

Planning Commission Newsletter

Inside this issue:

International Trade & Finance	2
Public Investment Authorization	2
Governance	2
National Fertilizer Development Centre (NFDC)	2
Establishment of Industrial Zones in Pakistan	2
Planning Division to re-asses its role	3
Public Investment Programming	4

New Growth Framework (NGF)

During the month of June, Growth team participated in two meetings. First meeting was held on 9th June, 2011 in Planning & Development Division. A delegation from Economic Affairs Division met Growth team to discuss the implementation status of Growth Framework and the role of donors in this regard. National Institutional Advisor, Planning Commission briefed the EAD team on implementation framework of growth strategy and the involvement of International Growth Center, DFID and USAID in the process. Policy

Analyst, EAD elaborated salient features of proposed Foreign Assistance Policy and mutual accountability mechanism for Government of Pakistan and Donors in the proposed policy.

The second event was a seminar on Growth strategy held at Marriot, Islamabad. The seminar was arranged by Ms. Sharry Rehman in the process of building consensus on the growth strategy. Distinguished politicians and representatives from civil society participated in the seminar. Deputy Chairman, Planning Commission

explained the basic pillars of growth framework and plan for implementation of proposed reforms. Participants of the seminar discussed in detail the proposed reforms and provided feedback to improve the implementation mechanism.

Moreover, approved growth document is being circulated among the national and international stakeholders to get their feedback on action plan, and the same is being incorporated for finalizing the consensus based implementation plan.

Projects Wing

Visits / Meetings by Member (I&M)

Lt. General (Retd) Shahid Niaz, Member Implementation and Monitoring, Planning Commission chaired a meeting on 1st June 2011 at the Planning Commission

the University.

Member (I&M) chaired a meeting on 2nd June 2011, attended by Executive Director, HEC, Vice Chancellor, Quaid-e-Azam University and representatives from

A meeting was held under the Chairmanship of, Member (I&M), on 29th June, 2011, in compliance of the



with relevant officials of the University of Punjab, to discuss issues identified in the monitoring report of the projects being implemented by



different universities. Agenda of the meeting was to review the progress of 112 development projects being sponsored by the Higher Education Commission.



decision of the CDWP taken in its meeting held on 7-04-2011, to assess the actual ground realities of the project titled "Construction of Federal Services Tribunal Building in G-5/2, Islamabad.

Money Prices & Fiscal Policy

CPI inflation has registered an increase of 14.0% in July-May 2010-11 against an increase of 11.6% during July-May 2009-10, with food inflation at 18.2% against 12.3% and non-food inflation at 10.5% against 11.1% over

the same period of the previous year. Core inflation during July-May 2010-11 stood at 9.6% against 11.1% during July-May 2009-10. Factors contributing towards higher inflationary trend are: spurt in prices of commo-

ties in international market, higher government borrowings from banking sector for budgetary support, increase in prices of petroleum products and electricity charges.

International Trade and Finance

Exports (Gross) during July-May of 2010-11 has increased to \$22,412 million compared to \$17,509 million in the corresponding period of last year showing an increase of 28%. However, at the same time imports have increased to \$36,551 million from \$31,485 million in the previous year registering an increase of 16%. The trade deficit remained at \$ 14,139 million.

Commodity-wise analysis

shows that all export groups have shown positive growth which is a positive signal. Commodity-wise analysis of import shows that almost all groups except Machinery group have indicated positive growth, which has increased economic activities in the Country.

Exports have indicated 8% increase in volume and 18% increase in prices while imports have shown 9% increase in quantity and 6%

increase in prices with a net increase of 15% in value.

Workers' remittances have increased to \$10,096 million from \$8,064 million in the corresponding period of last year, showing an increase of 25%. Therefore Current account is in surplus by an amount of \$205 million

Foreign exchange reserves remained at the level of \$17 billion during Jul-May 2011.

Public Investment Authorization

A meeting of Central Development Working Party (CDWP) was held on 14th June, 2011 under the Chairmanship of Deputy Chairman, Planning Commission to consider Forty Two (42) development projects including three position papers and one concept clearance



case. The meeting ap-

proved 24 projects for execution while recommended 12 projects for approval by ECNEC. Moreover, PIA Section received Forty (40) schemes during the month of June, 2011 for consideration of CDWP which are under process.

