

# ***HAAL AHWAL***

A Book of Selected News Summary

**January, 2023**

Roots for Equity







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**January, 2023**

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**Roots for Equity**

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## Preface

The *Haal Ahwal* was initiated in 2013 as an Urdu quarterly publication and came out with more than 20 journals till 2019. From 2020 onwards, due to Covid19's lockdown, and other resource gaps the publication was discontinued. The Urdu version of *Haal Ahwal's* was compiled as a fairly comprehensive resource bringing together current news and developments in the agriculture sector. Its aim was to provide readers with a chronological order of developments in various sub-sectors of agriculture and its interconnected domains to develop their understanding on the political economy of agriculture.

With the publication in hand, it's obvious that *Haal Ahwal* is being launched once again. However, after a gap of three years, it comes with some changes. The first most apparent is that, this time it's being published in English. The range of topics remain much the same, following the previous pattern of more coverage of Pakistan's domestic scene and sparingly international coverage. *Haal Ahwal* will now be on a monthly basis and not quarterly.

The publication covers a wide range of subjects, encompassing various aspects of agriculture and related fields. It delves into topics such as farmers, laborer, agricultural resources (including land, water, and inputs), seeds, fertilizers, pesticides, agricultural loans, agricultural machinery, and industrial production. News items on food and cash crops, fruits and vegetables, livestock, fisheries, and poultry are added. And then on more macro issues of neoliberal policies, trade, exports, imports, the corporate sector including agrochemical companies, food and fertilizer companies, corporate lobbies and foreign aid are also covered. Related issues such as environment, pollution, health and safety, climate change, and natural disasters, poverty, inflation, food security and people's and farmers resistance also have particular emphasis. All these topics will be covered more fully in the national context and where relevant to Pakistan, as part of international policies and politics. In addition, there is coverage of news on international financial institutions

(IFIs) such as the International Monetary Fund (IMF), World Bank, Asian Development Bank; aid agencies such as the USAID and others as well as the World Trade Organization (WTO).

Though the layout of the news items has been changed quite a bit, we are retaining our take on the news items covered under Points to Ponder, which is given in the very beginning of the publication. The next section is based on excerpts of what the editorial team considers the most important news items in this period. This is followed by table of contents making it easier for readers to look for their topics of interest. And then we have the meat of the publication based on abbreviated news items included in each sub-section. As was the case for the Urdu *Haal Ahwal*, two major newspapers have been used for the news items included, namely the “Daily Dawn” and the “Business Recorder.” Please note, only the Sunday newspaper is used for news coverage from “The Daily News.”

At the end, we would like to add that comments and critique for making the resource more useful to our readers is very welcome.

[Back]

1,000	1 Thousand	1 Thousand	ایک ہزار
10,000	10 Thousand	10 Thousand	دس ہزار
100,000	100 Thousand	1 Lac	ایک لاکھ
1,000,000	1 Million	10 Lac	دس لاکھ
10,000,000	10 Million	1 Crore	ایک کروڑ
100,000,000	100 Million	10 Crore	دس کروڑ
1,000,000,000	1 Billion	1 Arab	ایک ارب
10,000,000,000	10 Billion	10 Arab	دس ارب
100,000,000,000	100 Billion	1 Kharab	ایک کھرب



## Points to Ponder!

*Haal Ahwal* covers various areas in context to agriculture production.

The various news items in the first month of the year do not bear good tidings! The devastating monsoon and riverine floods that hit Pakistan last year, especially Sindh, continue to devastate agricultural production; a prime example is cotton production which in 2022 saw a massive shortfall of 37.23 percent. In addition, severe frost in January has also impacted major potato-growing districts. Another manifestation is the encroaching sea water in agriculture areas, devastating farmers' lands and livelihood.

A critical learning from the floods was the stark lack of water drainage mechanism that affected millions of rural communities. Natural drainage systems have been encroached that further exacerbated the impacts of flooding last year. Different remedies are being provided including highly sophisticated technologies proposed and implemented by the World Bank and Food and Agriculture Organization (FAO); however, there is no mention of the feudal power base which was a major obstacle to drainage of flood water drainage. Another major aspect of water shortage includes the water-sharing agreement between India and Pakistan, where India now wants to change the old agreements by barring third-party intervention in the process. As water scarcity issues mount, the acrimonious relationship between India and Pakistan will certainly spillover on water-sharing agreements. Another appalling impact has been on Indus Delta; thousands of fishermen have given up their livelihood as less fresh water flow means no fish, nor farming.

On one hand there is continuous destruction caused by climate crisis, while on the other, there is also a galloping economic crisis. Though both have been caused by promoting and implementing neoliberal policies, our state continues to encourage market-oriented programs and schemes. Hence, there is little hope for overcoming the many forms of catastrophe facing the country. In this vein, a critical area is of course agricultural land: the World Bank has provided assistance in digital land record

maintenance. Given the free market doctrine of the Bank, this initiative is deadly for small and landless farmers. There is no move towards land distribution in favor of peasants but diligent digital record keeping will of course help in intensifying corporate capture of land. It will be far easier for finding out land ownership patterns, using different methods of coaxing and coercion against debt-ridden farmers to give up land, and further collaboration between feudal landlords and corporations to develop mutually beneficial profit-oriented schemes. Instead of helping small farmers in production, various measures will clearly intensify their economic burden. To name only a few is the continuous increase in the cost of fertilizers, as well proposals to levy general sales tax on the item.

There have been extremely worrisome projections for food scarcity: a high level of food insecurity experienced by nearly 6 million people between July and August 2022 was projected to increase to 8.5 million people by end of December, 2022. The government's response to the intense climate related decline in wheat production is introduction of agro-chemical corporate-based policies promoting zinc-enriched bio-fortified wheat production.

The economic crisis has reached such heights that the government did not have the dollars to pay trader for imports. The shortage of raw material imports were also a cause for many industrial units to close down, temporarily. Large-scale manufacturing output shrank 3.58 percent in the period July-November 2022, when compared with the same period the year before. And even with such intense hardship for the nation, especially the working class, the IMF prepared two draft ordinances to impose PKR 200 billion in new taxes, days after the government accepted IMF conditionalities to resume a stalled loan program.

The situation of labor is in any way highly precarious, where in Sindh more than 600,000 men, women and children part of Scheduled castes are suffering forced labor by landowners. Apart from the agriculture sector, fisher folk in Baluchistan have also been facing exploitation and

have been demanding to be identified as labor, which was finally approved by the Balochistan government.

Sugarcane farmers also face exploitation from sugar mill owners; the Sindh government had approved PKR 302/40 kg but farmers were not getting more than PKR 250/40kg. In spite of protests, the Sindh cane commissioner was not paying heed to this injustice.

Another area of grain concern is cotton. Pakistan has been using more and more transgenic cotton seeds; and now after many years of this highly dangerous experiment its being reported that this biotech cotton seed is not appropriate for sub-tropical climate of the country. The impact on our textile industry is devastating, with about 150 textile mills having been closed, with more than 2 million people's employment has been wiped out.

Allowing transgenic products in the country is indeed a dangerous game, which the devastation of our cotton production has already shown. In face of such terrible lessons, and in spite of the Minister for Food Security Tariq Basheer Cheema's endeavors to stop import of genetically modified soyabean as poultry feed were waived and more than 6,000 tons of Canola and 7,000 tons of soya bean seeds were offloaded at Karachi port and used across the country.

There is absolute indifference to the suffering of the working class; as many as 18 people including 16 children died in the Kemari area due to presence of toxic gases emitting from factories that were operating in residential areas.

The international news provides an equally distressing economic picture. According to the FAO food price index was up 14.3% from 2021, and the highest since records were initiated in 1990. Unemployment rates and job losses were reported from different regions, with the Arab region registered the world's highest unemployment rate in 2022. The UN labor agency predicted that there would be a slight increase in unemployed people to 208 million people in 2023, with global unemployment rate of

5.8 percent or 16 million people. The cost-of-living crisis will be the biggest global risk for the next two years.

Climate crisis also had devastating impacts in the Asia Pacific region, with 74.4 percent of disaster events, and 88.4 percent of total deaths, globally. Finally, according to the Red Cross, all countries remain ‘dangerously unprepared’ for the next pandemic.

### USD Exchange Rate List

Date	Day	USD	PKR (≈)	Trend
1 <sup>st</sup> January	Sunday	1	227	
8 <sup>th</sup> January	Sunday	1	228	↑
15 <sup>th</sup> January	Sunday	1	228	↑
22 <sup>nd</sup> January	Sunday	1	230	↑
25 <sup>th</sup> January	Wednesday	1	231	↑
26 <sup>th</sup> January	Thursday	1	243	↑
27 <sup>th</sup> January	Friday	1	263	↑
28 <sup>th</sup> January	Saturday	1	251	↓
29 <sup>th</sup> January	Sunday	1	253	↑
30 <sup>th</sup> January	Monday	1	266	↑
31 <sup>st</sup> January	Tuesday	1	268	↑

1 Hectare = 2.471 Acres

1 Acres = 4,840 Square Yards

1 Ton = 25 Mann = 1000 Kg

1 Mann = 40 Kg

# NEWS EXCERPTS

## National News

### Agricultural Production Resources

- Climate change is one of the most pressing issues facing the world today, and Pakistan is no exception. The country is particularly vulnerable to the impacts of climate change, including sea level rise, floods, droughts, and extreme weather events.
- In Pakistan, agriculture accounts for around 25pc of the country`s total greenhouse gas emissions. The main sources of emissions from agriculture in Pakistan are enteric fermentation in livestock, manure management, and rice cultivation.

### Land

- Punjab Urban Land System Enhancement project was being conceived for implementation by the board with the assistance of the World Bank (WB) wherein each and every *Khasra* will be mapped digitally to replace the traditional manual land maintenance method.
- The Hari Welfare Association (HWA) has said that Sindh government has failed to protect peasants and farm workers during and after heavy rain and flood and complained that it appears the Sindh as well as federal government has turned a deaf ear towards the downtrodden people who lost their crops and wages to floods.

### Water

- Absence of a drainage system was identified as a major reason for last year`s devastating flooding across Sindh.
- It was pointed out that while officials were quick to blame climate change, the absence of a drainage mechanism in the province led to last year`s flooding, which affected millions of people and caused losses of billions of rupees. `The drainage system doesn`t exist from Karachi to Kashmore as natural drains have been encroached`.
- Under agricultural component of SWAT farmers would be given subsidy in order to encourage them to cultivate high-yield varieties of crops with lesser water flows.
- India has asked Pakistan to change a decades-old water-sharing agreement (Indus Water Treaty) by barring third parties from intervening in disputes, an Indian government source said.

## **Agricultural Inputs**

- The Sindh government decided to provide certified seed and fertilizer to farmers.
- Wheat’s support price increased from Rs2,200 to Rs4,000 for the new crop.
- Subsequently, the Sindh government decided to provide Rs5,000 an acre subsidy.

