Chapter 13

# Transport and Communications

## Introduction

Transport and Communications sector plays a significant role in the socio-economic development of the country. An efficient transport system with modern infrastructure is considered an economic factor of production. The most common modes of transportation are: Roads and highways, Railways, Rivers, Canals, Seaports, and Aviation. The communication system plays an important role in cultural development and making knowledge based society. People to people contact through modern communication ways have emerged as a significant tool for awareness of the masses. In Pakistan, the transport system broadly consists of roads, railways, air transport and ports & shipping services.

## 13.1 Road Transport

Roads are the most important segment of infrastructure in any developing country. The rapid development and economic well being is dependent on the road networks. The road network in Pakistan carries over 96 percent of inland freight and 92 percent of passenger traffic and are undoubtedly the backbone of the economy. About 63% of our population lives in villages, the topography of the region which consist upon hilly mountainous areas, far flung agriculture lands and the productive resources are scattered all over the country. Roads provide easy and efficient means of transportation.

The total road-network in Pakistan is about 263,415 kms. consists of 9,324 kms. (3.53%) of National Highways and 2,280 kms of Motorways (0.87%). Strategic roads and Expressways contribute 262 kms and 100 kms respectively i.e. (0.10%). The rest of the road network contains provincial highways and the roads under respective local administration e.g. Cantonment Boards, Municipal Corporations, Local Development Authorities, etc.

About 40.9% of total roads lie in the province of Punjab, followed by 30.9% in Sindh, 16.3% in Khyber Pakhtunkhwa and 11.3 % in Balochistan. Azad Jammu and Kashmir, being mostly hilly area, shows a small proportion of just 0.6%, of road network. Following table shows the details of Roads in Pakistan.

**Table 13.1: Estimated Length of Roads in Provinces (kms)**

| Years | Category | Punjab | Sindh | KPK | Balochistan | GB & AJK | TOTAL |
|---|---|---|---|---|---|---|---|
| 2007-08 | Total | 104,115 | 80,863 | 42,369 | 29,451 | 1,552 | 258,350 |
| | Low Type | 33,864 | 26,301 | 13,781 | 9,579 | 505 | 84,030 |
| | High Type | 70,251 | 54,562 | 28,588 | 19,872 | 1,047 | 174,320 |
| 2008-09 | Total | 104,114 | 80,863 | 42,369 | 29,452 | 1,552 | 258,350 |
| | Low Type | 32,949 | 25,591 | 13,409 | 9,321 | 491 | 81,761 |
| | High Type | 71,165 | 55,272 | 28,960 | 20,131 | 1,061 | 176,589 |
| 2009-10 | Total | 105,085 | 81,618 | 42,765 | 29,727 | 1,565 | 260,760 |
| | Low Type | 32,179 | 24,993 | 13,095 | 9,103 | 480 | 79,850 |
| | High Type | 72,906 | 56,625 | 29,670 | 20,624 | 1,085 | 180,910 |
| 2010-11 | Total | 105,253 | 80,625 | 42,550 | 29,500 | 1,535 | 259,463 |
| | Low Type | 32,147 | 24,000 | 13,000 | 9,000 | 450 | 78,597 |
| | High Type | 73,106 | 56,625 | 29,550 | 20,500 | 1,085 | 180,866 |
| 2011-12 | Total | 106,455 | 80,960 | 42,975 | 29,625 | 1,580 | 261,595 |
| | Low Type | 32,590 | 24,335 | 13,140 | 9,125 | 465 | 79,655 |
| | High Type | 73,865 | 56,625 | 29,835 | 20,500 | 1,115 | 181,940 |
| 2012-13 | Total | 107,805 | 81,385 | 42,980 | 29,655 | 1,590 | 263,415 |
| | Low Type | 33,090 | 24,685 | 13,140 | 9,130 | 470 | 80,515 |
| | High Type | 74,715 | 56,700 | 29,840 | 20,525 | 1,120 | 182,900 |

Source: National Transport Research Centre (NTRC)

**National Highway Authority**

Transport sector in general and road infrastructure in particular has profound and enduring effect on the economic growth of Pakistan. NHA is contributing a vital role in improving the quality of Pakistan's road network which entails in improving the quality and standard of life of the population.

Pakistan is virtually bisected into two halves by River Indus. Eastern segment is historically well developed. To bring the Western segment at par with the Eastern, NHA is improving East-West connectivity through construction of numerous bridges across river Indus and also across rivers Jhelum, Chenab, Ravi and Sutlej.

The present NHA network comprises of 33 national highways, motorways, expressways, strategic roads. Current length of this network is 12131 kms. NHA existing portfolio consists of 79 development projects costing Rs 557 billion. GoP allocated Rs. 50.7 billion for NHA's development projects in PSDP 2012-13. The amount included Rs. 26.1 billion foreign currency and Rs. 24.6 billion in local currency components.

**Ongoing Projects**

Some significant ongoing projects are:

1. Faisalabad –Khanewal – Multan Motorway (M-4)
2. Sehwan-Ratodero Additional Carriageway (N-55)
3. Sukkur-Shikarpur-Jacobabad (N-65)
4. Qila Saifullah – Zhob (N-50)
5. Peshawar Northern Bypass (E-2)
6. Khushalgarh Bridge (N-80)
7. Qazi – Amri Bridge across River Indus

Four projects having length of 138 kms are ongoing in Punjab that have achieved more than 70% progress. Similarly, four projects of 165 kms length are also ongoing in Sindh for which more than 70% progress has been achieved. Five projects having length of 585 kms have achieved 70% progress in Khyber Pakhtunkhwa, Gilgit-Baltistan and Azad Jammu & Kashmir. Two projects in Balochistan having length of 298 kms have achieved more than 70% progress and will be completed in next few months.

**Completed Projects**

Some major completed projects include the following:

| | |
|---|---|
| 1. | 6 Interchanges on Inner Ring Road Multan |
| 2. | 4-lane Underpass at Wah Gate, Texila |
| 3. | Multan – Muzaffargarh (N-70, ADB Assisted) |
| 4. | Larkana-Naudero-Lakhi Road |
| 5. | Sakrand-Benazirabad Dual Carriageway |
| 6. | Hyderabad – Badin Road to Mir Wah Sanjar Chang Road |
| 7. | Ghazi and Chuch Interchanges on Motorway (M-1) |
| 8. | Pleri-Gabd Section of Makran Coastal Highway |
| 9. | Hub-Uthal Section of National Highway (N-25) |

During the last five years, NHA has constructed 610 kms roads all over the country. Province-wise break-up is as follows:

| S. No. | Province | Kms |
|---|---|---|
| 1. | Punjab | 109 |
| 2. | Sindh | 148 |
| 3. | Khyber Pakhtunkhwa | 145 |
| 4. | Balochistan | 208 |
| | Total | 610 |

NHA has completed 8 major river bridges during the last five years. Five major bridges on river Indus and one each on rivers Ravi and Chenab are ongoing and five bridges are also planned to be constructed in near future.

NHA has already constructed three segments of Trans-Pakistan Motorway network viz M-1 (Peshawar-Islamabad), M-2 (Islamabad-Lahore) and M-3 (Pindi Bhattian-Faisalabad) on a virgin corridor bringing remote areas on mainline and boosting economic activities. NHA is now constructing M-4 (Faisalabad-Khanewal-Multan).

**Box Item No.1**
**Provision of Transport Facilitation in Provinces**

**Punjab:**

The vision for Punjab road sector aims at upgrading, augmenting and maintaining a modern road network in the province under most cost-effective, optimal and efficient development and management regimes. Sectoral priorities have been identified for Punjab road sector.

In Federal PSDP 2012-13 an allocation of Rs.35.6 billion has been made for roads and bridges sector; out of which an allocation of Rs.26.22 billion has been made for on-going projects and balance of Rs.9.4 billion for new projects. One major new initiative is for “Construction of Lahore Ring Road (Southern Loop)” on BOT mode.

**Metrobus at Lahore**

To provide safe, efficient and comfortable urban transportation system in major cities of Punjab; Government of the Punjab has established Punjab Metrobus Authority (PMA) for construction, operation and maintenance of mass transit system with the technical support of M/s Ulasim a Turkish based Company. The Metrobus System Line-1 from Gajjumata to Shahdara, in Lahore, is the first initiative of PMA. Metro Bus Service has been started from February 2013 which facilitate the passengers on 27 stations. The project cost is Rs.30 billion, 45 articulated buses are running on the 27 kms long corridor starting from Gajjumata to Shahadra. About 1500 persons got direct jobs and 1,20,000 passenger are using Metrobuses every day.

**Sindh:**

**Revival of Karachi Circular Railway**

Karachi Circular Railway (KCR) was proposed in the first Master Plan of Karachi prepared in 1952. KCR was opened for passengers in the year 1964. The planning, construction, funding and subsequent operation was undertaken by the Pakistan Railway. It was highly patronized and at its peak in 1984, 104 trains were running per day when the population of Karachi was around 4.0 Million. However, due to lack of investment, infrastructure facilities i.e. tracks, signaling system, locomotives & coaches deteriorated thereby marginalizing its operating efficiency causing reduction in the rider ship and simultaneous reduction in the number of trains. Eventually, KCR was closed for traffic in December 1999 when only two trains were operating.

