Internet and Asia SAT-3.

PBC took an active role in fostering motivation and awareness about the local elections held this year among the general population. Equitable and equal opportunities were provided to all political parties to air their point of view.

An amount of Rs. 483,953 million has been allocated in the PSDP of current fiscal year, for the implementation of 10 on-going/ new development projects. An additional amount to the tune of Rs 50 million has been sanctioned by the Planning Commission for establishment of 15 FM Radio Stations. Out of the allocated amount, a sum of Rs 120.988 million was released in November, 2007 for the first quarter, and has been fully utilized. A sum of Rs 76.2 million was released in April 2008 for the second quarter. The following development projects are under way:

- Completion of 100 KW MW Transmitting Station and Broadcasting house at Turbat.
- Balancing & Modernization of Equipment Phase-V
- Commissioning of 100KW SW Transmitter installed at HPT-COMPLEX, Rawat.
- 8 FM transmitters for the radio coverage of G.T Road between Rawalpindi and Lahore.
- 10 FM transmitters for coverage of M-1 and M2 motorways.
- Establishment of 47 FM radio stations

- Establishment of satellite up-linking stations at PBC Islamabad, Lahore, Karachi, Peshawar, and Quetta.

Pakistan Post Office

Pakistan Post Office is a dedicated state enterprise that provides a wide range of postal services and products. For a vast country like Pakistan, an efficient postal system is essential for cohesiveness of a large population. Its commitment is for serving every one, every day and every where. It provides postal facilities through a network of over 12, 343 post offices strategically placed across the country. In compliance with Government welfare policies, the Pakistan Post Office is providing a variety of services on behalf of both Federal and Provincial Governments and autonomous/corporate entities.

Pakistan Post has also taken various measures to streamline the post office system on more modern lines. One major area of improvement is the introduction of information technology, where a number of projects have already been completed and a few more in the pipeline. These projects include: Counter Automation; Express Mail Track

& Trace System (EMTTS); Electronic Money Transfer; Computerized Military Pension Payment System; Computerization of Postal Life Insurance; and Computerization of the office of the Chief Controller Stamps (CCS).

Pakistan Post is also involved in international postal services and has mail links with all countries except Israel. The mail exchange with these countries takes places under the Universal Union Rules & Regulations. Accounts with foreign postal administrations are settled under these regulations. The net earnings of the Pakistan Post Office in foreign exchange services during July-March 2008 stood at Rs. 81.6 million. Foreign remittances in the form of money orders totalled Rs. 8.22 million during the same period. Furthermore, keeping in view the difficulties faced by the general public for depositing their utility bills, Pakistan Post has started collecting PTCL, Electricity and Gas bills throughout the country while WASA bills are collected in Hyderabad, Faisalabad, Karachi, Lahore, Multan, Quetta and Sialkot. It earned a healthy Rs. 483.47 million from these utility bills collection in the shape of commission for the period of July-March 2008.



TABLE 13.1

TRANSPORT

Fiscal Year	Route (Kilometres)	Railways					Length of Roads		
		Number of Passengers carried *(Million)	Freight carried (Million Tonnes)	Freight Tonne (Kilometres Million)	Locomotives (Nos.)	Freight Wagons (Nos.)	Kilometers		
							Total	High Type	Low Type
1990-91	8,775	84.90	7.72	5,709	753	34,851	170,823	86,839	83,984
1991-92	8,775	73.30	7.56	5,962	752	30,369	182,709	95,374	87,335
1992-93	8,775	59.00	7.77	6,180	703	29,451	189,321	99,083	90,238
1993-94	8,775	61.72	8.04	5,938	676	29,228	196,817	104,001	92,816
1994-95	8,775	67.70	8.11	6,711	678	30,117	207,645	111,307	96,338
1995-96	8,775	73.65	6.85	5,077	622	26,755	218,345	118,428	99,917
1996-97	8,775	68.80	6.36	4,607	633	25,213	229,595	126,117	103,478
1997-98	8,775	64.90	5.98	4,447	611	24,275	240,885	133,462	107,423
1998-99	7,791	64.90	5.45	4,330	596	24,456	247,484	137,352	110,132
1999-00	7,791	68.00	4.77	3,612	597	23,906	248,340	138,200	110,140
2000-01	7,791	68.80	5.89	4,520	610	23,893	249,972	144,652	105,320
2001-02	7,791	69.00	5.90	4,573	577	23,460	251,661	148,877	102,784
2002-03	7,791	72.40	6.18	4,820	577	23,722	252,168	153,225	98,943
2003-04	7,791	75.70	6.14	4,796	592	21,812	256,070	158,543	97,527
2004-05	7,791	78.18	6.41	5,014	557	21,556	258,214	162,841	95,373
2005-06	7,791	81.43	6.03	4,971	544	20,809	259,021	167,530	91,491
2006-07 (Jul-Mar)	7,791	83.89	6.42	5,453	544	19,638	261,821	172,891	88,930
2007-08 P	7,791	59.74	5.20	4,488	520	20,161	264,853	178,423	86,430