## **Agricultural Loan & Finance**

- The president of Pakistan Dr. Arif Alvi remarked, “there is need of insurance companies to develop credible, authentic and sustainable products to provide insurance to crops and agricultural products in consultation and coordination with each other (policy maker) which should be user-friendly, easy to execute and reachable for the farmers, especially with landholding less than 12.5 acre.”
- President Arif Alvi noted that the crop insurance scheme developed by the Punjab government with the help of the World Bank had produced fruitful results to protect the farmers from losses due to climate change or other calamities.

## **Agricultural Taxes**

- The government has constituted a committee to analyse a proposal of the domestic industry to impose general sales tax (GST) or duty on imported DAP fertiliser.

## **Fertilizer**

- Prices of the Urea fertiliser, which is in high demand for wheat crop these days, have been increased by around eight per cent.

## **Subsidies**

- The Economic Coordination Committee (ECC) of the Cabinet has approved Rs8.39 billion to provide cash subsidy to farmers of flood-affected areas instead of wheat seeds. It also approved a supplementary grant of Rs3 billion to increase discretionary spending of parliamentarians’ development schemes to a record Rs90 billion.

## **Cotton**

- Pakistan records over 4.6 million bales of cotton production during the calendar year 2022 against more than 7.3m bales produced during the previous year, a massive shortfall of 37.23 per cent.

- All Pakistan Textile Mills Association (APTMA) is already approaching the countries, including the USA, China, Brazil and Turkiye, which have developed new cotton varieties with better yields to improve the local cotton seeds.
- The country's fields are populated by biotech cotton, originally developed for moderate climates with low pest resistance. However, this biotech cotton seed is not appropriate for subtropical climates such as Pakistan and India.
- In FY22 average textile exports were \$1.65 billion. In last three month it dropped by 18%, currently stood around \$1.3 billion. About seven million people in the textile industry have been laid off.
- According to the All Pakistan Textile Mills Association (APTMA) 150 textile mills have been closed in the country. There is a decrease of 17% in textile products.
- As 150 textile mills have already been shut down in the last five months, which results in the unemployment of at least 2 million people.
- A seed company organized the first Climate Change Cotton Conference in Vehari which was attended by cotton farmers, cotton agro-scientists, heads of agricultural institutions and experts.

## Sugarcane

- The Sindh cabinet approved the fixation of the minimum price of sugarcane at Rs302 per 40 kg.
- The Sindh Abadgar Ittehad (SAI) has expressed grave concern over millers' refusal to pay officially notified price of sugar cane to growers. The growers' body said sugar millers were paying Rs250 per 40kg at the commencement of cane crushing season after deduction from the commodity.

## Fisheries

- Dr Altaf Ali Siyal, the Dean of agricultural engineering faculty at Sindh Agriculture University, Tandojam, explains, 'The condition of the delta is worsening day by day. The main reason is non-availability of freshwater in River Indus'.
- According to Dr Siyal, the environmentalist, the rising sea levels and its intrusion into the delta is the second major problem threatening agriculture. While Pakistan does not account for even 0.1 percent of industrial pollution, it figures on the list of top 10 countries which suffer from the effects of greenhouse gases and climate change.
- The provincial fisheries department has suspended its senior officials and other staff for allegedly facilitating illegal trawling in Balochistan waters.



## Poultry

- The import of Genetically Modified organisms (GMO) and its products is not allowed in Pakistan, as Pakistan is a signatory of international ratification against GMO seeds.
- While the poultry crisis has begun to subside after the government released genetically modified soybean and canola seeds that had been stranded at ports, more than 100 containers of onions are held up at ports awaiting extension in duty and tax exemption leading to a further surge in vegetable prices.
- The Minister for Food Security Tariq Bashir Cheema had recently defended the decision to stop the import of genetically modified organism (GMO) seeds in the country claiming that it was poisonous and unfit for human consumption.
- At import stage, government charged a 17pc sales tax, 3pc additional sales tax, and 1pc withholding tax on import of onions and tomatoes since Jan 1, 2023.

## Trade

- Pakistan's trade deficit was narrowed by 32.65 per cent to \$17.133 billion during the first half (July-December) of the current fiscal year as compared to \$25.438 billion during the same period of last year.
- The change is visible and it will surely reduce the current account deficit (CAD) but the government with poor foreign exchange holdings of \$5.8bn was not in a position to meet even the reduced deficit.
- National Assembly Standing Committee on Commerce approved the "Imports and Exports (Control) Amendment Bill, 2022".
- The Pakistan-China border at Khunjerab Pass will be temporarily opened to transport stranded goods as well as machinery needed for execution of development work on Diamer-Bhasha dam.
- An event of signing of Memorandum of Understanding (MoU) between Trade Development Authority of Pakistan and Iran Trade Promotion Organisation was held at Karachi Expo Centre.
- After a gap of almost three years, the Rahdari Gate, which facilitates travel by locals on both sides of Pak-Iran border on a 15-day permit, has been reopened.
- Bilateral trade with Turkiye has surpassed a psychological mark of \$1 billion after almost a decade.

## Export

- The Economic Coordination Committee (ECC) of the cabinet has allowed additional sugar exports of 150,000 tonnes.



- The RLNG supply to Fatima and Agritech fertilizer plants in Punjab would be discontinued with effect from Jan 3 midnight amid a gas shortage.
- Pakistan's rice export registered collectively (basmati & non-basmati) around a 30 percent decline in quantity and almost 11 percent decline in value during the period of July-November 2022 as compared to the corresponding period of July-November 2021.
- The DG Khan Cement Company (DGKCC) to export 600,000 tons of low-alkali cement to the United States per year which will fetch approximately US 360 million dollars for the country.
- The exports of textile and clothing fell 16.47 per cent in December to \$1.35 billion compared to \$1.62bn in the same month last year.
- The country's textile group exports declined by around 7.07 percent during the first half (July-December) of the current fiscal year 2022-23 and remained at \$8.717 billion as compared to \$9.381 billion during the same period of last year.
- Amid a global economic slowdown, Pakistan's exports of non-textile products decreased 0.65 per cent year-on-year to \$5.54 billion in the first half of FY23.
- The ECC had allowed on Jan 3 export of a total of 250,000 tonnes of sugar including 100,000 tonnes already approved on December 15. The exports were allowed to sugar mills on a 'first come first serve basis'.
- Pakistan's exports to nine regional countries shrank 11.93 per cent in the first half of FY23 mainly driven by a drop in shipments to China.

## Imports

- A ship carrying 60,000 tonnes of wheat from Russia arrived at the Port Qasim while another ship carrying the grain from Ukraine was at the outer anchorage of Karachi port as the government scurried to bridge the demand and supply gap.
- A total of 0.55 million containers of importable goods/ commodities have reached Pakistan during the first six months (July-December) 2022-23 against 0.7 million containers during July-December (2022-23), reflecting a major reduction of 0.15 million containers.
- The Gwadar port has started receiving government imports of bulk cargos as three consecutive vessels carrying 90,000 MT urea have already arrived at port
- The government's decision to allow the import of five years old tractors will spell disaster in local manufacturing as well as in the vending units which are already struggling to survive, auto sector stakeholders feared.

- The State Bank of Pakistan (SBP) has withdrawn the requirement for prior approval of imports aiming to clear the backlog of containers stuck-up at the port carrying industrial raw materials and other essentials.
- The Federal Government has decided to waive all demurrage and port charges of around 8,000 containers stranded at the country's ports.
- Russia could start exporting oil to energy-starved Pakistan after March if terms are agreed.

## Corporate Sector

- The Prime Minister's Office (PMO) has directed the Petroleum Division to submit within three days the details of the non-payment of royalties by two oil and gas exploration companies, Spud Energy and Frontier Holdings Ltd, amounting Rs1.13 billion.

## Corporate Lobby

- The Federation of Pakistan Chambers of Commerce and Industry (FPCCI) is in consultation process with trade bodies, chambers and business associations to draft a much-needed 'Charter of Economy', so as to push political stakeholders to keep economy and politics separate from each other.

## Industry

- Industries are facing a serious shortage of raw materials and many factories are compelled to temporarily shut down their operations. A number of leading industries are also likely to suspend their operations in January and February 2023 due to unavailability of raw material, resulting in lay off of thousands of workers and it can create unrest in Karachi and increase in street crimes.
- Large-scale manufacturing (LSM) shrank 5.49 per cent in November 2022 over the same month last year.
- The Large Scale Manufacturing Industries (LSMI) output has declined by 3.58 percent during the first five months (July-November) of 2022-23 when compared with the same period of last year.

## International Financing Institutions

- Donors committed to give Pakistan over \$10 billion to help it recover from last year's devastating floods. Officials from some 40 countries as well as private donors and international financial institutions gathered for the meeting in Geneva as Islamabad seeks help covering around half of a total recovery bill of \$16.3 billion.

- The European Union will provide 87 million euros for three new development programmes to support green and inclusive economic growth in Pakistan. With a focus on Khyber Pakhtunkhwa, Gilgit-Baltistan and Balochistan, the new programmes will improve agricultural value chains, provide access to clean energy and enhance availability of the skilled labour force.

## **International Monetary Fund**

- The government has prepared two draft ordinances to impose Rs200 billion in new taxes, days after the government accepted International Monetary Fund`s (IMF) demands to resume a stalled loan programme.

## **Health**

- The UN Children`s Fund (Unicef) warned that up to four million children are still living near contaminated and stagnant floodwaters, risking their survival and well-being, more than four months after a national state of emergency was declared in Pakistan.
- Pakistan is among the countries where industrially-produced fat still poses a risk to a considerable number of the population, the World Health Organisation said. Industrially-produced trans-fat is often used in packaged foods, baked goods, cooking oils and spreads.

## **Kemari Incident**

- As many as 18 people, including 16 children, died in a Keamari locality over the past few days due to inhaling toxic gas emitting from some factories functioning in the residential neighbourhoods.

## **Social Progress**

- Pakistan may face digital vulnerability and cybersecurity, rapid inflation, debt crisis, possible state collapse, interstate conflict and terrorism as top risks for the next 24 months, according to World Economic Forum`s Global Risks Report 2023.

## **Food**

- Authorities in Pakistan anticipate considerable climate-related decline in wheat production for the 2022-2023 season. And yet, food and agriculture experts are

hopeful that production of zinc-enriched bio-fortified wheat will rapidly increase to approximately 5.4 million metric tonnes (MT) in the wheat cropping season of 2023, up from 3.5 MT in 2022.

- Minister for National Food Security and Research Tariq Bashir Cheema said that rules did not allow import of GMO food products since they had harmful effects on health. `Before 2015, GMO soybean was not part of poultry feed and there are alternatives available`.

## **Food Scarcity**

- The food security snapshot estimates that the high level of acute food insecurity experienced by nearly 6 million people between July and August 2022, is projected to increase to 8.5m people by the end of December 2022.