At present with the increasing population, Karachi city does not have a Mass Transit System which is causing enormous problems to the commuters. Government of Pakistan along with taking other steps also decided to revive Karachi Circular Railway comprising of 50 Kms track as a modern commuter system. ECNEC approved the project in August 2012 at a revised cost of US$ 2609 million. All the Social, Environmental and Engineering studies / requirements as per guidelines of JICA, World Bank and Asian Development Bank for negotiation of loan have been completed. JICA will provide Soft Term Loan at a markup of 0.2% repayable in 40 years including 10 years grace period for the entire project. Ministry of Railways is the executing agency. The project will start from November 2013 and will be completed by December 2017. A compensation plan for the project affected persons has also been prepared.

In Federal PSDP 2012-13 an allocation of Rs.16 billion has been made for T&C sector; out of which 80% will be utilized on on-going projects and 20% on new projects. One of the major new initiatives is “Construction of Nawabshah–Sanghar road (61 kms)”.

**Khyber Pakhtunkhwa:**

In Khyber Pakhtunkhwa, Transport Department has taken certain foremost steps for safe, affordable, comfortable and environment friendly transportation services in the province. Following is a brief description:

1. As a special initiative Feasibility Study on Mass Transit System for Peshawar under Technical Assistance (TA) of Asian Development Bank (ADB) worth of US $ 372,000/- has been approved, TORs has been prepared, hiring of international consultant/experts is under process and expectedly, the team will start its work in July 2013 and the study report is expected by December 2013.
2. Two stroke rickshaws are banned along with the ban on fresh registration of the rickshaws.
3. Pakistan Railways has been approached for providing details/modalities for track access policy to utilize existing railway track for mass transit in Peshawar.
4. Strengthening of international mobility between Pakistan and Afghanistan, numbers of route permits are steadily enhanced from 06 to 13 for ensuring better public transport service provision between the two states.
5. Vehicular Emission Testing Station (VETS), a self-sustainable unit, has been strengthened and its offices in three more districts i.e. D. I. Khan, Abbottabad and Mardan have also been replicated for a cleaner environment. From July 2009 to December 2013 VETS has checked 144,882 vehicles in the province.

In Federal PSDP 2012-13 an allocation of Rs.10.7 billion has been made for road sector; out of which Rs. 9.0 billion has been made for on-going projects & Rs 1.7 billion for new projects. Major new initiatives are:

- Dualization of Charsadda–Tangi Road i/c Utmanzai Bypass District Charsadda (23 kms)
- Dualization of Mardan–Charsadda Road i/c Dargai Bypass and Rehabilitation of existing dual carriage way to

Charsadda City "Phase-II (14.5 kms)
- Dualization of Haripur–Hattar–Farooqia Section of S-1 (22 kms)

**Balochistan:**

The government of Balochistan has earmarked funds in Transport and Communication Sector during last few years keeping in view the long distances and scattered locations of population of the province. The main theme is to raise road density of Balochistan to 0.25 km /Sqkm i.e. to bring it to a respective land mark.

In Balochistan 159 new schemes tentatively costing Rs.11.3 million alongwith carry forwarded 162 on-going schemes i.e. total 321 schemes have been included in PSDP 2012-13 for which an allocation of Rs.9650.714 million has been made. Among total of 321 schemes 173 schemes are expected to be completed in current financial year 2012-13. Expectedly rest of 148 schemes will be placed in PSDP 2013-14 as on-going schemes. Following table highlights a brief description of progress in Road Sector from 2008-09 to 2012-13 in Balochistan Province.

| Year | No. of Schemes | Completed Schemes | Allocation Rs. in Million | Achievements (Black Top) kms |
|---|---|---|---|---|
| 2008-09 | 223 | 122 | 5134.000 | 1159 |
| 2009-10 | 257 | 74 | 5851.000 | 1380 |
| 2010-11 | 320 | 160 | 9069.000 | 1541 |
| 2011-12 | 279 | 170 | 8866.000 | 2000 |
| 2012-13 July-March | 321 | 173 | 9650.714 | 2100 |

**Box Item No.2**
**Transport and Logistics Sector in Pakistan**

Government of Pakistan has accorded the high priorities to Transport and Logistic (T&L) Sector. The T&L Sector is required to be improved by modernizing through a continuous process of reforms supported by focused investments. The overarching objectives are to bring down the costs of doing business by improving various sub-sectors of Transport and Logistics. An allocation of funds about 23% of the total Public Sector Development Programme 2012-13 has been provided to the Transport and Logistic Sector of the country. However, more investment is required to develop this sector not only for the higher development but also for the improvement of regional connectivity and prosperity with the neighbouring countries. In addition to public investment and reforms efforts need to be made to promote PPPs and leverage higher investment from the private sector to accelerate growth in the shortest possible time. Frame work for Economic Growth emphasizes participation of private sector / PPP in T&L as growth-driver having an open market. This will further enhance productivity, competitiveness, efficiency, innovation and entrepreneurship in the economy.

**National Transport Policy**

Ministry of Communications has prepared a draft National Transport Policy (NTP) in consultation with all stakeholders. The policy covers all modes of transport; roads, railways, ports & shipping and aviation. This policy is under review within the ambit of "National Transport Corridor Improvement Program (NTCIP)". The broad objectives of the draft NTP is to provide safe, reliable, effective, efficient, affordable, accessible, sustainable and fully integrated transport system that will meet the needs of freight and passenger mobility requirements, improved service in a cost effective way that supports government's goal of increasing public welfare through economic growth, social improvement, poverty reduction and infrastructure development while being environmentally, economically sustainable and energy efficient.
Following table shows the PSDP allocations made during the last two years in priority areas of Transport and Logistic Sector:

**Transport and Logistics – PSDP Allocation and Utilization 2011-12 and 2012-13 (Rs. Million)**

| Executing Agency | 2011-12 | | | 2012-13 |
|---|---|---|---|---|
| | Allocation | Estimated Expenditure | Expenditure % of Allocation | Allocation |
| National Highway Authority (NHA) | 39,900 | 68,808 | 172 | 50,727 |
| Pakistan Railways | 15,000 | 20,950 | 140 | 22,877 |
| M/o Ports & Shipping | 727 | 27 | 4 | 325 |
| M/o Communications | 172 | 172 | 100 | 142 |
| • National Transport Research Centre (NTRC) | 4 | 4 | 100 | 0 |
| • Construction Technology Training | 72 | 72 | 100 | 142 |

| | | | | |
|---|---|---|---|---|
| Institute (CTTI) | | | | |
| • National HW & Motorway Police (NH&MP) | 96 | 96 | 100 | 0 |
| Planning & Development Division (NTCMU) | 400 | 137 | 34 | 600 |
| Ministry of Commerce (TTFU-2 Project) | 50 | 50 | 100 | 80 |
| M/o Defence | 1,177 | 227 | 19 | 649 |
| • Pakistan Meteorological Deptt. (PMD) | 30 | 25 | 83 | 28 |
| • Maritime Security Agency (MSA) | 35 | 14 | 39 | 21 |
| • Airport Security Force (ASF) | 12 | 12 | 100 | 0 |
| • Civil Aviation Authority (CAA) | 1,100 | 176 | 16 | 600 |
| M/o Defence Production (KS&EW) | 1,455 | 1,455 | 100 | 2,000 |
| Finance Division (Provincial Roads) | 3,597 | 2,518 | 70 | 2,605 |
| Housing & Works Division (Provincial Roads) | 181 | 181 | 100 | 1,010 |
| AJK & GB Division (One Strategic project of AJK) | 1,046 | 1,046 | 100 | 700 |
| **Total Transport and Logistics** | **63,704** | **95,570** | **150** | **81,715** |

Source: Annual Plan 2012-13, Planning Commission of Pakistan

## 13.2 Pakistan Railway

The network of Pakistan Railway comprises of 7791 route kilometers, 515 Locomotives 1901 passenger coaches and 17543 freight wagons. Pakistan Railway is enduring the worst crisis since its formation. Passenger traffic which was 230 trains per day has been reduced to 92 trains a day, while number of freight trains has dropped from 96 to merely one per day. Since 2011, the numbers of locomotives available for use have reduced by an average of 10 each month. By June 2012, only 8 locomotives were available for freight and 92 for passenger services. Resultantly, revenue earnings have drastically fallen by 25 per cent while working expenses have increased by 33 per cent during the period. Employees related costs and pensions stood about 198 per cent of revenue earned in 2011-12. This is evident from the following table that gross earnings of Pakistan Railway are declining during the last five years. Due to over aged infrastructure and rolling stock, increase in fuel prices (high speed diesel), escalation of dollar exchange rate and a subsidized railway fare led to an increase in expenditure for sustained train operations. With the capping of overdraft by GoP in 2009, the finances required for increased maintenance costs could not be borne by the railways. Finally, the sharp increase in the salary and pension in 2010-11 and again in 2011-12 led to diversion of all the revenue earnings to this obligatory payment at the cost of operational and maintenance requirements. Finance Division has committed to bear the expense of salary and pension thereon along with its impact of increase in future till the crisis is over. GoP has allocated Rs.23 billion in PSDP for the current financial year 2012-13 for the development schemes of Pakistan Railway.