P: Provisional

(Contd.)

TABLE 13.1

TRANSPORT

(Contd.)

Fiscal Year	Cargo Handled at Karachi Port (000 tonnes)			Shipping		Gross Earnings (Million Rs)	
				No. of Vessels	Dead Weight Tonnes	Pakistan Railways	Pakistan National Shipping Corp.
	Total	Imports	Exports				
1990-91	18,709	14,714	3,995	28	494,956	6696	3,865.0
1991-92	20,453	15,267	5,186	28	494,956	8236	4,063.0
1992-93	22,170	17,256	4,914	29	518,953	9031	3,137.0
1993-94	22,569	17,610	4,959	27	595,836	9134	3,302.0
1994-95	23,098	17,526	5,572	15	264,410	9224	4,311.0
1995-96	23,581	18,719	4,862	17	290,353	8365	6,962.0
1996-97	23,475	18,362	5,113	15	261,817	9394	7,761.5
1997-98	22,684	17,114	5,570	15	261,836	9805	4,597.0
1998-99	24,053	18,318	5,735	15	261,836	9310	3,707.0
1999-00	23,761	18,149	5,612	15	261,836	9572	3,483.0
2000-01	25,981	20,063	5,918	14	243,802	11938	5,458.7
2001-02	26,692	20,330	6,362	14	243,749	13346	4,555.5
2002-03	25,852	19,609	6,273	13	229,579	14810	5,405.0
2003-04	27,813	21,732	6,081	14	469,931	14635	6,881.9
2004-05	28,615	22,100	6,515	14	570,466	18027	7,860.0
2005-06	32,270	25,573	6,697	15	636,182	18184	7,924.6
2006-07	30,846	23,329	7,517	15	636,182	19195	..
(Jul-Mar)							
2007-08	20,545 *	15,090 *	5,455 *	14	636,182	13954 #	7,471.0

Source: (i): Ministry of Railways

(ii): National Transport Research Center

(iii): Karachi Port Trust

(iv): Pakistan National Shipping Corporation

.. Not available

* Till Jan-08

Estimated

TABLE 13.2

PAKISTAN INTERNATIONAL AIRLINES CORPORATION

Fiscal Year	Route Kilo- metres	Revenue Kilo- metres Flown (000)	Revenue Hours Flown	Revenue Passengers Carried (000)	Revenue Passengers Kilo- metres (mln)	Available Seat Kilo- metres(mln)	Passenger Load Factor %
1990-91	255,336	60,255	116,616	5,033	8,998	13,401	67.1
1991-92	258,558	66,570	127,423	5,584	9,925	15,066	65.9
1992-93	270,536	69,377	132,775	5,780	10,102	15,733	64.2
1993-94	303,321	69,024	131,122	5,645	10,108	15,159	66.7
1994-95	353,221	72,544	134,683	5,517	10,382	15,848	65.5
1995-96	310,205	74,288	138,014	5,399	10,592	16,573	63.9
1996-97	336,230	78,796	143,686	5,883	11,661	17,528	66.5
1997-98	325,744	73,663	136,104	5,531	11,147	16,952	65.8
1998-99	335,348	70,697	129,379	5,086	10,722	16,752	64.0
1999*	332,417	75,483	135,136	4,914	10,653	17,839	59.7
2000*	317,213	76,212	134,066	5,297	12,056	18,692	64.5
2001*	324,815	40,158	65,615	2,729	6,305	9,885	63.8
2001-02	291,428	62,974	110,136	4,290	10,843	15,778	68.7
2002-03	311,152	63,863	108,942	4,391	11,276	16,264	69.3
2003-04	294,082	58,146	96,765	4,796	12,769	18,299	69.8
2004-05	354,664	80,699	131,262	5,132	13,634	20,348	67.0
2005-06	343,525	87,273	141,666	5,828	15,260	21,991	69.4
2006-07	446,570	80,302	141,479	5,732	15,124	22,092	68.5
(Jul-Mar)							
2007-08	683,574	80,759	132,416	5,415	13,680	20,313.3	67.4

*: PIA's Financial Year is based on Calendar Year.