## **Poverty**

- At least 126 people committed suicide in the desert district of Tharparkar in 2022, most of whom due to abject poverty. The police officials denied registering FIRs and labelled all the cases as of mental health problem.

## **Unemployment**

- About seven million people in textile and textile-related industries have been laid off due to dwindling exports and the government`s failure to end the economic crisis.

## **Inflation**

- CY2022 has not been an easy year on Pakistanis. Inflation averaged above 20 percent during the calendar year. Based on PBS data, average daily wage has increased from Rs571 in January 2012 to Rs1,356 in December 2022, an increase of 2.37 times over a span of 11 calendar years (or 132 months).
- The Consumer Price Index (CPI) based inflation increased to 24.5 per cent on a year-on-year basis in December 2022 as compared to an increase of 23.8per cent in the previous month and 12.3per cent in December 2021, says the Pakistan Bureau of Statistics (PBS).
- The Sensitive Price Index (SPI) inflation on YoY increased to 27.8 per cent in December 2022 as compared to an increase of 27.1 per cent a month earlier and an increase of 20.9 per cent in December 2021.

- The Wholesale Price Index (WPI) inflation on YoY basis increased to 27.1 per cent in December 2022 as compared to an increase of 27.7 per cent a month earlier and an increase of 26.2 per cent in December 2021.

## **Inflation Weekly Report**

- The Sensitive Price Indicator (SPI) based inflation for the week ended 26th January 2023 recorded an increase of 0.45 percent due to an increase in the prices of food items. The year-on-year trend depicts an increase of 32.57 percent.

## **Inflation: Petroleum**

- Petroleum prices witnessed record high increase in outgoing year 2022, going up almost 60 percent, which was the highest increase in a year. The outgoing year saw the price of high speed diesel (HSD) registering 66 percent hike.

## **Natural Disasters**

- Pakistan is among the top ten countries most affected by natural disasters, including floods, according to the Global Climate Risk Index 2021.

# **International News**

## **Non Agricultural Productions**

- A Church of England funding body apologised for its historic links to slavery, promising to address the wrongs of the past with investment in affected communities. `The Church Commissioners is deeply sorry for its predecessor fund`s links with the transatlantic slave trade.

## **Trade**

- China`s trade with Russia hit a record 1.28 trillion yuan (\$190 billion) last year.
- India is hopeful of a rupee trade with Russia.

## **Export**

- The United States has secured a deal with the Netherlands and Japan to restrict exports of some advanced chip-making machinery to China.

## Import

- India and the United States have agreed to continue close monitoring of visa issues and increase dialogue on food and agricultural trade issues in 2023. The United States will also consider India's interest in the restoration of beneficiary status under the US generalized system of preferences program.

## Discovery

- Europe's largest known deposit of rare earth elements, essential for the manufacturing of electric vehicles, has been discovered in Sweden's far north, boosting Europe's hopes of cutting its dependence on China.

## Environment

- England will ban a range of single-use plastic items such as cutlery, plates and bowls from October in an effort to limit soaring plastic pollution.

## Health

- South Asia and sub-Saharan Africa remained the two worst regions in terms of child mortality in 2021, a new UN report has said. The report released estimated that around five million children died before the age of five while another 2.1 million children and youth between five and 24 years lost their lives in 2021.
- All countries remain 'dangerously unprepared' for the next pandemic, the Red Cross warned, saying future health crises could also collide with increasingly likely climate-related disasters.

## Climate Change

- As temperatures rise globally because of human-caused climate change, scientists say heatwaves and spells of warmer-than-average weather are becoming more common throughout the year.
- The world's oceans, which have absorbed most of the excess heat caused by humanity's carbon pollution, continued to see record-breaking temperatures last year. Oceans absorb about 90 per cent of the excess heat from greenhouse gas emissions, shielding land surfaces but generating huge, long-lasting marine heatwaves that are already having devastating effects on underwater life. 2022 was the hottest year ever recorded in the world's oceans.

- UN Secretary-General Antonio Guterres skewered oil firms for having “peddled the big lie” about their role in global warming, telling the World Economic Forum that they should be held accountable.

## Social Progress

- Most countries in the Central Asia Regional Economic Cooperation (CAREC) programme, which includes Pakistan, have fractured food safety control systems that exhibit limited cooperation among the local and international agencies, and as a result, consumers are likely to face food safety risks.
- For much of the global economy, 2023 is going to be a tough year as the main engines of global growth the United States, Europe and China all experience weakening activity, the head of the International Monetary Fund said.
- The cost-of-living crisis will be the biggest global risk over the next two years. Global inflation remains at sky-high levels after energy and food costs rocketed last year.
- Pakistan remains a lower-middle income country and will continue to be vulnerable to fluctuating energy prices, warns a UN report. The report also places India and Bangladesh among lower-middle income countries although Afghanistan is listed among low-income countries.
- The UN labour agency predicts that the number of people unemployed around the world would rise slightly to 208 million in 2023. This corresponds to a global unemployment rate of 5.8 per cent or 16 million people.
- A new United Nations report warns that the global economic growth is projected to slow down to only 1.9 per cent in 2023, sharply lower than the 3pc in 2022. However, the report says, the global growth is forecast to moderately pick up to 2.7pc in 2024. This will be one of the lowest growth rates in recent decades, apart from the 2007-8 financial crisis and the height of the Covid-19 pandemic.
- The World Economic Forum (WEF) has forecast that food, fuel, and cost crises are exacerbating societal vulnerabilities as declining investments in human development are eroding future resilience.
- Sri Lanka's economy could contract by -3.5 or -4.0 percent in 2023 after shrinking -11 percent last year.

## Inflation

- The Food and Agriculture Organization’s (FAO) food price index, which tracks international prices of the most globally traded food commodities, averaged 143.7 points in 2022, up 14.3% from 2021, and the highest since



records started in 1990. The index had already gained 28% in 2021 from the previous year.

- The consumer price inflation for food items in Pakistan was 35.5 per cent in December on year-on-year basis – the highest in South Asia after Sri Lanka with 64.4 per cent, says the World Bank.

## Unemployment

- The Arab region registered the world's highest unemployment rate in 2022, about 12 percent.
- Amazon.com Inc's layoffs will now increase to more than 18,000 roles as part of a workforce reduction it previously disclosed.
- Microsoft Corp said it would cut 10,000 jobs by the end of the third quarter of Fiscal 2023.
- Google's parent Alphabet Inc has decided to cut about 12,000 jobs, or six per cent of its workforce.
- Banks are gearing up for the biggest round of job cuts since the global financial crisis.
- IBM Corp announced 3,900 layoffs as part of some asset divestments and missed its annual cash target.

## Natural Disasters

- The year 2022 was yet another reminder that Asia Pacific is the world's most disaster prone region, and the floods were the deadliest, accounting for 74.4 per cent of disaster events in the region and 88.4 per cent of total deaths globally.
- The mercury has plunged in Kabul and several other provinces, with the central region of Ghor recording the lowest reading of -33C (-27F).
- At least 166 people have died in a wave of bitterly cold weather sweeping Afghanistan.



# NATIONAL NEWS

## 1 # AGRICULTURAL PRODUCTION RESOURCES

Climate-smart agriculture [P. 1]

Food security through climate-smart agriculture [P. 1]

### 1.1 # Farmers

LHC seeks report from Ruda on farmers' petitions [P. 1]

### 1.2 # Land

Punjab launching new land record system [P. 2]

Retrieved land to be given to PDMA [P. 2]

2,236 acres PR land encroached upon in Multan [P. 2]

ETPB, railways retrieve land worth billions [P. 2]

### 1.3 # Peasants

Failure to protect farm workers slated [P. 2]

### 1.4 # Water

Directions issued to de-silt Rawal Dam for enhancing water storage [P. 3]

From Karachi to Kashmore no drainage exists, moot told [P. 3]

WB project for water availability, farm sector uplift inaugurated [P. 4]

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# 1 # AGRICULTURAL PRODUCTION RESOURCES

## *Climate-smart agriculture*

[Back]

Climate change is one of the most pressing issues facing the world today, and Pakistan is no exception. The country is particularly vulnerable to the impacts of climate change, including sea level rise, floods, droughts, and extreme weather events. One of the main contributors to climate change is the release of greenhouse gases (GHGs) into the atmosphere. To mitigate these emissions, it is necessary to adopt climate-smart practices and techniques. One way to do this is by adopting climate-smart agriculture (CSA) practices in Pakistan. According to the Intergovernmental Panel on Climate Change (IPCC), agriculture is responsible for approximately 14 per cent of global greenhouse gas emissions. In Pakistan, agriculture accounts for around 25pc of the country's total greenhouse gas emissions. The main sources of emissions from agriculture in Pakistan are enteric fermentation in livestock, manure management, and rice cultivation. (*Dawn, January 23<sup>rd</sup>, 2023 Page Business & Finance 2*)

## *Food security through climate-smart agriculture*

[Back]

Climate change manifests itself through rising temperatures, changing rainfall patterns, and increasing intensity and frequency of extreme weather events. It has enhanced the production risk of agricultural farming, a business which has already been inherently risky for farmers due to high dependency on favorable weather conditions and volatile prices of crops in the market. Even if we put aside the mega flood of 2022, Pakistan's farmers already feel the full brunt of climate change. For instance, the extraordinary heat wave in March 2022 reduced wheat yield significantly because grains could not reach their full size due to early higher temperatures in the range of 40-42 Celsius. Likewise, this heat wave also impacted the flowering of mango trees, which in turn decreased mango production in 2022. Negative effects of climate change can be seen in 2023 as well, where severe frost in January has adversely affected the potato crop in Punjab's major potato-growing districts. (*Dawn, January 30<sup>th</sup>, 2023 Page Business & Finance 2*)

## 1.1 # Farmers

### *LHC seeks report from Ruda on farmers' petitions*

[Back]

The Lahore High Court sought a report from the Ravi Urban Development Authority (Ruda) and police on some identical petitions of farmer Faqir Muhammad and others against acquiring their land forcibly. The petitioners through their counsel contended that the Supreme Court had restrained the authority from acquiring the land for the project further. He said the respondent authority did not pay heed to the court orders and it is acquiring the land with the help of police forcibly. (*Business Recorder, January 19<sup>th</sup>, 2023 Page 7*)

## 1.2 # Land

### *Punjab launching new land record system*

[Back]

The Punjab government is starting a new land record system, but the revenue record of 460 mouzas (villages) in the district of Rawalpindi is still incomplete. Upon this, the Board of Revenue (BoR) has written a letter to the deputy commissioner to complete the scanning of `Massavi` (details of land ownership) by January 9, as a team will visit the district headquarters to check it. According to the letter, the BoR director said Punjab Urban Land System Enhancement project was being conceived for implementation by the board with the assistance of the World Bank (WB) wherein each and every Khasra will be mapped digitally to replace the traditional manual land maintenance method. BoR is going to develop a Geographical Information System (GIS)-based land repository development exercise. For the transition of land records from traditionally maintained manual accounts to the digital format, available data/information of land record is of utmost importance, the letter said. (*Dawn, January 6<sup>th</sup>, 2023 Page 4*)