**Table 13.2: Earning of Pakistan Railway**

| Fiscal Year | Earning | % Change |
|---|---|---|
| 2007-08 | 19,973 | -- |
| 2008-09 | 23,160 | 16.0 |
| 2009-10 | 21,886 | -5.5 |
| 2010-11 | 18,740 | -14.4 |
| 2011-12 | 15,444 | -17.5 |
| 2012-13 Jul-Mar | 12,730 | -- |

Source: Ministry of Railways

**Table 13.3: Railways Passenger Traffic and Freight**

| S. No. | Subject | 2010-11 | 2011-12 | 2012-13 July-Mar |
|---|---|---|---|---|
| 1. | Number of Passenger carried (Million) | 64.9 | 41.1 | 31.42 |
| 2. | Passenger Traffic Kms (Rs. Million) | 20,618.8 | 16,093.3 | 13,104.36 |
| 3. | Freight carried Tones (Rs. Million) | 2.6 | 1.3 | 0.75 |
| 4. | Freight Tones Kms (Rs. Million) | 1,757.3 | 402.5 | 279.8 |

**Table 13.3: Railways Passenger Traffic and Freight**

| S. No. | Subject | 2010-11 | 2011-12 | 2012-13 July-Mar |
|---|---|---|---|---|
| 5. | Route Kms | 7,791.0 | 7,791.0 | 7,791.0 |
| 6. | Freight Wagons | 18,464.0 | 17,611.0 | 16,635.0 |
| 7. | Gross Earning (Rs. Million) | 18,739.9 | 15,444.4 | 12,730.30 |

Source: Ministry of Railways

**New Initiatives under Public Private Partnership (PPP)**

i. PPP and Passenger Services

Under Public Private Partnership (PPP), Pakistan Railway has started following trains between Lahore and Karachi from 3rd February 2012 to cater the needs of business community and general public.

| S. No. | Train | Route | Commencement date |
|---|---|---|---|
| 1. | Business Express Train | Lahore-Khanewal-Lodhran-Karachi | 3rd February 2012 |
| 2. | Shalimar Express Train | Lahore-Faisalabad-Multan-Karachi | 24th February 2012 |
| 3. | Night Coach Train | Lahore-Faisalabad-Multan-Karachi | 15th January 2013 |

These trains provide high level passenger services at competitive price while generating good revenue for Pakistan Railway. Pakistan Railway is required to maintain 100% punctuality of the trains, whereas commercial management of the trains is the responsibility of private partners.To generate maximum revenue and to control financial losses, Ministry of Railways has identified 18 more trains for outsourcing.

ii. PPP and Freight Services

(a) Track Access Policy

Track Access Policy has been formulated under the umbrella of Infrastructure Project Development Facility (IPDF) for which the process started in June 2010. Under this policy, private parties would be allowed to use track and infrastructure of Pakistan Railway for private freight train operation. In return, the private parties would pay an agreed amount of tariff for each kilometer usage. The tariff is based on the commodity being transported and the gross weight of the train. The rolling stock and locomotives would be purchased/ leased by the private parties who would also manage their upkeep and maintenance. Expressions of interest for this purpose were called on 31st January, 2011 and three parties qualified for the competitive bidding. Upon conclusion of the bidding process, short concession agreement has been signed between Pakistan Railway and private partners for transportation of the following commodities, while the detailed agreement shall be signed shortly.

- Oil
- General Cargo
- GITA (Goods in Transit to Afghanistan)
- Rock Phosphate
- Container Cargo
- Coal and Cement

(b) Private Participation in Dry Ports

Pakistan Railway has also involved private sector in the management and operation of terminal facilities including dry ports. Prem nagar dry port Lahore is the first successful model of joint venture between Pakistan Railway and two private parties. Agreement entails that the dry port would cater both bonded and non bonded cargo. Land has been provided by PR and other investment is of the private party. The Term of Agreement is 35 years on BOT basis. Other dry ports including Aza khel at Peshawar and Shershah at Multan Divisions of PR network are also being finalized on similar partnership basis.

iii. Non- Core Business

(a) Creation of “A Real Estate Development & Marketing Company” as a subsidiary of Ministry of Railways

Pakistan Railway owns huge chunk of land throughout the country and has been striving to commercialize the surplus land for the past 15 years in order to overcome its financial challenges. However, the process has thus far been marred with several issues which have hampered progress and apart from little successes the expected potential could not be achieved. In a review meeting held in November 2011, the then Prime Minister directed that an Asset Management Company be set up for management of non-core assets of Pakistan Railway including its land bank. Ministry of Railways has initiated the process of establishing the company on fast track basis.

(b) Corporatization of Manufacturing Services

In addition, six factories including Locomotive Factory Risalpur, Carriage Factory Islamabad, and four Concrete Sleeper Factories (Kohat, Khanewal, Sukkur and Kotri), are being corporatized subject to approval of the government.

iv. Achievements during the fiscal year 2012-13

(a) Track

During 2012-13, 60 kms of track was rehabilitated on the Pakistan Railway network besides doubling of 68 kms track.

(b) Rolling Stock

Contract agreement for procurement/ manufacturing of 202 passenger coaches was signed at a cost of US$ 134.5 million with Chinese supplier firm. So far 55 completely Built Up (CBU) coaches and 97 Completely Knocked Down (CKD) coaches have been received while the balance 50 CKD coaches will be received soon. Manufacturing / assembly of CKD coaches is in progress at Railway Carriage Factory Islamabad (CFI). In addition, 9 passenger coaches have also been rehabilitated at CFI during 2012-13.

(c) Rehabilitation & Repairs of Locomotives

At present more than 300 locomotives are out of service and are waiting for major repairs. Following initiatives are under way for rehabilitation of held up locomotives.

i. Funding to the tune of Rs 6.1 billion is being arranged through banking consortium for rehabilitation of 66 held up locomotives through PRACS.
ii. Rehabilitation of 27 held up locomotives (HGMU-30) of 3000 HP is being arranged through PSDP at a cost of Rs. 5108 million for which an agreement has been signed with M/s Electromotive Division USA. Two locomotives per month shall be turned out for service from April 2014.
iii. Special repair of 150 locomotives to improve their reliability and performance, is also being carried out through PSDP at a cost of Rs.5005 million. Under this initiative 20 locomotives shall be repaired in 2012-13 and 65 locomotives each in the next two years.

(d) Procurement / Replacement of Locomotives

i. ECNEC has approved the procurement of 275 locomotives, subsequently the contracts have been awarded to the successful bidders. Delivery of 50 locomotives will start from March 2014.
ii. Project proposal for procurement of another 100 locomotives has also been submitted to Planning Commission for approval of ECNEC.

**Box Item 3**
**BUSINESS PLAN**

**Pakistan Railways**

The financial and operational performance of Pakistan Railway has been deteriorated since last many years. Passenger traffic since 2007-08, has declined from 230 trains per day to 92 trains per day, while the number of freight trains has drastically went down from 96 per day to just one per day. Presently out of 515 only 100 locomotives are operational. Over aged infrastructure and rolling stock, sharp increase in fuel prices (high speed diesel), depreciation of rupee against dollar and substantially subsidized railway fare have led to an increase in the cost of operations.

Government of Pakistan (GoP) is making efforts to revitalize Pakistan Railway. Board of Directors of PR has been reconstituted by including of high caliber professionals. Cabinet Committee on restructuring (CCOR) has finalized a restructuring framework for Pakistan Railway. Repair and addition of locomotives is the foremost priority for increased revenue generation and restoration of rail services. Freight operations is another priority area. Under the Plan outsourcing of maintenance to reduce cost is being pursued. Credit line of PR from Pakistan State Oil has been enhanced to ensure smooth supply. The strategy recommends disintegration of PR into two companies, viz. Pakistan Railways Infrastructure, Management and Operations Company (PRIMO) and Pakistan Railway Ancillary Services Company (PRASC) to make it a viable entity. GoP is supporting PR by financing revenue-expenditure gap and the development budget. In resolving the severe financial and operational crisis, an amount of Rs. 31 billion has been allocated as a grant to PR for salary and pension expenditures. Monthly installments are being released in this regard. GoP has also allocated Rs. 23 billion in PSDP for financial year 2012-13. Private Sector participation is the focus moving forward under which private companies would acquire locomotives on lease while they pay track access charges to Pakistan Railway.

### 13.3 Pakistan International Air Lines

PIA has developed a five years strategic business plan which will transform the Airline into a strong, dynamic and vibrant institution, aggressively tackling new opportunities and absorbing external shocks. Induction of newer aircrafts in PIA fleet would be the turning point for the airline as it will be the foundation of being able to deliver cost cutting on fuel and improve punctuality and regularity bringing back the confidence of the customers.

The focus of the present management is on cost reduction, improvement, and expansion in network, yield and revenue. PIA made successful Hajj operation this year and carried 98,000 Hajis achieving 96 percent flight regularity and punctuality winning award from Saudi Civil Aviation Authorities. PIA ranked best among 72 international airlines operating from Jeddah.