(Contd.)

TABLE 13.2

PAKISTAN INTERNATIONAL AIRLINES CORPORATION

Fiscal Year	Revenue Tonne Kilo- metres (Mln)	Available Tonne Kilo- metres (Mln)	Revenue Load Factor (%)	Operating Revenue (Million Rupees)	Operating Expenses (Million Rupees)	PIA Fleet No. of Planes
1990-91	1,228	2,045	60.0	16,849	16,966	44
1991-92	1,304	2,265	57.6	20,441	18,861	45
1992-93	1,333	2,352	56.7	21,970	21,347	45
1993-94	1,365	2,347	58.2	23,631	22,713	47
1994-95	1,408	2,452	57.4	25,417	24,199	47
1995-96	1,402	2,526	55.5	27,505	27,150	47
1996-97	1,495	2,649	56.4	32,732	32,809	47
1997-98	1,425	2,435	58.5	..	..	47
1998-99	1,313	2,403	54.6	..	..	45
1999 *	1,307	2,560	51.0	35,492	36,395	51
2000 *	1,452	2,631	55.2	39,228	42,033	46
2001 *	769	1,438	53.5	21,966	23,296	45
2001-02	1,325	2,270	58.4	42,844	39,377	44
2002-03	1,389	2,401	57.8	45,442	39,125	43
2003-04	1,456	2,528	55.0	51,041	47,197	42
2004-05	1,657	3,033	54.6	61,308	62,360	42
2005-06	1,818	3,302	55.1	67,574	73,074	42
2006-07	1,801	3,369	53.5	70,587	79,164	39
(Jul-Mar)						
2007-08	1,593	3,126	51.0	70,480	76,416	42

.. Not available

Source: Pakistan International Airlines Corporation

*: PIA's Financial Year is based on Calendar Year.

TABLE 13.3

NUMBER OF MOTOR VEHICLES REGISTERED

Calendar Year	Motor Cars Jeeps & Station Wagons	Motor Cabs/ Taxis	Buses	Trucks	Motor Cycle (2 Wheels)	Motor Cycle (3 Wheels)	Others	Total
1990	682,636	32,304	84,016	105,245	1,250,749	50,862	507,025	2,712,837
1991	731,960	33,235	89,094	107,171	1,381,136	52,439	528,878	2,923,913
1992	819,350	41,245	94,988	111,391	1,497,017	56,267	558,926	3,179,184
1993	868,159	47,897	98,681	114,394	1,573,370	59,510	589,281	3,351,292
1994	902,654	52,444	107,440	118,389	1,679,259	62,183	615,497	3,537,866
1995	923,577	53,400	113,516	119,174	1,754,737	63,370	642,174	3,669,948
1996	966,747	54,501	114,415	123,658	1,842,531	69,756	666,549	3,838,157
1997	1,068,116	83,182	119,365	131,322	1,995,421	76,224	700,315	4,173,945
1998	1,085,969	83,687	125,929	132,895	2,068,730	81,777	724,309	4,303,296
1999	1,162,876	83,844	150,108	145,111	2,175,488	95,345	746,718	4,559,490
2000	1,182,307	83,892	154,401	148,569	2,260,772	99,376	772,279	4,701,596
2001	1,201,738	93,940	158,694	157,027	2,346,056	103,407	797,840	4,843,702
2002	1,282,371	83,954	162,672	170,615	2,407,466	115,919	825,552	5,048,549
2003	1,292,888	84,277	162,957	178,883	2,444,567	122,448	846,017	5,132,037
2004	1,301,406	84,311	163,242	181,150	2,681,066	124,076	860,480	5,395,731
2005	1,321,590	85,619	165,775	183,962	2,722,645	126,004	873,825	5,479,417
2006	1,375,419	89,105	172,530	191,454	2,833,540	131,134	909,416	5,702,598
2007	1,444,190	93,560	181,157	201,027	2,975,217	137,691	954,887	5,987,729