### *Retrieved land to be given to PDMA*

[Back]

Over 500 huts raised illegally on state-owned land situated opposite the University of Karachi were removed as the Karachi Development Authority continued its anti-encroachment operations in parts of the city. (*Dawn, January 6<sup>th</sup>, 2023 Page 14*)

### *2,236 acres PR land encroached upon in Multan*

[Back]

Over 2,236 acres of railway land is still under illegal occupation in PR`s Multan Division for residential, commercial and agriculture purposes, the National Assembly Standing Committee on Railways was informed. (*Dawn, January 13<sup>th</sup>, 2023 Page 2*)

### *ETPB, railways retrieve land worth billions*

[Back]

The Evacuee Trust Property Board (ETPB) retrieved its agriculture, residential, and commercial land worth Rs22 billion from land grabbers in 2022. On the other hand, Pakistan Railways (PR) also retrieved its land worth Rs10 billion through operations last year, many backed by the Federal Investigation Agency (FIA).`Precious railway land measuring 317 acres worth Rs9.988 billion was retrieved from land grabbers. The land includes 168.7 acres (commercial), 129.8 acres (agriculture) and 19.18 acres (residential). Similarly, 296 shops and 107 railway quarters were also vacated from illegal occupants. (*Dawn, January 18<sup>th</sup>, January 2023 Page 2*)

## 1.3 # Peasants

### *Failure to protect farm workers slated*

[Back]

The Hari Welfare Association (HWA) has said that Sindh government has failed to protect peasants and farm workers during and after heavy rain and flood and complained that it appears the Sindh as well as federal government has turned a deaf ear towards the downtrodden people who lost their crops and wages to floods. HWA president Akram

Khaskheli told that the government should activate District Vigilance Committee across Sindh, especially in flood-hit areas. Khaskheli feared that most of the peasants and farm workers had started working on farms under informal, mostly verbal, contracts whose terms and conditions were determined in the government support, forcing the poor families to obtain loans from their employers in advance to tide over existential problems. In 2021, he said, 14 committees were formed in 14 districts under Sindh Bonded Labour System Abolition Act, 2015, but none were functional now hence no monitoring of the implementation of the Act. He said that families of thousands of peasants and farm workers lived with inadequate shelters, squeezing work opportunities, minimum wages and lack of safe drinking water, health and education services. Instead of helping them the government had pushed them into beggary, he said. (*Dawn, January 1<sup>st</sup>, 2023 Page 15*)

#### 1.4 # Water

*Directions issued to de-silt Rawal Dam for enhancing water storage* [Back]

Rawalpindi Development Authority (RDA) Chairman Tariq Mehmood Khan has issued directions to devise a plan for de-silting Rawal Lake and enhance its storage capacity from 28,000 cubic feet to 43,000 cubic feet by next week. He said the Punjab government wanted to increase water storage capacity to cater to the need of water for the garrison city for the next 50 years at least. He said people faced water shortage in every summer but this summer would be different, adding that tube wells would also be established in areas where water could not be supplied from the dam. `At present, the dam`s original capacity was 43,000 cubic feet but due to silt, the capacity of the dam reduced to 28,000 cubic feet. (*Dawn, January 7<sup>th</sup>, 2023 Page 4*)

*From Karachi to Kashmore no drainage exists, moot told* [Back]

Absence of a drainage system was identified as a major reason for last year`s devastating flooding across Sindh. Presenting a detailed overview of the national water conservation strategy`s draft, PCRWR secretary Dr. Hifza Rasheed explained the need for a conservation policy and strategy and its priorities. `The key objectives are to ensure conservation of water, minimize wastage, secure equitable distribution both across and within provinces and support service providers to develop best management practices for water conservation in agriculture, domestic and industrial sectors,` she said. The national strategy on water conservation aimed to improve water productivity by introducing water-efficient technologies, optimize groundwater abstraction and balance with recharge and develop non-conventional water sources for agriculture, for instance, secondary treated sewage water. It was pointed out that while officials were quick to blame climate change, the absence of a drainage mechanism in the province led to last year`s flooding, which affected millions of people and caused losses of billions of rupees. `The drainage system doesn`t exist from Karachi to Kashmore as natural drains

have been encroached’, Prof Altaf Sial of Agriculture University Tandojam said. (*Dawn, January 7<sup>th</sup>, 2023 Page 13*)

*WB project for water availability, farm sector uplift inaugurated* [Back]

The Sindh Water and Agriculture Transformation (SWAT) project will play a dominant role in improving the agriculture sector and water availability through canal modernization. This was stated by Project Task Team Leader Greg Browder of the World Bank funded SWAT at the project’s inaugural ceremony. The canal modernization would improve availability of water in the tail-end areas, he said, adding that farmers would be educated in having maximum per acre yields of their crops. SWAT’s basic aim was to ensure increased productivity in water availability in the command areas of farmers organizations, improve system besides ensuring efficiency in water resource management and assist small and medium size farmers to get better yields as they were affected in 2022. SWAT would be implemented in Sindh at a cost of \$310m. (*Dawn, January 11<sup>th</sup>, 2023 Page 15*)

*World Bank to help rehabilitate irrigation channel* [Back]

A World Bank official and irrigation expert Francios Onimus has said that Akram Wah originating from Kotri barrage will also be rehabilitated under the Sindh Water and Agriculture Transformation (SWAT) project, which will enable the channel to carry water flows as per its designed discharge. Under agricultural component of SWAT farmers would be given subsidy in order to encourage them to cultivate high-yield varieties of crops with lesser water flows. (*Dawn, January 14<sup>th</sup>, 2023 Page 15*)

*Growers, civil society activists demand restoration of natural waterway* [Back]

Speakers at a seminar held in Jhuddo town demanded the government restore natural waterway of Puran Dhoro to its original shape and upgrade sub-drains of the Left Bank Outfall Drain to ensure floodwaters drained out at a faster pace and the district was saved from floods in future. (*Dawn, January 15<sup>th</sup>, 2023 Page 15*)

*Work on first phase of Kachhi canal completed* [Back]

The first phase of the Kachhi canal has been completed while a survey to start the work on second and third phases was underway. In the first phase, the work on 363km has been completed, in the second phase, work on another 58km stretch would be completed. In the third phase, the remaining 44km portion of the canal would be built. However, the project suffered gross cost overruns and an inordinate delay of almost two decades. (*Dawn, January 23<sup>rd</sup>, 2023 Page 5*)

*Use of technology stressed to deal with water scarcity* [Back]

Use of technology is helpful in meeting water shortages that looms large over the country due to climate changes, said speakers of training. The four-day training on “Satellite Remote Sensing for estimation evapo-transpiration” was held by FAO, on

topic of “Satellite Remote Sensing for Evaporation Estimation” for transforming Indus Basin with climate resilient agriculture and water management. (*Business Recorder, January 23<sup>rd</sup>, 2023 Page 2*)

*Okara: IWMI Pakistan holds workshop on water availability* [Back]  
Stakeholders at a workshop termed the Punjab Water Act 2019 as a key legislation to regulate water use and provide enabling policy support for its sustainability across the Punjab province. The International Water Management Institute (IWMI) Pakistan organized a stakeholders’ workshop on future water availability for Okara district at IWMI Pakistan’s field office in Okara. Punjab Water Commission and Punjab Water Services Regulatory Authority have been established. (*Business Recorder, January 28<sup>th</sup>, 2023 Page 5*)

*India wants to keep third parties out of IWT* [Back]  
India has asked Pakistan to change a decades-old water-sharing agreement (Indus Water Treaty) by barring third parties from intervening in disputes, an Indian government source said. The neighbors and foes have been arguing over hydroelectric projects on the shared Indus river and its tributaries for many years - a dispute exacerbated by their standoff over Illegally Occupied Jammu and Kashmir (IIOJK). Pakistan is concerned that India’s planned hydropower dams will cut flows on the river, which feeds 80% of its irrigated agriculture. Over the years it has asked for a neutral expert and then an arbitration court to intervene. (*Business Recorder, January 28<sup>th</sup>, 2023 Page 5*)

## 2 # AGRICULTURAL INPUTS

*Anticipating a `normal` Kharif season* [Back]  
The Sindh government decided to provide certified seed and fertilizer to farmers since unusual rainfall coupled with a dysfunctional drainage system spelt disaster in the province’s right and left bank areas. Sindh’s ruling party draws its electoral strength, by and large, from rural areas. The government was mindful of the fact that 2023 is an election year and that’s why wheat’s support price increased from Rs2,200 to Rs4,000 for the new crop. But was not actualized because of a lack of necessary procedural requirements. Subsequently, the Sindh government decided to provide Rs5,000 an acre subsidy with whopping Rs13.5 billion expenditures for the purpose. Sindh government pitched in Rs8.39bn, and the federal government committed Rs4.7bn. (*Dawn, January 2<sup>nd</sup>, 2023 Page Business & Finance 2*)

*Delay in opening LCs of farm inputs: Farmers warn of low yield, food inflation* [Back]  
Farmers have demanded the government should ensure opening of letters of credit (LCs) of farm inputs to make the country food secure and prevent food inflation. The government should direct the State Bank of Pakistan to make arrangement for opening



of the LCs for import of pesticides, seed, agriculture machinery and [related] parts right away to ensure food security of the country and prevent inflation likely to be caused due to shortage of wheat, rice, maize, fruits and vegetables, as a result of decline in their yield because of unavailability of farm inputs, especially seed, Pakistan Kissan Ittehad president Khalid Mahmood says in a statement. (*Dawn, January 16<sup>th</sup>, 2023 Page 8*)

*Imported Urea: ECC approves DTP, incidental charges* [Back]

The Economic Coordination Committee (ECC) of the Cabinet stated that fixation of price of imported urea at par with domestic urea would help the government in saving of around Rs750 million and reduce estimated subsidy impact from Rs22.9 billion to Rs22.2 billion. The ECC was told that for the week ending on January 5, the Pakistan Bureau of Statistics (PBS) has reported average market prices for urea fertilizer between the range of Rs2,543 to Rs2,678 per bag which is approximately Rs103-238 per bag above the price notified. (*Business Recorder, January 17<sup>th</sup>, 2023 Page 1*)

## 2.1 # Agricultural Loan & Finance

*FAO assures Pakistan of support in agriculture* [Back]

The Food and Agriculture Organization (FAO) of the United Nations has assured Pakistan that it will continue to play a leading role in transforming the country's agriculture food systems to make them more efficient, inclusive, sustainable and resilient. This is a challenge that has gained urgency following recent floods that have devastated the country's agriculture sector.