PIA has launched an aggressive marketing campaign “FORI TICKET” in collaboration with Tameer Microfinance Bank and Telenor Easy paisa to enhance its market share in the air traffic. In the age of Information Technology it has become easier to reduce cost of operations and Fori Ticket service is one initiative where customers will be provided service at their door step without incurring any infrastructure costs. Virtual Agents have been launched this year in Pakistan to facilitate non IATA travel agents. Its success can be mentioned by the fact that only one month after its official launch the deposits have surpassed Rs. 10 million.

During 2012 PIA earned revenue Rs.112.1 billion as compared to last year revenues amounting to Rs.117.4 billion, which is 4.7 percent declined. Seat available this year were 19,849 against 21,725 seats last year. PIA expenses this year were on the lower side this year amounting to Rs.125.7 billion as against Rs.132.9 billion last year, a decline 5.4 percent was recorded in this year in the current expenditure. PIA covered 448,120 Kms route this year while last year route covered was 460,719 Kms. Operational performance of PIA is given in the following table:

**Table 13.4: PIA Performance**

| Description | 2012* |
|---|---|
| PIA Fleet (No. of Planes) | 39 |
| Route Kms | 448,120 |
| Available Seats | 19,849 |
| Passenger Load Factor (%) | 70 |
| Revenue Kms Flown (000) | 75,750 |
| Revenue Hours Flown | 127,268 |
| Revenue Passengers Carried (000) | 5,236 |
| Revenue Passengers Kilometers (mn) | 13,874 |
| Revenue Tonne Kms | 1,513 |
| Revenue Load Factor (%) | 53 |
| Operating Revenue (Million Rupees) | 112,129 |
| Operating Expenses (Million Rupees) | 125,701 |
| Available Tonne Kms | 2,859 |

*: PIA financial year is based on calendar year i.e. January to December

In 2012, PIA has contributed significantly to friendly image of Pakistan by starting twice weekly flights to Kandahar, Afghanistan. Moreover, PIA has resumed its operation to Saidu Sharif (Swat) so that the tourism industry may flourish.

**Box Item 4**
**BUSINESS PLAN**

**Pakistan International Airlines Corporation**

PIA has a fleet of 39 Aircrafts, 26 aircrafts are on average operational, 22 aircrafts have outlived their useful life. Non renewal/expansion of the Airplane fleet, depreciating the Pak rupee, higher administrative and HR costs, sharp increase in fuel prices have all had a negative impact on financial position. Government of Pakistan since 2002 to December 2012, has contributed equity amounting to Rs. 27.36 billion, provided loan of Rs.8.0 billion and given guarantees amounting to Rs.166.92 billion.

To drag out PIA from its financial crisis, an initial plan for PIA has been developed, which envisages the introduction of fuel efficient aircrafts, route rationalization, focus on separation of core and noncore activities and HR rationalization with the objective of making PIA a sustainable and profitable entity in the long run. The plan provides an overall picture of financial position and future prospects based on operational strategies being implemented in these focal areas. Cornerstone of the business plan being put forward is a shift in strategy from high capacity, low frequency operations to high frequency optimum capacity operations. Success of this plan depends on lowering the level of liabilities as high debt cost will continue to pose challenges for operational viability and sustainability.

Ministry of Finance (ERU Wing) is finalizing a detailed revitalization plan of PIA in consultation with its management and other stakeholders. The revitalization plan of PIA is divided into two phases:

| **REVITALIZATION PLAN** | |
|---|---|
| a. Keep the airline afloat | (February 2013–June 2013) |
| b. Restructuring Plan | |
| i. Short-term Plan | (July 2013–June 2014) |
| ii. Medium to Long-term Plan | (July 2014–June 2018) |

Taking immediate step, GoP approved a bailout package for PIA on February 26, 2013. The bailout package includes support for cash flow deficit amounting to Rs. 49 billion. In addition, GoP is also facilitating PIA in extension of guarantees which are being expired and issuing fresh guarantees against loans taken by PIA. The GoP is also supporting PIA for induction of five A320 narrow body aircrafts with guarantee amounting to $46 million for security deposit, spare parts / materials and training.

## 13.4 Ports and Shipping

### 13.4-a Pakistan National Shipping Corporation

At present, PNSC fleet comprises of nine vessels of various type / size (Six Bulk carriers & Three Aframax tankers) with a total deadweight capacity (cargo carrying capacity) of 642,207 tonnes. Year wise detail is given in the following table:

**Table 13.5: PNSC-Fleet Deadweight Tonnage**

(In Tonnes)

| **Year** | **No. of ships** | **Total DWT** |
|---|---|---|
| 2007 | 14 | 536,821 |
| 2008 | 14 | 536,821 |
| 2009 | 11 | 477,238 |
| 2010 | 10 | 633,273 |
| 2011 | 11 | 646,666 |
| 2012 | 10 | 628,409 |
| 2013 | 9 | 642,207 |

Source: PNSC

The consolidated revenue of the PNSC group for the period ended upto March 31, 2013 were Rs. 3,211 million (including Rs. 1,582 million from PNSC), making a total of Rs. 8,211 million (including Rs. 3,161 million from PNSC) for the nine months period under review as against Rs. 6,640 million for the corresponding period last year, showing an increase of 23%. Expenses were under control and increased only by 7.0%. The net profit after tax for the nine months upto 31 March 2013 was Rs. 1,200 million as against Rs. 544 million last year, a substantial increase of 121% from last year. One Dry Combi Vessel "Islamabad" was sold for demolition as the Vessel had completed its useful commercial life.

Despite a depressed shipping scenario worldwide, PNSC has not only been able to maintain but also improved its profitability. Commercial and Financial performance (un-audited) of PNSC during the period July-March 2012-13 is given in the following table:

**Table 13.6: Commercial Performance** (In 000 Tonnes)

| Cargo Lifted | 2012-13 (Jul-Mar) |
|---|---|
| Dry Cargo | 1,949.0 |
| Liquid Cargo | 6,781.0 |
| Total (Dry + Liquid) | 8,730.0 |
| **Financial Performance** | (In million rupees) |
| Revenues | 8,210.7 |
| Expenditures | 5,652.5 |
| Gross Profit | 2,558.2 |

PNSC is providing transportation services for crude oil requirements to the country. Almost 99% of the total imports of crude oil are undertaken by PNSC.

The Corporation is now actively working on a plan to increase its tanker fleet size, particularly to carry processed fuel like Fuel Oil, High Speed Diesel Oil, Jet Fuels, Naphtha and Gasoline.

To meet safe and reliable transportation requirement of Pakistan's strategic liquid cargo, PNSC presently is in process for acquisition of four tankers - two Aframax tankers for transportation of fuel oil and two product tankers for transportation of white oils to cater for most of the requirement of PSO under obligation of long term Contract of Affreightment. These four tankers will be in addition to PNSC's existing tanker fleet of three Aframax tankers. The corporation intends to acquire these vessels preferably through commercial loan / joint venture.

### 13.4-b Karachi Port Trust

Karachi Port Trust consists of two wharves; the East and West Wharf. The East wharf has 17 multipurpose berths and the West wharf has 13 berths. Each of the Wharves has two dedicated container terminals and oil piers to handle liquid cargo. Karachi Port Trust operation comprised upon a 11.5 kilometers long approach channel, a depth of 12 meters and a turning basin of 600 meters, the Karachi Port provides safe navigation for vessels up to 75,000 metric tonnes deadweight (DWt.). KPT handled 28.8 million tonnes of cargo during the first nine months of the current fiscal year. The data on cargo handled during the last five years is given in the following table:

**Table 13.7: Cargo Handled at KPT** (000 tonnes)

| Period | Exports | Imports | Total |
|---|---|---|---|
| 2007-08 | 11,676 | 25,517 | 37,193 |
| 2008-09 | 13,365 | 25,367 | 38,732 |
| 2009-10 | 13,528 | 27,892 | 41,420 |
| 2010-11 | 12,843 | 28,589 | 41,432 |
| 2011-12 | 11,674 | 26,201 | 37,875 |
| 2012-13 (July–March) | 8,893 | 19,909 | 28,802 |

Source: Karachi Port Trust

### 13.4-c Port Qasim Authority

Port Qasim Authority was established in 1973 as a second deep sea port of Pakistan. Port Qasim caters around 40 percent shipping requirements of the country. Port Qasim handled 18.569 million tonnes of total cargo during the financial year 2012-13 (July-March). The volume of import cargo during July-March 2012-13 stood at 13.458 million tonnes, showing 1.2% higher than 13.301 million tonnes handled during corresponding period last year. The exports handled 5.111 million tonnes during the current financial year 2012-13, as compared to 4.454 million tonnes handled during corresponding period 2011-12, registering an increase of 14.7%. The containerized cargo was 7.677 million tonnes (41%), Liquid cargo was 8.343 million tonnes (45%) and remaining 2.550 million tonnes (14%) was miscellaneous types of dry bulk / break bulk cargo. PQA handled 0.538 million TEUs (Twenty Equal Units) of containers traffic in 2012-13, the growth in container traffic during the nine months of 2012-13 is 6%over the July- March 2011-12.