Source: Federal Bureau of Statistics

TABLE 13.4

MOTOR VEHICLES ON ROAD (000 Number)

Year	Mcy/ Scooter	Motor Car	Jeep	Stn. Wagon	Tractor	Buses	M.Cab Taxi	Motor Rck
1991-92	971.80	429.10	31.60	43.60	275.30	45.00	33.50	42.40
1992-93	1,165.50	465.80	35.60	48.80	353.00	51.70	40.00	46.70
1993-94	1,287.30	493.70	38.00	52.70	376.60	56.40	44.50	50.50
1994-95	1,482.00	516.80	41.30	56.00	399.80	60.90	47.90	53.40
1995-96	1,481.90	538.40	43.50	59.00	424.80	64.50	51.40	58.70
1996-97	1,576.00	564.50	45.50	62.00	439.80	68.20	54.10	65.60
1997-98	1,691.40	593.00	47.80	65.00	463.60	72.50	57.30	74.60
1998-99	1,833.70	731.30	16.70	60.60	489.80	84.40	68.50	56.70
1999-00	2,010.00	815.70	17.00	73.90	528.40	92.80	69.80	59.90
2000-01	2,218.90	928.00	18.30	93.80	579.40	86.60	79.80	72.40
2001-02	2,481.10	1,040.00	43.40	122.70	630.50	96.60	96.40	80.80
2002-03	2,656.20	1,110.00	44.40	126.40	663.20	98.30	104.10	80.90
2003-04	2,882.50	1,193.10	47.80	132.40	722.70	100.40	112.60	81.00
2004-05	3,063.00	1,264.70	51.80	140.50	778.10	102.40	120.30	81.30
2005-06	3,791.00	1,999.20	65.70	140.80	822.30	103.60	122.10	77.80
2006-07	4,463.80	1,682.20	85.40	169.10	877.80	108.40	119.10	79.00
(Jul-Mar)								
2007-08 *	4,800.00	1,813.00	92.00	182.00	927.00	121.00	126.00	67.00

* Estimated

(Contd.)

TABLE 13.4

MOTOR VEHICLES ON ROAD (000 Number)

Year	D.Van	Trucks	Pickup	Ambu- lance	Tankers		Others	Total
					Oil	Water		
1991-92	61.40	75.80	30.20	1.70	4.00	0.60	49.50	2,095.50
1992-93	69.80	84.20	39.50	2.00	4.30	0.70	52.70	2,460.00
1993-94	74.00	92.00	44.10	2.30	4.70	0.70	73.60	2,690.40
1994-95	78.20	98.30	47.10	2.70	5.10	0.80	60.70	2,951.60
1995-96	81.30	104.20	50.50	3.30	5.60	0.90	63.70	3,000.20
1996-97	84.30	110.30	50.20	3.70	6.10	1.10	66.50	3,195.80
1997-98	87.60	117.10	56.10	4.30	6.80	1.30	69.70	3,405.30
1998-99	51.70	121.00	56.40	1.50	6.80	0.70	74.70	3,651.70
1999-00	55.50	127.40	61.60	1.70	7.00	0.70	78.80	3,997.20
2000-01	72.40	132.30	68.40	1.70	7.20	0.80	89.00	4,471.00
2001-02	116.90	145.20	78.30	4.10	7.60	0.90	71.50	5,016.80
2002-03	120.30	146.70	80.60	4.30	7.60	0.90	71.40	5,315.00
2003-04	121.30	149.20	84.40	4.40	7.60	0.90	71.30	5,711.20
2004-05	121.90	151.80	87.60	4.50	7.70	0.90	69.40	6,048.30
2005-06	143.30	151.80	93.50	4.50	7.70	0.90	60.20	7,084.50
2006-07	148.90	173.30	104.50	4.60	7.80	0.90	38.50	8,063.60
(Jul-Mar)								
2007-08 *	152.00	185.00	112.00	5.00	8.00	1.00	89.00	8,680.00