In Pakistan, the FAO will require massive and sustained investments in climate change adaptation and resilience, especially within the agri food sectors as this is crucial to ensure better production, better nutrition, a better environment and a better life for all the `4 Betters` that are at the core of the FAO Strategic Framework for the next decade, FAO Director-General Qu Dongyu said while speaking at the International Conference on Climate Resilient Pakistan, in Geneva.

To date, the FAO has mobilized over \$25 million and has provided over 600,000 affected people with seeds and fertilizers. The FAO's role in Pakistan includes the provision of technical leadership for the Transforming Indus Basin Initiative, funded by Green Climate Fund. In all, about 16m people will benefit from the program, either directly or indirectly, Dongyu explained. (*Dawn, January 11<sup>th</sup>, 2023 page 5*)

*Crop insurance needed to protect farmers from losses: Alvi* [Back]

President Dr Arif Alvi said that agriculture which used to be 50 percent of GDP had lost its value and now it was only 23 percent of GDP because of which, unfortunately, it was not attracting the attention of the policymakers as was needed. "There is need of insurance companies to develop credible, authentic and sustainable products to provide insurance to crops and agricultural products in consultation and coordination with each

other which should be user-friendly, easy to execute and reachable for the farmers, especially with landholding less than 12.5 acre,” the president made these remarks while addressing a seminar titled, “Importance of Crop Insurance in the Modern Era”, organized by TLP Insurance.

He observed that besides crop insurance, other insurance products should also be developed for the subsidiary products such as animal husbandry, milk and dairy products, meat poultry, fish farming and vertical farming etc. to provide holistic and well-thought-out and tested insurance products. He noted that the crop insurance scheme developed by the Punjab government with the help of the World Bank had produced fruitful results to protect the farmers from losses due to climate change or other calamities. (*Business Recorder, January 26, 2023 Page 7*)

## **2.2 # Agricultural Taxes**

*GST of duty imported DAP fertilizer: Body to analyses proposal of industry* [Back]

The government has constituted a committee to analyse a proposal of the domestic industry to impose general sales tax (GST) or duty on imported DAP fertilizer. Secretary of Industries and Production apprised the forum that the Fauji Fertilizer Bin Qasim Limited (FFBL) has approached the ministry with a request that due to the exemption of output GST after Finance Bill 2022-23, the FFBL being the sole manufacturer of the DAP, is at a disadvantage with reference to the importers of the DAP. The FFBL had proposed that either the GST at input stage for FFBL may be exempted or imported DAP may be made subject to GST or duty may be imposed at the import stage of the DAP fertilizer. (*Business Recorder, January 3<sup>rd</sup>, 2023 Page 1*)

## **2.3 # Fertilizer**

*Firm `backs out of` agreed price, increases Urea rate by 8pc* [Back]

The New Year has begun with bad news for the farming community as prices of the Urea fertilizer, which is in high demand for wheat crop these days, have been increased by around eight per cent. The installed capacity of the urea fertilizer manufacturing in the country is 6.5 million tons against the total national demand of 6 million tons for the whole year. Despite this surplus production, the country faces shortage of the fertilizer during its peak off-take season and the farmers have to purchase it at a premium ranging between Rs700 and Rs1,000 from the black market. As most farmers could not afford to pay such a high cost of the compost, its consumption drops affecting per acre yield of the crops. Last year, the country faced a shortfall of 1.5 million tonnes in wheat production and this shortfall had to be met by importing grain from abroad at a much higher cost. (*Dawn, January 2<sup>nd</sup>, 2023 Page 2*)

### *Ships loaded with urea dock at Gwadar port*

[Back]

Three cargo ships carrying around 96,000 tonnes of urea anchored at the Gwadar port as the federal government has decided to increase the bulk of cargo imported through the port to make it more functional. (*Dawn, January 10<sup>th</sup>, 2023 Page 9*)

### *Farmers decry erratic urea supply*

[Back]

Kisan Board Pakistan's Amanullah Chattha laments that the wheat crop direly needs urea fertilizer but the same is missing from the market. He said notwithstanding protest of the farming community the government was showing indifference to the issue and was taking no practical step to ensure free availability of the compost in the open market. He said that urea was available but in the black market at a rate of over Rs3,200 per 50kg bag against its official rate of Rs2,450. (*Dawn, January 23<sup>rd</sup>, 2023 Page 2*)

### *Fertiliser festival concludes*

[Back]

The two-day Khad Mela (fertilizer festival) and Pakistan Horti Expo organized by the agriculture department for the promotion of balanced use of fertilizers concluded. At least 45 delegations from nine countries, farmers, importers, and exporters also attended the expo, where 100 stalls were set up. A seminar was also organized to provide information to the participants about modern production technologies for increasing the export of high-value agricultural crops. (*Dawn, January 30<sup>th</sup>, 2023 Page 8*)

## **2.4 # Industrial Production of Agriculture**

### *Opting for alternates*

[Back]

Climate change induced river floods and heavy monsoon rains played havoc with vast areas in the country, displacing millions of people & damaging standing crops. Growers had to use the seed-casting method for sowing wheat, canola and other crops. Of these, canola, particularly its Raya variety, has no major issue with seed casting, but wheat has. "We had no option but to resort to the centuries-old casting method. We have placed our hope in mother nature to harvest reasonable yields of Rabi crops from our over-moist lands," says Aurangzeb from Rajanpur. It is a good bet for the farming community but not for the country. A declining wheat acreage means a drop in the output of the major staple food. Pakistan is already importing three million tons of grain this year, and a further cut in local wheat production means a swell in the import at the cost of precious foreign exchange. (*Dawn, January 2<sup>nd</sup>, 2023 Page Business & Finance 2*)

## **2.5 # Subsidies**

### *Farmers` body sceptical of PM`s Rs1.8tr Kissan Package*

[Back]

Sindh Abadgar Board (SAB) expressed its scepticism over Rs1.8tr Kissan Package announced by Prime Minister Shehbaz Sharif in the wake of flood devastation last year observing that that four months had passed but no potent intervention had been seen as yet. It meeting noted that growers remained skeptic about PM`s Kissan Package. It said



that water was still standing on farmlands and villages in many districts and farmers were not able to cultivate even winter crops. In this situation, the Rs1.8tr package looked like a cosmetic announcement, it added. SAB urged government to spell out details of the package with timeline.

The meeting observed that the cost of agricultural inputs was rising incessantly due to rupee devaluation. It pointed out that prices of the urea produced with local raw material shot up twice within the last 12 months from Rs1,765 to Rs2,450. It's pity that urea, which is largely used fertilizer, is not even available at this rate and being black-marketed by dealers/middlemen at Rs2,900 to Rs3,000. Agricultural inputs had gone beyond farmers` reach but no action is taken against hoarders and profiteers. (*Dawn, January 9<sup>th</sup>, 2023 Page 15*)

*Rs8.39bn cash subsidy for flood-hit farmers: ECC approves rise in MPs` uplift funds to record Rs90bn* [Back]

The Economic Coordination Committee (ECC) meeting allowed provision of Rs8.39 billion through technical supplementary grant (TSG) in favor of the BISP for cash subsidy to the farmers of flood-affected areas instead of provision of wheat seeds as per recommendations of the committee. The ECC meeting also approved Rs3 billion for the Cabinet Division for development expenditure under the SDGs Achievement Programme (SAP) to increase discretionary spending of parliamentarians` development schemes from Rs87 billion to Rs90 billion, up by Rs20 billion over Rs70 billion allocated in the budget for the current fiscal year. Rs17 billion TSG were earlier approved by the ECC. (*Business Recorder, January 26, 2023 Page 1*)

*Flood-hit areas: Rs8.39bn subsidy to be provided to farmers* [Back]

The government would disburse through BISP cash subsidy of Rs8.39 billion instead of seeds to the farmers of the flood-hit areas identified in the database created by Government of Sindh and shared by the National Information Technology Board (NITB). The proposed assistance consisted of cash disbursement of Rs14.99 billion including Rs6.56 billion (Rs3.2 billion as supplementary grant and Rs3.4 billion from World Bank`s Leaf Project) from the federal government and Rs8.39 billion from the Government of Sindh. (*Business Recorder, January 29<sup>th</sup>, 2023 Page 1*)

## **3 # AGRICULTURAL OUTPUT**

### **3.1 # Cash Crop**

#### **COTTON**

*Cotton arrivals plunge to 4.6m bales* [Back]

Pakistan records over 4.6 million bales of cotton production during the calendar year 2022 against more than 7.3m bales produced during the previous year, a massive shortfall of 37.23 per cent. Market observers put heavy monsoon rains and river floods,

which washed away standing crops, particularly in the cotton belts of Sindh and Punjab, as the main reason behind the decline in cotton yield.

Both provinces could not also meet the cotton sowing target as the crop had been planted only on 2.01m hectares against the target of 2.53m hectares this season. This means the country will need to import more than 9.4m bales of cotton to meet the demand of 14m bales of the local textile industry as per the estimate of the All Pakistan Textile Mills Association (APTMA). Whereas the foreign exchange reserves position is so weak that letters of credit (LCs) of even the pharmaceutical industry are not being opened.

In a letter to the prime minister on Dec 23, APTMA leaders warned that the textile industry was already working at less than 50pc of its installed capacity and a large number of workers had already been retrenched and many more employees would lose their jobs if immediate steps were not taken to keep the textile units running. They held the unavailability of lint, liquidity crunch and energy shortages as the reasons behind falling textile exports. Concerned about falling local cotton production, APTMA is already approaching the countries, including the USA, China, Brazil and Turkiye, which have developed new cotton varieties with better yields to improve the local cotton seeds. It is also establishing a `cotton secretariat`. (*Dawn, January 4<sup>th</sup>, 2023 Page 9*)

## WEEKLY COTTON REVIEW

### *Spot rate increased after signs of improvement emerge*

[Back]

Signs of improvement were seen in the local cotton market during previous week. Karachi Cotton Association has increased the spot rate by Rs300 per maund. However, the rate of cotton remained stable in international cotton market. The containers of imported cotton were stuck at ports due to the scarcity of dollars, while the stock of cotton in the local market is decreasing day by day. The other reason is the flight of dollar. Farmers in Pakistan face disasters like severe droughts and floods. Sugar mills have been set up in cotton growing areas. Sugarcane has proved a better alternative for farmers who were fed up with the inability to protect cotton against pink bollworm and other pests, but this reward should not be acceptable at the cost of losing the losing textile exports. The country's fields are populated by biotech cotton, originally developed for moderate climates with low pest resistance. However, this biotech cotton seed is not appropriate for subtropical climates such as Pakistan and India. (*Business Recorder, January 2<sup>nd</sup>, 2023 Page 5*)

### *Cotton rate hiked amidst bullish trend*

[Back]

With the arrival of New Year, a bullish trend is prevailing in the rate of cotton in local cotton market. Textile and spinning mills have increased their cotton purchases due to which the price of cotton has increased by Rs1,000 to Rs1,500 per maund. According to the cotton production report of Pakistan Cotton Ginners Association up to January 1, the total production of cotton is estimated to be between 50 Lakh and 55 Lakh bales

because currently 471 ginning factories are running. On the other hand, the stock of cotton is also decreasing. However, the overall trend of increasing cotton prices is expected to continue. (*Business Recorder, January 9<sup>th</sup>, 2023 Page 5*)

*Weekly Review: Cotton price increases by Rs5,000/maund on local market* [Back]

Cotton price was increased by up to Rs5,000 per maund on the local market. But on the contrary, the prices of cotton decreased in international cotton market. The Spot Rate Committee of the Karachi Cotton Association increased the spot rate by Rs3,000 per maund and closed it at Rs20,000 per maund. According to All Pakistan Textile Mills Association due to decline in cotton production the textile sector will have to import \$4 billion worth of cotton. Due to low export and economic crisis, about 5 lac people in the textile industry lost their jobs. In FY22 average textile exports were \$1.65 billion. In last three month it dropped by 18%, currently stood around \$1.3 billion. About seven million people in the textile industry have been laid off due to low exports and the economic crisis. (*Business Recorder, January 16<sup>th</sup>, 2023 Page 4*)

*Prices slightly down amid low buying* [Back]

Cotton prices went slightly down during previous week in local market. There was a boom in international cotton market due to Chinese buying. A shortfall of 1 million bales is reported for India. According to the All Pakistan Textile Mills Association (APTMA) 150 textile mills have been closed in the country. There is a decrease of 17% in textile products. The country will have to import cotton in a large quantity after the alarming decline in cotton production.