**Table- 13.8: Cargo Handled at Port Qasim**
(in 000 Tones)

| Period | Export | Import | Total |
|---|---|---|---|
| 2007-08 | 4,922 | 21,502 | 26,424 |
| 2008-09 | 5,584 | 19,445 | 25,030 |
| 2009-10 | 6,380 | 19,226 | 25,626 |
| 2010-11 | 6,657 | 19,511 | 26,168 |
| 2011-12 | 5,950 | 18,075 | 24,025 |
| 2012-13 (Jul-Mar) | 5,111 | 13,458 | 18,569 |

Source: Port Qasim Authority

### 13.4-d Gawadar Port

Gwadar Port was inaugurated on the 20th March, 2007 and started commercial operations from March 2008. Government has decided to import all bulk cargo comprising of Urea, Wheat and Coal through Gwadar Port. During the period July-March 2012-13 Urea 341.0 tonnes was handled. The total cargo handled at the port up till now is 5.0 million tonnes. Detail of Ship arrived and Cargo handled is given in the following table:

**Table-13.9: Total Import of Cargo at Gawadar Port Since 2008**

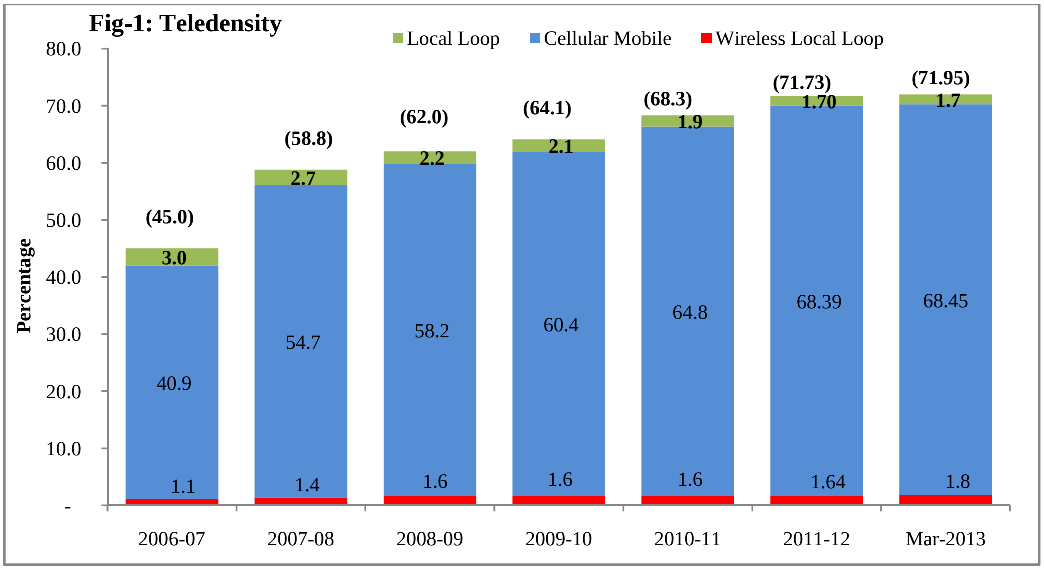
| No. of Ships arrived | Type of Cargo | Quantity (000Tonne) |
|---|---|---|
| 26 | Wheat | 963.4 |
| 119 | Urea | 4,101.4 |
| Total 145 | Wheat + Urea | 5064.8 |

Source: Gawadar Port Authority

## 13.5 Communications

### Telecom Sector of Pakistan

At the end of March 2013, total teledensity in the country increased to 71.95 percent, showing a growth of 2.4 percent over the same period last year.

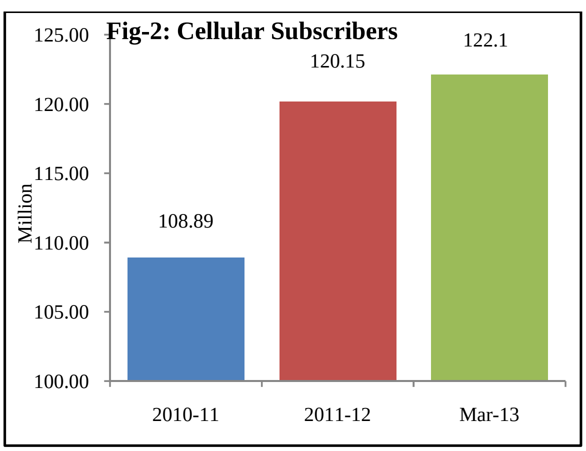



## Cellular Mobile Sector

The growth in mobile penetration has been better during the last two years. Since 2009, mobile penetration growth in Pakistan remained in single digit due to slow economic growth, market maturity and availability of only 2G services in the market. In this situation, rural markets provide opportunities for the cellular mobile operators to increase mobile penetration in these areas.

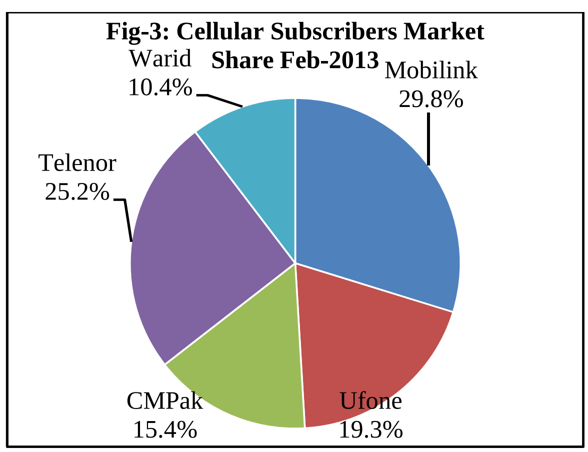
## Cellular Subscription

There were 121.13 million mobile subscribers at the end of March 2013 compared to 118.32 million subscribers last year depicting a growth over last year. Out of 121.0 million mobile subscribers, 119.2 million are pre-paid (98.40%) and 1.8 million post-paid (1.60%). The percentage of pre-paid in total subscribers has increased over the years.




## Cellular Market Share

Cellular market is moving towards maturity, stability and intense competition as operators are dedicating their best efforts to achieve a higher stake in the overall market share. Over the last calendar year, cellular market share has not altered significantly. Mobilink which has been the largest player in the mobile market of Pakistan is losing its market share. The market share of Mobilink, which was more than 50% at the time of deregulation in 2004 has declined to 29.8% at the end of Feb 2013. The new player CMPak, with its aggressive marketing has been able to achieve a market share of 15.4% in less than five years since start of its operations in Pakistan. Due to subscribers churn and intense competition from other operators, Warid is continuously losing its market share since 2009 and currently has the lowest market share of 10.4% among all the cellular mobile operators.

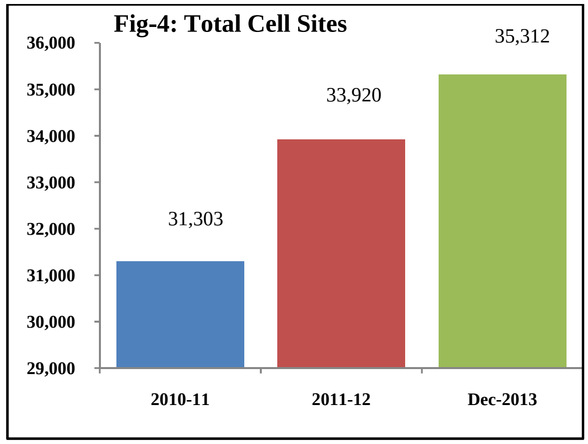


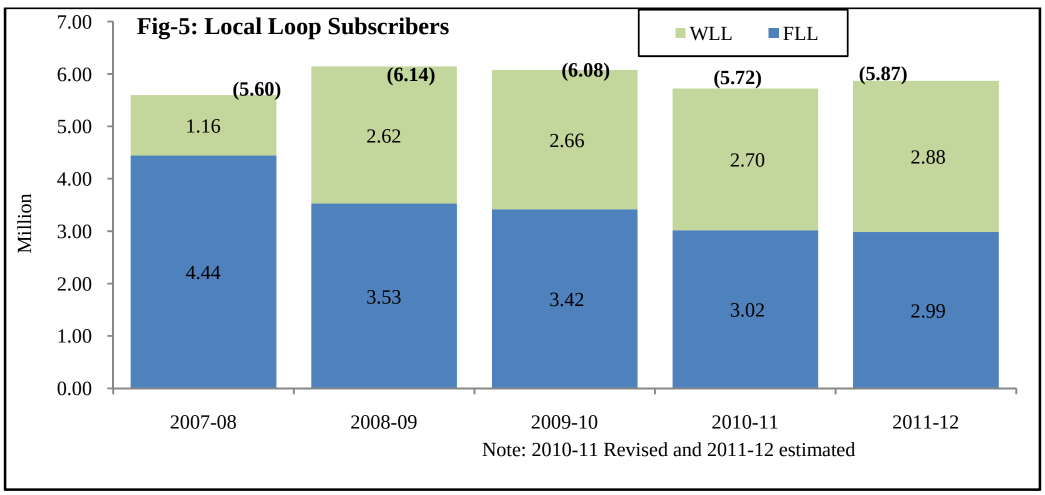
**Network/Cell Sites**

The cellular mobile network is covering over 92 percent of the land area of Pakistan. Cellular mobile companies have expanded their networks to every nook and corner of the country. After two years of relatively slow network growth, cellular industry has shown a growth of 8.4% in cell sites during 2012. At the end of Dec 2012, there were 35,312 cell sites in Pakistan.