* : Estimated

Source: National Transport Research Center

TABLE 13.5

PRODUCTION AND IMPORTS OF MOTOR VEHICLES

Fiscal Year/ Type of Vehicles	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
PRODUCTION (Nos.)									
Trucks	2,222	1,394	703	3,030	2,916	1,850	1,131	977	952
Buses	1,177	427	312	438	862	425	1,220	1,508	1,337
L.C.Vs	11,478	5,128	5,154	6,834	9,817	4,886	8,079	6,656	6,965
4x4 Vehicles	1,324	816	1,310	2,274	792	651	622	380	459
Tractors	17,127	14,907	17,144	16,208	10,417	14,144	26,885	35,038	32,533
Motor Cycle/Scooters/ Rickshaw	95,793	63,958	60,960	121,809	117,188	96,991	93,167	94,881	117,858
Cars	26,945	19,514	20,955	31,079	33,462	33,683	38,682	32,461	39,573
IMPORTS (Nos.)									
Cars	100,188	38,216	31,743	35,100	31,817	36,851	46,363	34,988	62,187
Jeeps	1,484	343	1,535	959	542	1	165	48	338
Motor Rickshaw	2,773	548	250	..	..	900	..	8	20
Station Wagon	746	251	326	265	173	143	97	71	115
Buses Including Trolley Buses	2,247	893	267	344	396	498	603	917	588
Lorries/Trucks Includ- ing Ambulance special Lorries, Trucks & Vans	4,743	2,673	882	1,948	2,101	1,034	443	500	545
Motor Cycle	119,970	86,349	62,100	115,235	135,220	90,435	79,738	85,592	15,771
Scooter	308	3	40	..	..	7	8	145	..
Motorised Cycles	426	26	234	1,305	990	925	44	3	..
Passengers M. Cars (n.S)	212	88	224	919	338	318	162	161	99
Road Tractors for Trailers	10	27	4	193	340	38	37	7	36
Tractor Agricultural	..	952	10,084	6,805	2,020	1,086	3,281	2,469	55
Tractor Caterpillar	..	3	2	1	6	..	1	..	..
Tractor Heavy Duty for const.	115	14	2	..	14	28	..	5	13
Tractor Roads	..	..	..	..	8	..	..	3	25,964
Tractor (NES)	78	115	80	323	179	113	436	1	15
Car's Chassis with Engine	11	1	..	..	28	2	..	10	4
Bus etc. Chassis	102	24	48	..	12	..	..	277	57
Spl. Truck etc. Chassis	..	26	..	..	..	..	..	..	4
Rickshaw, Chassis with Engine	..	..	..	..	..	..	..	..	17
Pickup	17,931	6,099	5,751	5,506	5,511	6,314	3,734	3,672	2,703
Delivery Van	22,343	2,823	1,940	1,831	4,851	5,218	3,149	3,379	1,573
Chassis Un-Mounted									
Motor Vehicles No	457	..	127	1	194	9	..	..	62
Bicycle	468	928	9,916	8,303	3,618	7,844	29,218	22,211	14,505
Motor Vehicles for Goods	134	57	43	151	22	18	146	160	..
Passenger Vehicles									
Public No	17	15	8	27	22	4	61	183	62
Tractor Chassis with Engine	..	..	480	..	..	..	..	..	..

.. not available

(Contd.)