Governance

During the month of June, 2011, PC-1s of Projects titled, "Governance Support Project for Federally Administrative Tribal Area (FATA)" and "Governance Support Project & PCNA Implementation Support Unit for Khyber Pukhtunkwa" were examined and presented in CDWP for its approval. Development Schemes titled,

"Capacity Building Project, "Government of Balochistan" and "Disaster Management System for Balochistan" of Govt. of Balochistan and project titled, "Construction of NIPA Complex, at Samungli Road Quetta" were also examined. Meeting of Social Sector was attended wherein presentation on Social Protection was made.

13 Foreign Training/Workshops/Conferences slots were circulated. 18 nominations were processed through selection committee, and 15 nominations were forwarded to sponsors whereby 03 officers attended the said foreign trainings.

National Fertilizer Development Centre (NFDC)

The Monthly Fertilizer Review of Mid June, 2011 has been published, which reveals that the total nutrient off take during May, 2011 was about 279 thousand tones compared to 366 thou-

sand tones of May, 2010, showing a decrease of 16.8 percent. Off take of all the three major nutrients i.e. nitrogen, phosphate and potash has decreased by 15.8, 22.2 and 54.2 percent

respectively over May, 2010. Decrease in off take of all fertilizers may be attributed to increase in prices due to imposition of GST.

Establishment of Industrial Zones in Pakistan

There are total 72 Industrial Zones in Pakistan, out of which 27 are in Punjab, 26 are in Sindh, 12 are in Khyber Pakhtunkhwa and 07 are in Balochistan. Government of Pakistan is taking various

initiatives to strengthen existing industrial zones/ estates. Nevertheless, importance of establishment of new industrial zones can not be ignored. The current PSDP (2011-12) gives an

allocation of Rs. 1.933 billion to different Industrial Zones in Pakistan. These projects include; "Supply, Installation, Commission and Operation of 2 MGD Water Desalination Plant at Industrial Estate

Establishment of Industrial Zones in Pakistan

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Gwadar” costing Rs. 984.590 million, “Water Supply Scheme for HUB Industrial Trading Estate Phase-II” costing Rs. 247.358 million, “Establishment of Bostan Industrial Estate Phase-I” costing Rs. 400.410 million, “Establishment of Infrastructure in Quetta Industrial & Trading Estate (Phase-II)” costing Rs. 174.250 million and “Provision of Infrastructure in Quetta Industrial Estate (Phase-V)” costing Rs. 126.930 million.

Thus, while keeping in mind the turbulent economic condition of Pakistan, there is a clear industrial need for well planned small industrial zones with necessary infrastructure to cater the need of small, medium and micro level industry. Focus may be given on establishment of

mini industrial estates especially in ignored & far flung areas of Pakistan in order to change the life style of local people and to accelerate industrial activities in the region. Cottage industry is one of the industries that are in a dire need to have small industrial zones for its revival.

There are a host of problems faced by the existing industrial zones that have not yet been resolved. Insecurity, power woes such as those of gas & electricity, quality water shortage, and poor infrastructure are to name a few. In order to fully reap the benefits of industrial zones, they are normally provided with good transportation access such as road and rail or have more than one transport modes coincide: high-

ways, railroads, airports & ports. Therefore, the foremost commitment of Pakistani Government may be to address provision of adequate infrastructure. In the absence of such infrastructure, establishment of new industrial zones is of no mean. Many foreign trade commitments of the existing Pakistani industrialists have been cancelled out due to these problems playing their significant roles. Pakistan is already seeing a fast cut in its export products and if the same situation continues, Pakistan can lose its international market share. Thus there is a dire need for Government of Pakistan to sit with industrialists to solve existing problems while paving the way for new industrial zones to establish.