**Basic Services**

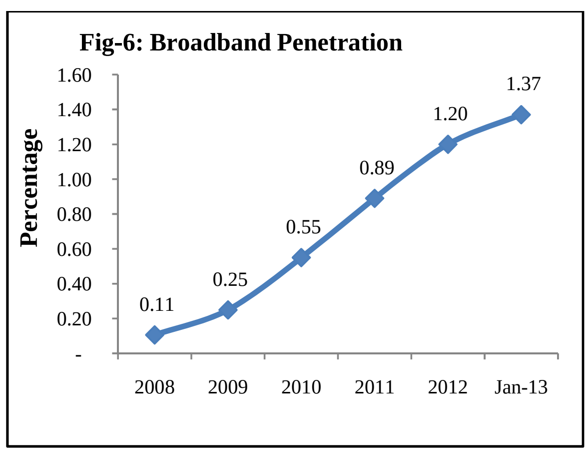
The total local loop subscriber base including fixed and wireless stood at 6.16 million at the end of March 2013. The LL industry has grown by 1.5% during the last year after successive decline in the last two fiscal years. In the Fixed Local Loop (FLL) sector. FLL subscribers were 3.03 million and WLL subscribers were 3.13 million. The positive growth in subscribers achieved during the reported period is a result of strong performance of PTCL, Wateen and World Call mainly in the WLL sector. However, the overall affect of the subscriber addition on the teledensity figures was minimal because of subsequent population increase.




**Broadband**

Broadband in Pakistan is an example of a competitive, technologically advanced, well regulated and consumer friendly market. Government of Pakistan has extended full support to telecom sector especially broadband, by spending Rs. 22 billion on rural telecom development through USF7. Some of the fruits of this spending include 7400 kms of fiber optics laid in far flung areas. Moreover, government has plan to allocate Rs. 17 billion in next year budget for stretching the broadband services further in un-served and under-served areas of the country. PTA kept a technology-neutral licensing regime thereby facilitating influx of latest broadband technologies such as WiMAX, EvDO, VDSL2, in addition to existing infrastructure of DSL, HFC, FTTH, Satellite etc.




**Penetration**

Penetration level of broadband services in Pakistan has been progressing at a leisurely but steady pace.

The current penetration of broadband was 1.37% at the end of Jan-2013 as compared to 0.89% as of June, 2011. Although the broadband net additions and growth rates have been satisfying, coordinated efforts are required by the regulator, industry and the government to address several key factors that are hindering the penetration of broadband in Pakistan.

**Subscriber Mix**

Broadband subscribers crossed the two million mark in just a few years since competition was first introduced in Pakistan. This year, the broadband industry added the highest number of subscribers ever while average annual growth rate remained above 100%. It shows that Pakistan's broadband market has tremendous potential for growth and investment and PTA vows to fully cooperate with the investors in this regard. Currently, Broadband subscribers stood at 2.54 million at the end of March, 2013.

**Broadband Technology Trends**

Pakistan broadband market is a true blend of latest and primitive technologies both in the fixed and wireless categories. An interesting trend has been witnessed over the last few years in the broadband market where wireless technologies have taken over major share in just four years as depicted in Figure-7. The mobility option, quick delivery and dismal quality of fixed line infrastructure in the country paved way for the success of wireless technologies despite the higher cost of entry. Since 2009, wireless technologies have increased their market share from 32% to 56% thereby surpassing fixed line technologies in 2012.

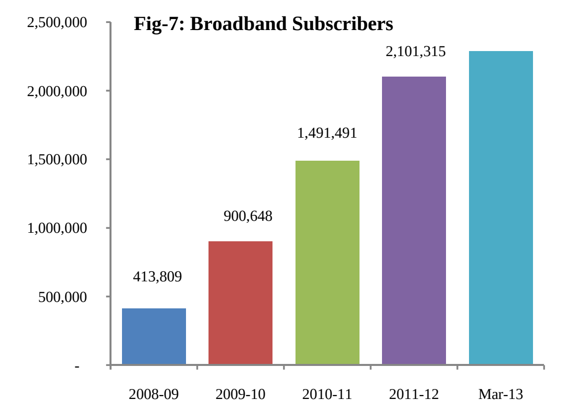



**Table 13.10: Broadband Technology Share** (in Percentage)

| Broad Band | 2011 | 2012 |
|---|---|---|
| Fixed (DSL, HFC, FTTH) | 50.5 | 56.0 |
| Wireless (WiMAX, EvDO) | 49.5 | 44.0 |

Analyzing individually, DSL still has the highest stake in broadband market with 42% of the subscribers while WiMAX and EvDO are in close contest with a share of 28.1% and 27.8% respectively.

**Telecom Economy**

**Telecom Investment**

Telecom sector of Pakistan has attracted substantial investments after the deregulation. During the last seven years, more than US$ 12 billion have been invested in the telecom infrastructure and new technologies. Currently, over 92 percent of our population has access to telecom services, which has been possible due to expansion of telecom infrastructure all over the country by telecom operators. As operators have established their basic infrastructures, necessary expansion, and done the technology adoption. Therefore, telecom investment which was to the tune of US$ 4 billion in 2007, has now reduced to US$ 251 million during July-March 2013.

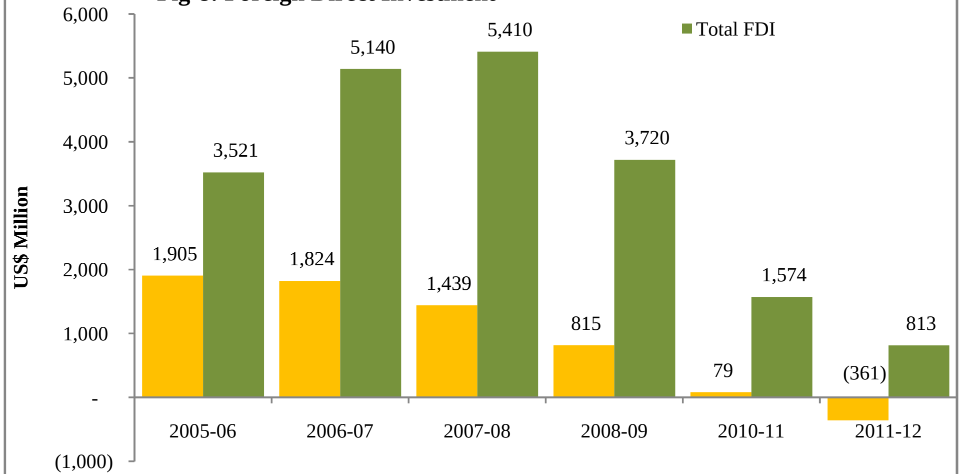
**Table 13.11: Telecom Investment** US$ Million

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|---|---|---|---|---|---|---|
| Cellular | 2,584.5 | 2,337.7 | 1,229.75 | 908.8 | 358.6 | 211.8 |
| LDI | 602.8 | 403.9 | 276.75 | 183.1 | 108.7 | 16.2 |
| LL | 40.6 | 342.1 | 57.37 | 22.5 | 18.2 | 5.0 |
| WLL | 747.0 | 52.8 | 82.11 | 23.0 | 7.6 | 7.3 |
| Total | 3,974.8 | 3,136.4 | 1,645.98 | 1,137.51 | 493.25 | 240.3 |

Source: PTA

Foreign Direct Investment (FDI) in telecom has also shown similar patterns of overall investment in the sector. During 2006 to 2010, telecom sector attracted over US$ 6 billion FDI in the country, which was almost 30 percent of the total FDI in the country. During the last two years, overall FDI in the country has reduced significantly. According to State Bank of Pakistan, total FDI in Pakistan was US$ 853.7 million during July-April 2013, whereas net inflows of FDI in telecom remained negative during the year on account of capital outflow by some companies. Overall slow economic growth has also contributed in the low investment in telecom. With the expected launch of 3G/4G services in the country during 2013, it is expected that the cellular mobile sector will attract significant investment in the next two years.