Due to the issues in opening L/Cs in the country it is first time in the textile history of the country that APTMA wrote a letter to the US Embassy and requested to take up the issue of loan approval for cotton import before the American government. APTMA has requested a soft loan of \$2 billion to import 3.5 million bales. The cotton will be imported from the US.

The spot rate committee of the Karachi Cotton Association kept the spot rate unchanged at Rs20,000 per maund. Meanwhile, the textile sector is going through a severe crisis due to skyrocketing energy prices as 150 textile mills have already been shut down in the last five months, which results in the unemployment of at least 2 million people. Further, in December 2022, exports of textiles and clothing decreased by 16.47% to \$1.35 billion, which was \$1.62 billion during the same month in 2021. (*Business Recorder, January 23<sup>rd</sup>, 2023 Page 5*)

*Price increases following appreciation in dollar value* [Back]

Rate of cotton witnessed an increase of Rs1,000 per maund as a result of increase in the rate of dollar. In the domestic cotton market, the prices of cotton were generally stable during the last week. The spot rate committee of Karachi Cotton Association increased the spot rate by Rs500 per maund and closed it at Rs20,500 per maund. It is said that

the textile industry does not pay fair prices to local farmers. The area under cotton cultivation has decreased from 3.2 million hectares to 2 million hectares. Cotton production has fallen from 14 million bales to a low of 7 million bales.

A seed company organized the first Climate Change Cotton Conference in Vehari which was attended by cotton farmers, cotton agro-scientists, heads of agricultural institutions and experts. In this regard, instead of becoming a seed mafia and exploiting the farmers, the seed companies should give them better seeds, as well as, better guidelines so that they buy seeds from the same company again. Otherwise, every year with new names and new traps, these seed companies come into the field and as a result, we will be ready to face more loss. (*Business Recorder, January 30<sup>th</sup>, 2023 Page 5*)

## **SUGARCANE**

*Rs302/40kg fixed as minimum sugarcane price by Sindh govt*

[Back]

The Sindh cabinet approved the fixation of the minimum price of sugarcane at Rs302 per 40 kg and also fixed the quality premium rate at Re0.50 (50 paisa) per 40 kg as approved by the federal government in 1989-99. (*Business Recorder, January 7<sup>th</sup>, 2023 Page 4*)

*Cane growers irked by millers` attitude*

[Back]

The Sindh Abadgar Ittehad (SAI) has expressed grave concern over millers` refusal to pay officially notified price of sugar cane to growers. The growers` body said sugar millers were paying Rs250 per 40kg at the commencement of cane crushing season after deduction from the commodity. The Sindh cane commissioner was not taking any action in the matter despite complaints about the deduction. The SAI had already informed the Sindh government about the impending flour crisis as it had anticipated there would be a drop in wheat production due to rising prices of fertilizer in 2021-22 season. Farmers were asked to sell their wheat for Rs2,200 per 40kg while the same quantity was being sold for Rs4,600 per 40kg in the open market. The SAI noted that the government had not notified wheat support price for the ongoing season. (*Dawn, January 13<sup>th</sup>, 2023 Page 15*)

## **4 # NON AGRICULTURAL PRODUCTIONS**

### **4.1 # Fisheries**

*Fishermen live in fear of Sea*

[Back]

Moosa Jatt`s village is named after him, attesting to the prestige the veteran fisherman has earned over the decades. His fishing adventures were not limited to the delta and or the Arabian Sea, but went as far as to the Gulf. Over the past decades, however, his

activities have been restricted to the Arabian Sea that too in salty waters because the delta has been dying slowly but surely.

Dr Altaf Ali Siyal, the Dean of agricultural engineering faculty at Sindh Agriculture University, Tandojam, explains `The condition of the delta is worsening day by day. The main reason is non-availability of freshwater in River Indus,` he says. `But luckily this year we have got plenty of water due to rains in Balochistan and Sindh.

Since July more than 42 million acre feet (MAF) of water has passed through the Kotri barrage and gone into the Indus delta. `Certainly it will boost the environment, ecology, aquatic life and revive the delta. According to available data, Dr Siyal added, the Indus delta was spread over 13,000 square kilometres in 1828-29 and had 17 creeks. But now it has only two active creeks Khobar and Khar. And the active area has fallen to just 1,050 square kilometres a 90 percent plunge. This is alarming.

**Celebration** The International Fisheries Day is celebrated like Eid by the fishing community. On Nov 21, the community celebrated the day with unusual enthusiasm because the delta had received water for the first time since the 2010 floods. No water in the delta means no fish and no farming.

According to Wajnaro, thousands of fishermen had given up their forefathers` calling and opted for other means of livelihood, mostly by working as daily wagers. Wajnaro bemoans that pollution had brought about a near-extinction of species like Suaa, Ghanghari, Mangra, Heera and Palla. `Where we used to catch these species in tonnes, now we can hardly catch them in maunds.

Muhammad Hashim, 50, is a farmer, shows what had happened to the once fertile lands of his ancestors. `During my childhood the sea was far away from agricultural lands, around 400 acres of farmland, handed down from generation to generation, is now submerged,` he says, helplessness writ large on his face. `Over the last 20 to 25 years, the sea level has reached above our heads,` Hashim says, his face betraying agony.

According to Dr Siyal, the environmentalist, the rising sea levels and its intrusion into the delta is the second major problem threatening agriculture. `Over the last century, the sea level has risen by one metre (in Pakistan). While Pakistan does not account for even 0.1 percent of industrial pollution, it figures on the list of top 10 countries which suffer from the effects of greenhouse gases and climate change. He says 8.6 million acre feet of freshwater must pass through the delta every year some 5,000 cusecs per day. Mr Siyal recalls that under the 1991 Indus Water Apportionment Accord, the Indus was supposed to receive 10 million acre feet (MAF) of water annually. It was further agreed that another 25 MAF would be added to the river, but the agreement was not honoured.



The expert says the country is mainly surviving on two rivers, but since 15 hydraulic structures in the shape of barrages and dams have been built on them, the Indus delta has not got its due share since the 1950s. `On an average 100MAF should pass through Kotri barrage to enter the Indus delta for its survival. Hashim, whose forefathers were fishermen, expresses an apprehension that the entire area would go under water in five to six years, making it `impossible for us to live here anymore`. `I'll be left with nothing and will have to abandon the land of my forefathers. `I will face a grim choice: either work as a labourer or take to beggary. (*Dawn, January 9<sup>th</sup>, 2023 Page 12*)

### *Fisheries officials `facilitating illegal trawling` suspended*

[Back]

The provincial fisheries department has suspended its senior officials and other staff for allegedly facilitating illegal trawling in Balochistan waters and ordered an inquiry against them. The fishermen of Makran have been urging the government to stop illegal trawling in Balochistan waters for a long time as big trawlers using modern fishing nets leave nothing for the locals to hunt in the sea. (*Dawn, January 14<sup>th</sup>, 2023 Page 5*)

### *Fisherfolk's Fading Folklore*

[Back]

Kaamai winds blow from the southeast towards the sea and normally continue for three to seven days. But frequent and abrupt weather changes have now triggered unexpected spells of the Kaamai, leaving these fishermen unsure of whether they can safely go fishing.

The fishermen are reluctant to frequent the sea as they did before, owing to the weather and tidal changes brought about by climate change. Fishermen navigate the uncertainties they encounter on the sea and predict weather changes using traditional techniques and skills. However, these are increasingly proving to be an obsolete mode of predicting sea levels and storms due to the pressing issue of climate change. According to a World Bank estimation, Pakistan ranks among the 10 most affected countries by climate change. The fishing community, because of its direct confrontation with climate impacts, are one of the many vulnerable groups.

Majeed Motani is currently president of the Fisher folk Forum Karachi and lives in the fishing community village of Ibrahim Hyderi. `Fishermen in the past had adequate skills to forecast temperatures and changes in weather,` he says. `Fishermen link high temperatures on summer days with chalia [a period of 40 days], which is determined by the appearance and disappearance in the west of a cluster of 12 stars called katiyun in Sindhi. `The cluster of these 12 stars disappear around the loth of May. This means katiyun has set and the chalia 40 days with high temperature has started. During this period, fishermen stop fishing. After the chalia, when the katiyun appears in the west again, it is seen as the beginning of lowered temperatures,` Motani tells about the folklore techniques to predict weather changes. According to Motani, after the katiyun disappear, fishermen start to prepare for the onaro, a Sindhi term referring to darkness.

In their parlance, onaro refers to a time period of three months with no catch. Following the onaro, the fishermen start preparing for the catch from around the 15th of August.

Applying a similar technique to predict winter, fishermen wait to glance at the first star of a cluster of 40 stars (kundi) emerging in the west before sunrise. The cluster is named kundi since it has the shape of a fishing hook, and the appearance of the first star marks the beginning of winter. However, what worries Motani and his community is that these reliable folklore techniques are becoming obsolete in the face of a rapidly changing climate. Since climate change has taken a high toll on the sea patterns and the weather, their skills can no longer accurately predict changes in temperature, which fluctuate frequently.

Talib Kachi, another veteran fisherman, believes that many factors are altering the climate in the coastal areas, including human activities. He sees a steep decline in the variety of fishes. For instance, out of the 30 to 35 varieties that once existed, many have gone extinct. ‘The Indus delta has been home to mangrove forests,’ he says. ‘Today, there is a significant decline in their number. These trees were home to a variety of shrimps, which fed on the roots of the trees. With the chopping of these trees, their habitats have also been destroyed. Another factor for the changes, Kachi shares, is the erosion of the Indus deltaic region, caused by water mismanagement and the construction of upstream dams, which has drastically reduced sediment transportation downstream. This, he says, has allowed sea intrusion into the delta.