Planning Division to Re-asses its Role

Mr. Sohail Ahmad, former Secretary, Planning & Development Division acknowledged the role of the economists and Planning Commission in the economic growth, poverty alleviation, assisting Government in top level policy making and prosperity of Pakistan. He said that international aspect of some devolved functions have been entrusted to the Planning and Development Division. He was speaking on the occasion of Annual Dinner of the Society of Pakistan Economists on Thursday, 30th June, 2011 in Islamabad Club. The Oath taking ceremony of the new office bearers of the Society was also held on the occasion. The Society of Pakistan Economists elected the following



office bearers for the next term:

President: Mr. Sohail Rehan, Joint Chief Economist, P&D, Division

Vice President: Syed Ejaz Ali Shah Wasti, Economic Advisor, Finance Division

General Secretary: Mr. M. Saleem Khan Khatak, Deputy Chief, P&D Division

Joint Secretary: Mrs. Parveen Zaiby, Assistant Chief, EAD

Finance Secretary: Muhammad Farooq, Assistant Chief, P&D, Division

Information Secretary: Syed Qalab-e-Abbas, Assistant Chief, EAD

Mr. Nisar Ahmad Khan, Assistant Chief, EAD,

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Planning Commission

PLANNING & DEVELOPMENT DIVISION

P-Block, Pak. Secretariat,
Islamabad.

Planning Division to Re-asses its Role

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Mr. Faisal Ali Baloch, Assistant Chief, P&D, Division, Mrs. Nighat Alam, Assistant Chief, P&D, Division, Mr. Rafique Ahmad Hakro, Deputy Director, Projects Wing, P&D, Division, Mirza M. Nawaz, Assistant Chief, P&D, Division, Mr. Imam Bukhsh Bhatti, Director, Projects Wing, P&D, Division, Syed Zahoor Ali Shah, Chief Monitoring Officer, Projects Wing, P&D, Division, Mr. Tassaduq Hussain Jadoon, Assistant Chief, EAD, Miss. Shaista Gul, Research Offi-

cer, EAD took oath as Executive Members.

M. Salim Khan Khattak, General Secretary (SOPE) briefed the participants about the salient features of the Society of Pakistan Economists.

Mr. Sohail Rehan, President, SOPE highlighted the problems faced by the members of the society. He emphasized that economists and Planning Commission have a pivotal role in the economic and social development of Pakistan.

The Secretary Planning Division urged economists to continue contributing towards country's economic policy making decisions for economic growth, preparation of macroeconomic & prospective plans. The Secretary assured the Society that the administration of the Division fully supports the economists of Planning Commission for solution of their genuine problems.

Public Investment Programming

For formulation and finalization of federal PSDP 2011-12, Planning & Development Division coordinated with various sponsoring / executing agencies and processed its consideration/ approval through various forums i.e. Priority Committee of Finance Division, Annual Plan Coordination Committee (APCC) and National Economic Council (NEC).

The National Economic Council (NEC), the supreme constitutional economic body met on 28th May, 2011 and approved the PSDP 2011-12 at a size of Rs.730 billion with the following programmes:

- Federal Development Programme(PSDP): Rs. 290 billion.

- Provincial Development Programme(ADPs): Rs. 430 billion

- ERRA budget : Rs.10 billion

Broad sectoral distribution of federal PSDP 2011-12 is as under:

Infrastructure :	Rs. 165
Social :	Rs. 122
Others :	Rs. 3
Total :	Rs. 290

After approval by the NEC, the PSDP 2011-12 was submitted to the Parliament for approval along with finance bill 2011-12. In addition to above, Planning & Development Division after approval of 18th amendment to the Constitution facilitated smooth transfer of development projects to provinces and federal Ministries/

Divisions. The process of devolution was completed by 30th June 2011. Issues of funding of devolved projects, if any, are being addressed by PIP Section.

Releases of Funds of PSDP 2010-11

Releases of funds to development projects/schemes were ensured for the projects being executed across the country upto 30th June 2011. As per record, revised PSDP 2010-11 amounting to Rs. 150 billion (Rupee Component) has been fully released by 30th June, 2011. Whereas, estimated foreign aid of Rs. 30 billion has also been disbursed. Project wise details are placed on 1st day of each month on website of Planning Commission.