**Fig-8: Foreign Direct Investment**



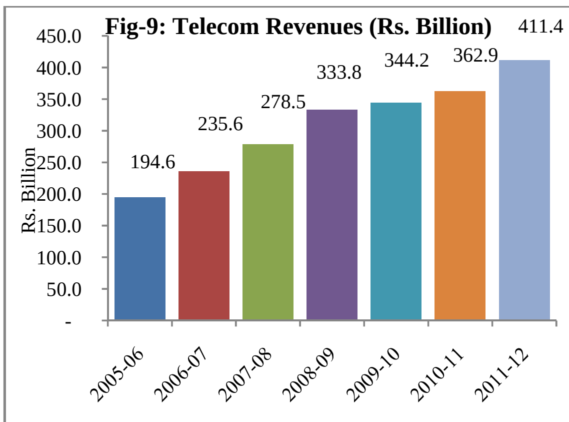

Source: State Bank of Pakistan

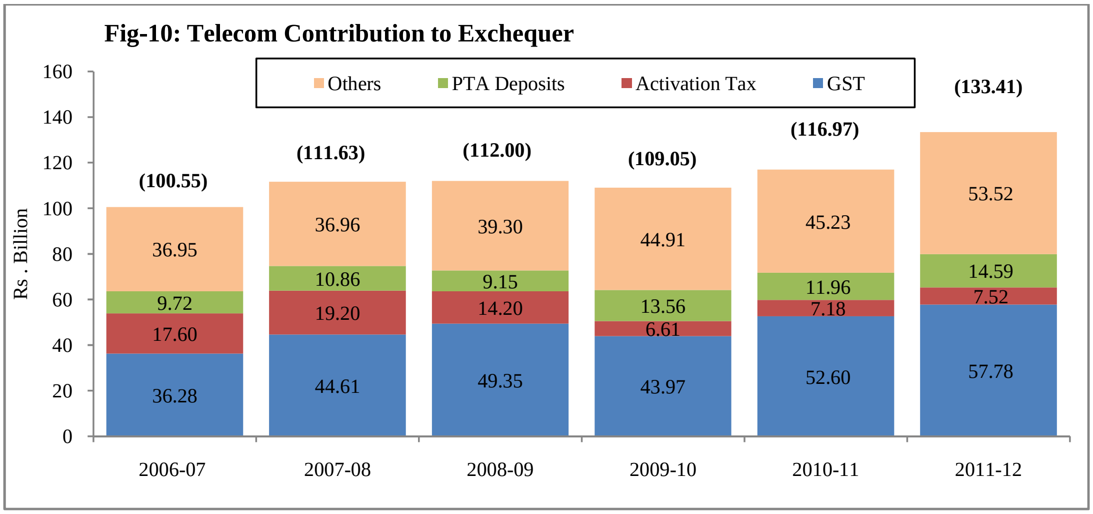
## Telecom Revenue

Annual revenue of the telecom sector have reached to Rs. 411.4 billion during 2012, registering a growth of 13 percent over the last year. This is a significant increase in revenues compared to slow revenue growth in the last two years where total telecom revenue growth remained in single digit i.e. 5.4 percent in 2011 and 3.1 percent in 2010. Revenues of Telecom sector during Jul-Mar 2013 have reached to Rs. 323.0 billion registering a growth of 2.92 percent.

## Telecom Contribution to National Exchequer

Telecom sector has been contributing significantly to the national exchequer in terms of taxes, regulatory fee, activation tax and other charges. During 2012, the sector has contributed a record amount Rs. 133 billion compared to Rs. 117 billion last year. Major share of this growth has been through Federal Excise Duty (FED) and other taxes. Telecom sector has been overburdened with heavy taxes and telecom companies are contributing almost 30 percent of their revenues under FED and withholding tax. General Sales Tax (GST) on telecom services is deducted under FED @19.5% whereas normally prevailing GST rate on services in the economy is 16%. Rationalization of telecom taxes can positively contribute to the telecom sector growth and telecom contribution in the economy.






**Telecom Imports**

During 2012, total telecom imports in the country reached US$ 954 million, showing a sharp rise of 24.5 percent over the previous year. This increase in total telecom imports is due to a sharp rise in the imports of cellular mobile handsets in the country, which have reached US$ 465.3 million in 2012 compared to 218 million in 2011.

**Table 13.12: Telecom Imports** US$ (Million)

| | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|---|---|---|---|---|---|
| Cellular Mobile sets with Battery | 445.9 | 129.7 | 169.23 | 218.2 | 465.3 |
| Other Telecom Apparatus | 885.1 | 570.4 | 556.45 | 548.1 | 488.7 |
| Total Telecom Imports | 1,331.0 | 700.1 | 725.68 | 766.3 | 954.0 |

Source: State Bank of Pakistan

**Table 13.13: Pakistan Telecommunication** (In 000 Nos.)

| | FLL Subscribers | WLL Subscribers | Mobile Phones | Broadband Subscribers |
|---|---|---|---|---|
| 2007-08 | 4,548.4 | 1,155.2 | 88,019.8 | 168.1 |
| 2008-09 | 3,526.6 | 2,617.6 | 94,342.0 | 413.8 |
| 2009-10 | 3,419.3 | 2,659.8 | 99,185.8 | 688.4 |
| 2010-11 | 3,016.9 | 2,704.9 | 108,894.5 | 1,491.5 |
| 2011-12 | 2,985.6 | 2,817.7 | 120,151.2 | 2,101.3 |

## 13.6 Electronic Media in Pakistan

### 13.6-a Pakistan Electronic Media Regulatory Authority (PEMRA)

Pakistan Electronic Media Regulatory Authority (PEMRA) is a statutory body established in March 2002 through an Ordinance to facilitate and regulate growth of Electronic Media in the private sector. The law was further revamped as PEMRA Amendment Act 2007. PEMRA is primarily mandated for licensing and regulating the establishment and operation of all broadcast media (satellite TV & FM radio) and distribution services (Cable TV, DTH, IPTV, Mobile TV etc.) in Pakistan.

**Present Status of Private Electronic Media**

During the last ten years the country has witnessed a massive spurt in the number of TV channels and FM Radio stations in the private sector which is unmatched in the South Asian region and perhaps elsewhere. This boom is owed to the government's unequivocal commitment to a free media and the proactive role played by PEMRA in facilitating the growth of the electronic media. The unprecedented growth of TV channels, Cable TV and launch of FM Radio stations has indeed contributed remarkably in raising the standards of public awareness and literacy. Following figure shows the massive growth in electronic media in the private sector during the last decade.

**Table 13.14: PEMRA Performance**

| S. No. | Category | Number of licenses Issued |
|---|---|---|
| i. | Satellite TV Channels | 89 |
| ii. | Landing Rights Permission to TV Channels | 26 |
| iii. | FM Radio licenses | 188 |
| iv. | Cable TV Licenses | 3,516 |
| v. | Multimedia, Multi Channels Distribution System (MMDS) | 6 |
| vi. | Internet Protocol Television (IPTV) | 01 |
| vii | Mobile TV licence | 04 |
| viii. | Mobile Audio Licenses | 02 |

**Table 13.15: Licensing in 2012-13**

| | Category | No. of licenses |
|---|---|---|
| i. | Satellite TV Channels | 03 |
| ii. | Landing Rights Permission to TV Channels | 02 |
| iii. | FM Radio licenses. | 31 |
| iv. | Cable TV Licenses | 516 |

**Economic Contribution**

Due to the government investment friendly policies amid of challenges confronted by our economy both at internal and external, the Electronic media has shown some resilience. There has been a cumulative investment of approximately U.S. $ 3.0 billion in the electronic media industry in Pakistan. Electronic media sector has generated direct employment for more-than 200,000 people of diversified skills and qualifications. With the current growth rate it is estimated that the cumulative investment in the electronic media industry will reach nearly U.S. $ 4.0 billion by the end of the current financial year. This expansion in investment would in turn have a multiplier effect on increasing job opportunities for skilled media personnel and journalists, expanding work of media production houses, advertising agencies and proliferation of the performing arts.

### 13.6-b Pakistan Television Corporation Limited

PTV is gradually extending its signal to remote and economically backward areas of the country in order to uplift the socio-economic conditions.

PTV is operating 6 multiple terrestrial channels in the country i.e. PTV home, PTV News, PTV Bolan, PTV National, PTV Global and PTV Sports. Beside this a TV Channel has been established in Azad Jammu and Kashmir with one TV Centre, and with four Rebroadcast Centers at Kotli, Rawala Kot, Bagh and Bhimber.

In Pakistan an English television channel was required since a long to create greater understanding of Pakistan's point of view in the world. PTV has launched English News Channel in January 2013. This is the only English News Channel in Pakistan telecasting the information about Pakistan domestically as well as internationally. Nine Projects, comprising, RBS-Neela-But, RBS Besham, RBS Pooran, RBS-Khaplu, RBS-Shigar, RBS-Gahkuch, RBS-Chilas RBS-Kohat and NNB-Larkana will start functioning from June 2013.

PTV has planned for Digitalization of PTV Terrestrial network. Government of Pakistan is making efforts for getting grant-in-aid from Chinese government. On completion of the project PTV Corporation would be able to extend Terrestrial coverage of six more channels in National Bouquet. Establishment of TV Rebroadcast Stations in following areas is in progress throughout the country during 2012-13.

**Sindh**
RBS at Badin.

**Punjab**
RBS at Shakargarh, Kotli Sattian and Mian Channu.

**Khyber Pakhtunkhwa**
RBS at Buneer, Kund Bangla.

**Balochistan**
RBS at Kharan, and Bar Khan

**Northern Areas**
RBS at Aliabad/Karimabad, Jaglot, Bunji, and Astore

Pakistan Television Corporation Limited has installed state of the art complete digital studio equipment in all the five TV Centers. Apart from it four Digital Satellite News Gathering (DSNG) which are complete mobile satellite transmission units are fully in operational. Total numbers of television sets in the country were 13.865 million as on 31-03-2013.