A report published by the United States Agency of International Development (USAID) in 2018 revealed that the Indus delta had shrunk 92 percent since 1833. Since the 1990s and until 2016, the mangrove cover has also been reduced from 32 percent to 10 percent.

Talib Kachi and Majeed Motani share similar concerns. Kachi points out that the deltaic area of the Indus once had fertile lands that sustained livelihoods for the farming community. Riverine fishing was not the only profession prevalent in the Indus delta. ‘Once the fertile silt stopped coming down, fertile lands were taken over by the sea and farmers were pushed to adopt fishing as their profession,’ Kachi explains. Motani remembers the registration number of his grandfather’s wooden boat, used before even Pakistan’s creation. The number of the boat was 1,529 and it was the last boat registered, which was indicative of the total number of fishing boats on the coast. Today, the coast has been overburdened with more than 20,000 boats, fishing day in and day out with no pause. ‘The increase in the number of boats has impacted the coast and the fish-catch,’ says Talib. ‘With such a huge force of boats and climate impacts already knocking at the community’s doors, the entire community might go down the vortex of displacement and starvation’. (*Dawn, January 29<sup>th</sup>, 2023 Page EOS 4*)

## 4.2 # Poultry

*Chicken meat may cross beef price as feed crisis sees no end*

[Back]

The import of Genetically Modified organisms (GMO) and its products is not allowed in Pakistan, as Pakistan is a signatory of international ratification against GMO seeds. The Pakistan Poultry Association (PPA) and All Pakistan Solvent Extractors` Association (APSEA) have threatened to protest in the Punjab capital if the government did not respond to their SOS call and save the two industries from collapse. There has been a sharp spike in the prices of poultry products since October 2022 after the customs authorities stopped the release of GMO soybean shipments arriving mainly from the US and Brazil.

Hitherto, nine shipments have been stranded at the port owing to legal issues. The situation could not be defused despite the intervention of a top US diplomat. The import of Genetically Modified organisms (GMO) and its products is not allowed in Pakistan, as Pakistan is a signatory of international ratification against GMO seeds.

Food Minister Tariq Bashir Cheema recently told a National Assembly panel that Pakistan only allowed the import of non-GMO soybean. He had claimed that the US envoy urged him for one-time clearance of soybean vessels stranded at the Karachi port. On the other hand, industry players have criticised the role of hatcheries and feed mills in the rising chicken prices.

Mian Tariq Javed, president of the Punjab Poultry Farmers Association, slammed the top leadership of the Pakistan Poultry Association (PPA) for allegedly minting money through illegal imports and trying to create a monopoly over the supply of soybean meal, and also lobbying to restrict other similar imports. `The issue relates to the import of genetically modified soybean it was not allowed under the law but it had been imported without any notice,` he said.

The matter related to stranded soybean shipments has become complicated as importers and the officials of the Ministry of Food Security were at odds. The issue related to GMO seeds, however, comes under the domain of the climate change ministry. Both ministries maintain that Pakistan is a signatory to the pact against GMO seeds like most of the European Union. (*Dawn, January 4<sup>th</sup>, 2023 Page 4*)

*Poultry prices drop as govt releases feed consignments*

[Back]

While the poultry crisis has begun to subside after the government released genetically modified soybean and canola seeds that had been stranded at ports, more than 100 containers of onions are held up at ports awaiting extension in duty and tax exemption leading to a further surge in vegetable prices across the country.



According to Karachi Port Trust Shipping data, over 6,000 tonnes of Canola and nearly 7,000 tonnes of soya bean seeds had been offloaded over the past 48 hours. Containers loaded with onions are piling up at ports in the wake of withdrawal of sales tax and withholding tax, official sources said.

Incidentally, the Minister for Food Security Tariq Bashir Cheema had recently defended the decision to stop the import of genetically modified organism (GMO) seeds in the country claiming that it was poisonous and unfit for human consumption.

Mian Tariq Javed, president of Punjab Poultry Farmers Association, believed the solution to averting such crises in future was to allow import of soybean meal directly. This would encourage competition among oil mills. There are 113 mills in Punjab and Khyber Pakhtunkhwa while there are 13 feed mills in Sindh and Balochistan consuming around two million tonnes of soybean meal annually.

Meanwhile, containers of onions were piling up at ports in the wake of withdrawal of sales tax and withholding tax leading to a further surge in the price of the vegetable in domestic market. At import stage, government charged a 17pc sales tax, 3pc additional sales tax, and 1pc withholding tax on import of onions and tomatoes since January 1, 2023. Source in the FBR said there was no indication from the government to further exempt all duty and taxes on onions and tomatoes imports. Onion price would further escalate in coming days due to a drop in imports. (*Dawn, January 12, 2023 Page 12*)

## 5 # TRADE

*Jul-Dec trade deficit declines 32.65pc to \$17.13bn YoY*

[\[Back\]](#)

Pakistan's trade deficit was narrowed by 32.65 per cent to \$17.133 billion during the first half (July-December) of the current fiscal year as compared to \$25.438 billion during the same period of last year, says the Pakistan Bureau of Statistics (PBS). The exports during July-December (2022-23) were recorded at \$14.249 billion against the exports of \$15.125 billion in July-December of 2021-22, showing a decline of 5.79 per cent, according to the trade data released by PBS. The imports decreased by 22.63 per cent during the period under review by going down from \$40.563 billion last year to \$31.382 billion during the current year. On a year-on-year basis, the exports witnessed a decline of 16.64 per cent and were recorded at \$2.304 billion in December 2022 against the exports of \$2.764 billion in December 2021. The imports also decreased to \$5.161 billion in December 2022 from \$7.580 billion in December 2021, showing negative growth of 31.91 per cent. The trade deficit narrowed by 40.68 per cent on a YoY basis to \$2.857 billion in December 2022 compared to \$4.816 billion in December 2021. (*Business Recorder, January 4<sup>th</sup>, 2023 Page 1*)

### *Trade deficit falls, still at \$17.13bn in 1HFY23*

[Back]

No macro indicator of the economy shows positive signs particularly on the external front as the trade deficit in the first half of the current fiscal year FY23 remained at \$17.13 billion. The data released by the Pakistan Bureau of Statistics showed that both exports and imports fell during the first half of the current fiscal year by 5.8pc and 22.6pc to \$14.3bn and \$31.4bn, respectively. This created a wide gap of \$17.133bn, which is 33pc lower when compared to \$25.438bn in the same period last year. The change is visible and it will surely reduce the current account deficit (CAD) but the government with poor foreign exchange holdings of \$5.8bn was not in a position to meet even the reduced deficit. (*Dawn, January 5<sup>th</sup>, 2023 Page 9*)

### *NA body approves 'Imports and Exports (Control) Amendment Bill, 2022'*

[Back]

National Assembly Standing Committee on Commerce headed by Khursheed Ahmed Junejo approved the “Imports and Exports (Control) Amendment Bill, 2022,” as introduced in the National Assembly aimed at delegating powers to the Ministry to resolve hardship case on its own. The Import and Export (Control) Act, 1950 is the primary legal instrument which provides the legal basis for the conduct of international trade of Pakistan. According to the Commerce Ministry, the powers to relax prohibition and restriction, however, imposed on imports and/or exports under the IPO/EPO, in cases of urgency or in public interest, are also vested in the federal government. As such, all cases of relaxation, on one-time basis, have to be submitted to the Cabinet for consideration. (*Business Recorder, January 11<sup>th</sup> 2023 Page 1*)

### *Pakistan, Iran officials agree to boost trade*

[Back]

The Pak-Iran Joint Border Trade Committee at a meeting agreed to remove hurdles, increase bilateral legal trade and implement the barter agreement for achieving the target of trade between the two countries. (*Dawn, January 15<sup>th</sup>, 2023 Page 3*)

### *Khunjerab Pass opens today to move machinery*

[Back]

The Pakistan-China border at Khunjerab Pass will be temporarily opened to transport stranded goods as well as machinery needed for execution of development work on Diamer-Bhasha dam. The route closed in November 2019 after the outbreak of Covid-19 in China was opened two-and-a-half years later in June 2022 under a new agreement and SOPs only to transport goods from China to Pakistan. (*Dawn, January 17<sup>th</sup>, 2023 Page 5*)

### *TDAP signs MoU with Iranian trade promotion organization*

[Back]

An event of signing of Memorandum of Understanding (MoU) between Trade Development Authority of Pakistan and Iran Trade Promotion Organisation was held at Karachi Expo Centre, in concurrence with First Pakistan Iran Single County Exhibition to be held from 16<sup>th</sup> to 18<sup>th</sup> January. (*Business Recorder, January 17<sup>th</sup>, 2023 Page 7*)

### *Rahdari Gate reopened after three years*

[Back]

After a gap of almost three years, the Rahdari Gate, which facilitates travel by locals on both sides of Pak-Iran border on a 15-day permit, has been reopened. The Rahdari Gate at Taftan, a border town in Chagai district, had been closed by the Iranian authorities soon after the outbreak of coronavirus. However, its closure prolonged for unspecified reasons. Despite being discussed at several joint meetings between Pakistani and Iranian officials, it took years to reopen the gate, said Taftan Assistant Commissioner Bilal Shabbir. (*Dawn, January 26, 2023 Page 5*)

### *Bilateral trade with Turkiye clocks at \$1.2 billion in 11 months: FPCCI*

[Back]

Bilateral trade with Turkiye has surpassed a psychological mark of \$1 billion after almost a decade, FPCCI chief Irfan Iqbal Sheikh said in a multi-sector B2B networking session organised for a Turkish trade delegation. The business-to-business (B2B) event for the Turkish delegation attracted top traders from all sectors of both the countries and around 350 traders took part in the meetings, encompassing diverse industries. (*The News, January 29, 2023 Page 18*)

## **5.1 # Export**

### *ECC okays additional export of sugar*

[Back]

The Economic Coordination Committee (ECC) of the cabinet has allowed additional sugar exports of 150,000 tonnes and approved immediate disbursement of Rs60 billion to the state-run Pakistan State Oil (PSO) to address its liquidity challenges and ensure a smooth supply chain. In a meeting presided over by Finance Minister Ishaq Dar, the committee also decided to discontinue the subsidised supply of Regasified Liquefied Natural Gas (RLNG) to two Punjab-based fertiliser plants.

On the recommendation of the Sugar Advisory Board (SAB) led by Food Minister Tariq Bashir Cheema, the ECC allowed the export of a total of 250,000 tonnes of sugar, including 100,000 tonnes already approved on Dec 15. The export would also be subject to the condition that proceeds in dollars would be recovered from sugar exporters within 60 days from when the letters of credit are opened. The meeting was informed that the export of 100,000 tonnes allowed on Dec 15 had not materialised yet.