TABLE 13.5

PRODUCTION AND IMPORTS OF MOTOR VEHICLES

Fiscal Year/ Type of Vehicles	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	July - March	
							2006-07	2007-08 P
PRODUCTION (Nos.)								
Trucks	1,141	1,950	2,022	3,204	4,518	4,410	3,266	3,317
Buses	1,099	1,340	1,380	1,762	627	993	627	828
L.C.Vs	8,491	12,174	14,089	23,613	29,581	24,489	13,436	15,652
Tractors	24,331	76,501	36,103	43,746	49,439	54,610	39,568	37,514
Motor Cycle	133,334	176,591	327,446	476,333	752,603	839,224	609,528	780,591
Cars	40,601	62,893	99,263	126,817	163,114	173,271	128,145	123,107
IMPORTS (Nos.)								
Cars	40,079	60,554	88,130	66,338	36,563	202,785 *	153,739	333,887
Jeeps	666	6,010	11,435	5,409	2,108	1,938 *	1,387	201
Motor Rickshaw		101	3	3	15	1,727	1,407	3,870
Station Wagon	165	440	154	37	284	2,857 *	2,802	348
Buses Including Trolley								
Buses	700	1,230	2,429	411	2,104	652	449	185
Lorries/Trucks Includ- ing Ambulance	728	14,036	2,883	2,616	13,463	16,610	13,171	7,499
special Lorries, Trucks & Vans	157	54	95	1,544	551	573	443	312
Motor Cycle	111,711	143,952	127,861	189,721	167,626	164,078 *	116,132	184,868
Scooter	..	..	..	..	..	..	..	..
Motorised Cycles		509	675	4,143	9,472	12,467	7,173	11,517
Passengers M. Cars (n.S)	161	194	243	244	1,587	1,174	897	579
Road Tractors for								
Trailers	18	122	124	117	498	997	631	1,453
Tractor Agricultural	220	14,000	11,420	6,543	20,769	30,588	22,956	14,628
Tractor Caterpillar	44	1	30	91	12	1	1	1
Tractor Heavy Duty for const.	4	120	219	563	632	845	501	630
Tractor Roads	15,174	1,115	2,104	1,646	2,284	904	713	1,074
Tractor (NES)	115	496	736	2,167	3,378 *	7,213	4,204	13,816
Car's Chassis with								
Engine	1	..	..	..	..	6	6	..
Bus etc. Chassis	60	46	164	18	7	24	10	142
Spl. Truck etc. Chassis	..	..	..	..	38	48	16	339
Rickshaw, Chassis with	..	..	..	..	..	..	..	..
Engine	36	10	2	144	315 *	421 *	421	187
Pickup	3,600	5,162	6,857	5,394	23,303	21,898	14,734	16,703
Delivery Van	2,120	471	26	178	2,586	1,583	1,035	7,035
Chassis Un-Mounted	168	..	..	..	..	..	..	..
Motor Vehicles No								
Bicycle	20,240	37,836	39,894	61,187	52,022	28,509	23,757	23,630
Motor Vehicles for Goods	2	234	511	269	3,844	297	292	20
Passenger Vehicles								
Public No	6	473	721	1,519	5,228	2,123	1,405	763
Tractor Chassis with Engine								

.. not available

P: Provisional

*: Data has been revised according to new codification and introduction, shifting and deleting of new HS code for 2005-06 onwards

TABLE 13.6

POST AND TELECOMMUNICATIONS

Fiscal Year	No of Post Offices			No of Telegraph Offices			Telephones (000 Nos.)	Internet Connections (Million)	No.of Internet Cities connected	No of PCO *	Mobile Phones
	Urban	Rural	Total	Urban	Rural	Total					
1990-91	1,867	11,546	13,413	195	302	497	1188	..		3,861	..
1991-92	1,909	11,471	13,380	299	210	509	1461	..		4,676	..
1992-93	1,983	11,213	13,196	320	210	530	1548	..		5,618	..
1993-94	1,970	11,315	13,285	327	85	412	1801	..		6,422	..
1994-95	2,026	11,294	13,320	330	86	416	2126	..		4,600	..
1995-96	2,092	11,327	13,419	319	104	423	2376	..		9,410	68,038
1996-97	2,024	11,192	13,216	340	93	433	2558	..		10,040	135,027
1997-98	2,044	11,250	13,294	356	92	448	2756	0.01		10,071	196,096
1998-99	2,103	10,751	12,854	308	93	401	2861	0.20		10,107	265,614
1999-00	2,103	10,751	12,854	293	91	384	3124	0.50		10,400	306,463
2000-01	2,302	9,932	12,234	293	91	384	3340	0.80		66,968	742,606
2001-02	1,983	10,284	12,267	258	104	362	3656	1.00		97,751	1,698,536
2002-03	1,808	10,446	12,254	239	87	326	4940	1.60	1,350	139,493	2,404,400
2003-04	2,267	9,840	12,107	215	73	288	4460	2.00	1,898	180,901	5,022,908
2004-05	1,831	10,499	12,330	215	77	292	5191	2.10	2,210	217,597	12,771,203
2005-06	1,845	10,494	12,339	..	..	..	5128	2.40	2,389	353,194	34,506,557
2006-07	1,849	10,494	12,343	..	..	..	4806	3.50	2,419	387,490	63,160,874
<u>Jul-Mar</u>											
2006-07	1,845	10,494	12,339	..	..	..	5,200	2.50	2,444	353,194	55,600,211
2007-08	1,849	10,494	12,343	..	..	..	4,675	3.50	3,008	387,490	82,150,000

.. Not Available

* Included Cardpay Phones

Note : Telegraph offices closed in 2006

Source: (i): Pakistan Post Office

(ii): Pakistan Telecommunications Company Ltd

(iii): Pakistan Telecommunication Authority