### 13.6-c Pakistan Broadcasting Corporation

Pakistan Broadcasting Corporation (PBS) is the largest state-owned media organization of the country. It operates with 64 AM/FM Radio Stations/Channels, spreading all over the country with its daily broadcasts of about 940 hours programmes and 124 news bulletins of 746 minutes in 29 languages.

PBC is providing following major services:

- 124, News bulletins are placed on air daily. These include National, Regional, External and Local News bulletins.
- Saraiki News Bulletin has launched on 8th February 2012 by the then Prime Minster of Pakistan. Four local bulletins were also launched from Abbottabad.
- PBC monitors news talk shows and comments of 14 radio and 10 satellite TV channels including foreign broadcasts. This monitoring report is sent to VVIPs, sensitive organizations and top officials through e-mail.
- National Broadcasting Service is a dedicated current affairs channel of PBC. This gives live coverage to breaking news, discussions and analytical programmes on important national and international issues for 17 hours a day.
- Planet FM-94 (English Channel) launched in Islamabad, Karachi and Lahore, covers the aspiration of the young generation. This channel entertains the diplomatic society and foreign missions in Pakistan.
- South Asia Broadcasting Services is broadcasting programmes in five languages Mitali (Bangla), Hindi, Nepali, Sinhali and Tamil with the objectives of promoting peace and brotherhood among the SAARC countries.
- PBC External Services, Broadcasts programme for 8 hours daily in 11 foreign languages covering countries; Afghanistan, Iran, China, India, Bangladesh, Nepal and Sir Lanka.
- PBC has started work to transfer precious audio material of historical value from magnetic tapes to computer in MP-3 form via Digitization Project.

**Modernization Projects:**

- Work on procurement of equipment has been initiated for establishment of an earth satellite station at National Broadcasting House Islamabad for linking the radio stations located all over the country through satellite.
- Work on procurement of the first-ever Digital Satellite News Gathering (DSNG) van of PBC has been initiated for efficient live OB (outdoor broadcast) overage of important events taking place from time to time.
- The Website of PBC has been upgraded and incorporated many new features. The site offers live streaming of 15 audio channels and a video channel on the internet. It also features streaming on mobile phones. The website is connected with the social media websites like Facebook, You Tube and Twitter.
- One FM transmitter was commissioned in Skardu for transmission of FM-93 services.
- 2.5 KW FM transmitter installed at PBC Murree has been replaced and upgraded with 5 KW FM transmitter for improving signal quality of FM-101 services in the capital city of Islamabad.
- PBC entered into an agreement with China Radio International (CRI) for launching of Dosti channel with the establishment of two FM-98 stations at Islamabad and Karachi.
- Renovation work on the existing building of transmitting station Larkana has been completed for installation of new 100 KW medium-wave digital transmitter.
- Work on commissioning of 400 KW medium-wave transmitter at Peshawar and 100 KW medium-wave transmitter at D.I.Khan is continued. Work progress on both the projects is about 90%.
- PC-I for replacement of ageing transmitter installed at Faridabad with a digital transmitter of 500 KW power and revamping of 05 studios along with master control room at national Broadcasting House Islamabad with the financial assistance of Japan has been approved by ECNEC ON 16-08-2012 at a total cost of Rs.1644.145 million, including Japanese Grant-Aid equivalent Rs.1558.384 million.

### 13.7 Pakistan Post Office

Pakistan Post is in the process of computerizing and re-engineering of its services to ensure that best possible quality services are available to the customers. Various measures have been taken to streamline the Post Office System on modern lines and emphasis is given on the use of Information Technology. An overview of few of the projects is as follows:

- **Western Union Money Remittances Business**

During the first nine months of current fiscal year, Pakistan Post has received the foreign remittances amounting to US $ 78.7 million dollars equivalent to Rs. 7,551.2 million.

- **Pakistan Military Pension System**

(a) Computer Pension Payment System

Over 1.5 million Military Pensioners are receiving their pensions through computerized Pension Payment System. The Pakistan Telecommunications Employees Trust (PTET) in joint efforts with Pakistan Post has developed computerized PTCL Pension disbursement System. Pakistan Post is also disbursing pension to over 40,000 PTCL pensioners.

(b) Achievements of Saving Bank

Pakistan Post has been doing saving Bank work as an agency function on behalf of the Ministry of Finance under the government savings Bank Act 1873 on commission basis. During the period July 2012 to December 2012 an amount of Rs.85,490.0 million has been collected through National Savings Schemes and earned commission amounting to Rs.538.725 million during this period.

(c) Benazir Income Support Programme (BISP)

Complete web-based tracking and monitoring system for disbursement of funds for Benazir Income Support Programme (BISP) has been evolved that include continuous processing, monitoring and reconciliation of the specialized money orders scheme. During the financial year July-March 2012-13 total 4,123,413 BISP Money orders along with required funds amounting Rs.12.37 billion were received from BISP authorities, out of which 95.4% Money orders amounting to Rs.10.969 billion have been paid within prescribed time.

(d) Postal Life Insurance.

Following are the achievements of Postal Life Insurance

| | |
|---|---|
| Fresh Polices: | |
| No of Fresh Policies Issued | 17,489 |
| Fresh Premium Received | 257.284 Million |
| Sum Assured | 4,971.312 Million |
| | |
| In Force Policies: | |
| No of Policies | 395,780 |
| Premium Income | 2,528.369 Million |
| Sum Assured | 54,297.075 Million |

(e) Pak Post and the First Microfinance Bank – A Public Private Partnership

Pakistan post, offers wide portfolio of postal and financial services to the people of Pakistan through its vast network of over 12000 post offices spread all over the country. While the First Micro Finance Bank Ltd. Pakistan (FMFB), a private sector bank, established under MFI Institutions Ordinance 2001 and regulated by the State Bank of Pakistan, has joined hand with the Pakistan Post for collaboration to extend micro finance facility at the grass roots level. This innovative private-public sector partnership has facilitated the provision of a range of micro credit facilities to the poor and vulnerable segments of the population, thus addressing the major issue of accessibility in the microfinance sector. It has enable the disadvantages people to build a safe and secure future for themselves and their future generations; increase their capacity to access education, health and safe built environments, and contribute towards national development. It has also addressed the major issue of poverty alleviation through sustainable economic development.

FMFB is using postal network in rural and urban areas to provide a range of financial services (initially micro loans) to micro entrepreneurs and small farmers. The services of Pakistan post are required to facilitate FMFB in disbursement and collection of loans, and verifying the particulars of the loan applicants.

This strategic collaboration is an important milestone in the government's endeavors for sustainable poverty alleviation, and employment generation amongst the poor. Moreover, it is supporting a public institution in optimal utilization of its resources as well as developing its human capital, and lastly, it is contributing in the government's efforts in the project of improving "Access to Financial Services Programme" for the poor and needy people.

FMFB executed agreement with Pakistan post in October, 2007 and extended its work to five postal locations i.e. Multan, Faisalabad, Lahore, Hyderabad and Sukkur. After closure of business by FMFB, 54 post offices are providing the FMFB services. Pakistan Post disbursed an amount of Rs.3040.7 million to the FMFB clients and recovered Rs. 2762.3 million. Pakistan post has also earned the following amount from FMFB.

| | (Rs. in million) |
|---|---|
| PPO Commission (0.5%) (both on disbursed & recovered) | 29.04 |
| Rent charges | 2.42 |
| Address verification fee | 1.87 |
| Total | 33.33 |

**International Postal mail links**

Pakistan Post has mail links with all countries of the world except Israel. Exchange of mail is carried under rules and regulations of the Universal Postal Union. Direct mail links exists with 165 countries. For remaining, mail is exchanged through transit facilities of intermediary countries. Airmail is transported through airlines selected through open tendering process.

Achievements in International Postal Services

Pakistan Post dispatches more volume of mail than it receives for delivery. Thus it always remains net-creditor. Pakistan Post received an amount of Rs. 46.9 million during the period July-March 2012-13 on account of Terminal Dues for imbalance of international mails received from and dispatched to other countries.

In 24th Congress of the Universal Postal Union Pakistan has been elected as a member of Council of Administration for a period of four-years from 2013-2016.

**Computerization**

Pakistan is in the process of computerizing and re-engineering of its services to ensure the best possible service quality is available to the customers and has taken various measures to streamline the Post Office System on modern lines, major emphasis is on the use of Information Technology.

**Counter Automation System**

Over one hundred GPOs including renovated post offices through out Pakistan have already been provided with counter computerization facility for the better service quality to the customer through LAN based system. This number will be increased in a phased manner. Computer Cell is actively engaged in expansion of computerization of Postal Services for Pakistan Post. Currently Electronic Money Order (EMO) Service has been implemented at 57 GPOs and it will be extended in all 83 GPOs. Online Computerized collection of all utility bills through Centralized Software Solution has also been implemented at automated GPOs. Further, BISP, Child Support Program, Military Pension Payment System and Saving Bank will be shortly implemented in Centralized Software Solution Platform.