The committee also approved a Rs60bn financial arrangement for PSO to ensure the national fuel supplier can meet its international payment obligations to Qatar and maintain the LNG supply chain. Under the decision, Rs10bn would be disbursed against the budgeted subsidy while Rs50bn would be arranged through bank financing against a federal government guarantee. The ECC rejected a proposal by the industries and food ministries to continue subsidised LNG to two fertiliser plants with Rs26bn supplementary grant for subsidy. Instead, the committee decided that the RLNG supply to Fatima and Agritech fertiliser plants in Punjab would be discontinued with effect

from Jan 3 midnight amid a gas shortage. The meeting was told that with no gas availability to these plants in January, the urea buffer stock would halve to about 100,000 tonnes, whereas continuing with subsidised gas was estimated to produce about 65,000 tonnes this month. (*Dawn, January 4<sup>th</sup>, 2023 Page 9*)

*July-Nov rice exports decline 30pc to 210,184 metric tonnes*

[Back]

Pakistan's rice export registered collectively (basmati & non-basmati) around a 30 percent decline in quantity and almost 11 percent decline in value during the period of July-November 2022 as compared to the corresponding period of July-November 2021.

“Pakistan registered quantity wise 44 percent decline in export of basmati rice during the period of July-November 22 as compared to the corresponding period. While value was the commodity registered a decline of 22 percent in the same category and the same period. Similarly, non-basmati varieties registered a quantity-wise decline of 12 percent and five percent in value in the same period,” said Senior Vice-Chairman of the Rice Exporters Association of Pakistan (REAP) Haseeb Khan.

Talking to the Business Recorder Haseeb said export was hit hard due to a 40 percent decline in long grain (non-basmati) crops in Sindh due to unprecedented recent floods, every increasing value of the greenback against the Pak rupee coupled with a huge gap between its value in the interbank against the open market rates. Likewise, basmati rice which is surplus in Punjab is being hoarded by the stockiest pushing the prices skyrocketing for the commodity.

He also said that high electricity rates being charged on the rice mills as compared to other export-oriented sectors was also walloping them as it increases their cost of production which coupled with higher prices of paddy rendered Pakistani exporters uncompetitive in the international market. He said the government should give the status of industry to this neglected sector which was earning heavy foreign exchange for the country after textiles. (*Business Recorder, January 6, 2023 Page 12*)

*Sugar export to be halted if local price rises: ECC*

[Back]

The Economic Coordination Committee (ECC) has decided that in case of an increase in sugar price in the domestic market, the export of allowed 150,000 MT sugar would be discontinued. (*Business Recorder, January 11<sup>th</sup> 2023 Page 12*)

*DGKCC to export 600,000 tons of cement to USA per year*

[Back]

The DG Khan Cement Company (DGKCC) to export 600,000 tons of low-alkali cement to the United States per year which will fetch approximately US 360 million dollars for the country. “This is for the first time in the history of Pakistan that cement is being exported to the USA market,” said Executive Director DGKCC Farid Fazal. Besides, he added, the company is in talks with buyers from London, France, and Germany and soon the company will be entering the European market after getting CE certification.

He added that the USA is a huge market and due to strict environmental laws it is very difficult to build a cement factory and their requirements of cement are met by imports from Mexico, Canada, Vietnam and Turkey. He added that the local cement industry has the capacity of 65 million tons and domestic consumption is just 40 million tons while exports are just 4 to 5 million tons.

Ziauddin, Deputy General Manager said that their focus is on maintaining an eco-friendly environment by making a significant contribution to reduce carbon footprints by using renewable energy, waste heat recovery and alternate fuels. It is pertinent to mention here the DGKCC is among the largest manufacturers of Pakistan with a production capacity of 25,000 tons cement per day (7.500 million tons/annum). The DGKCC has three cement plants located at Dora Ghazi Khan, Kalar Kahar and Hub. (*Business Recorder, January 19<sup>th</sup>, 2023 Page 2*)

#### *Textile exports dip 16pc in December*

[Back]

The exports of textile and clothing fell 16.47 per cent in December to \$1.35 billion compared to \$1.62bn in the same month last year, data released by the Pakistan Bureau of Statistics (PBS) showed. The drop in textile and clothing exports is gaining momentum over the past four months owing to multiple factors including high energy costs, stuck-up refunds and a slump in global demands despite the massive depreciation of the rupee. Exporters believe that one of the main reasons behind falling exports was the exchange rate instability. No official statement was issued from the commerce ministry to explain the reasons for the decline in export proceeds. Commerce Minister Naveed Qamar since taking responsibility for the ministry has constantly been on foreign tours. (*Dawn, January 20<sup>th</sup>, 2023 Page 9*)

#### *H1FY23 exports decline 7.07pc to \$8.72bn YoY*

[Back]

The country's textile group exports declined by around 7.07 percent during the first half (July-December) of the current fiscal year 2022-23 and remained at \$8.717 billion as compared to \$9.381 billion during the same period of last year, the Pakistan Bureau of Statistics (PBS) said. The data of exports and imports released by the PBS revealed that the country's textile group exports witnessed a decline of 16.47 percent in December 2022 on a year-on-year basis and remained at \$1.356 billion when compared to \$1.623 billion during the same month of last year. On a month-on-month (MoM) basis, the textile group registered 4.56 per cent negative growth compared to \$1.420 billion in November 2022.

Cotton yarn exports registered 37.50 per cent negative growth in July-December and remained \$381.546 million compared to \$610.427 million during the same period of the last year. On a year-on-year basis, cotton yarn exports registered 49.92 percent negative growth, while on a MoM basis, it registered 24.41 percent growth. The country's overall exports during July-December 2022-23 totaled \$14.258 billion (provisional) against



\$15.125 billion during the corresponding period of last year showing a decrease of 5.73 percent. The exports in December 2022 were \$2,313 million (provisional) as compared to \$2.391 billion in November 2022 showing a decrease of 3.26 percent and 16.32 percent as compared to \$2.764 billion in December 2021. (*Business Recorder, January 20<sup>th</sup>, 2023 Page 1*)

#### *Downturn in exports of non-textile goods*

[Back]

Amid a global economic slowdown, Pakistan's exports of non-textile products decreased 0.65 per cent year-on-year to \$5.54 billion in the first half of FY23. No growth was recorded in exports since September 2022 on a year-on-year basis, according to data compiled by the Pakistan Bureau of Statistics (PBS). (*Dawn, January 25<sup>th</sup>, 2023 Page 9*)

#### *Commissioners to allocate sugar export quota*

[Back]

The Economic Coordination Committee (ECC) of the Cabinet empowered the cane commissioners in Punjab to allocate sugar export quota to mills on the pattern of Sindh and the export shipment should be completed within 45 days. The ECC had allowed on Jan 3 export of a total of 250,000 tons of sugar including 100,000 tonnes already approved on December 15. The exports were allowed to sugar mills on a 'first come first serve basis'.

The Jan 3 meeting had also decided that the total quantity of export should be distributed among provinces based on their installed crushing capacity to be determined by Pakistan Sugar Mills Association. The export is subject to the condition that export proceeds in US dollars will be recovered from sugar exporters within 60 days of the opening of letters of credit. (*Dawn, January 27<sup>th</sup>, 2023 Page 9*)

#### *Exports to nine regional states shrink*

[Back]

Pakistan's exports to nine regional countries shrank 11.93 per cent in the first half of FY23 mainly driven by a drop in shipments to China, data released by the State Bank of Pakistan showed. The country's exports to Afghanistan, China, Bangladesh, Sri Lanka, India, Iran, Nepal, Bhutan and the Maldives dipped to \$1.897 billion just 13.31pc of Pakistan's total exports of \$14.25bn in July December FY23. China tops the list of Pakistan's regional exports leaving other populous countries India and Bangladesh behind. But Pakistan's exports to China posted negative growth in the first half FY23 on a year-on-year basis. The bulk of the regional exports share, which accounts for 55.77pc, is with China while the remaining is for eight countries. (*Dawn, January 31<sup>st</sup>, 2023 Page 9*)

## 5.2 # Imports

### *Ship carrying Russian wheat docks at Karachi*

[Back]

A ship carrying 60,000 tonnes of wheat from Russia arrived at the Port Qasim while another ship carrying the grain from Ukraine was at the outer anchorage of Karachi port as the government scurried to bridge the demand and supply gap. Ministry of National Food and Security as saying that two ships carrying Russian wheat had arrived at the port on Monday and that Pakistan would import a total 700,000 tonnes of wheat from Russia. The Trading Corporation of Pakistan (TCP) has imported 1.7 million tonnes of wheat in FY21. Cereal Association of Pakistan (CAP) chairman Muzammil Chappal recalled that the private sector had imported 1.5m tones in FY21 from Ukraine, Germany, Russia, Romania, and some other countries. Despite repeated requests to further allow imports to stabilise flour rates, the government was not paying any attention, he added. (*Dawn, January 10<sup>th</sup>, 2023 Page 12*)

### *Two shipment of wheat arrive*

[Back]

Two consignments of wheat imported by Trading Corporation of Pakistan (TCP) have arrived in Pakistan for domestic consumption. The country is facing a wheat shortage due to lower production output this year and accordingly, the federal government decided to import some 3 million metric tons of wheat for domestic consumption. TCP's two shipments, carrying over 124,000 metric tonnes of wheat, have reached Pakistan. With arrival of these two consignments, overall, some 1.6 million metric tonne imported wheat has reached Pakistan during this fiscal year. Wheat grain and wheat products prices in the country are gradually increasing due to hoarding and delay in release of stocks. Wheat flour prices have touched an all-time high of Rs160 in the domestic market, despite import of massive quantities by the federal government. After the arrival of these two consignments, the price of essential commodities is likely to reduce in the local market. (*Business Recorder, January 10<sup>th</sup>, 2023 Page 1*)

### *0.15m less containers arrived in Jul-Dec: FBR*

[Back]

A total of 0.55 million containers of importable goods/ commodities have reached Pakistan during the first six months (July-December) 2022-23 against 0.7 million containers during July-December (2022-23), reflecting a major reduction of 0.15 million containers. The FBR Member Customs (Operations) stated that the number of containers that arrived in Pakistan during the current fiscal year is very less as compared to the containers that came during the last fiscal year. This is a 20 percent reduction in the number of containers that arrived in Pakistan during the first six months of 2022-23 as compared to the same period of the previous fiscal year. (*Business Recorder, January 11<sup>th</sup> 2023 Page 12*)

### *Bulk cargoes imported by govt begin arriving at Gwadar port*

[Back]

The Gwadar port has started receiving government imports of bulk cargos as three consecutive vessels carrying 90,000 MT urea have already arrived at the port and

clocked the fastest discharge rate. Next month Gwadar Port will start handling 450,000 MT of TCP wheat. TCP on behalf of the government decided to handle the import of urea and wheat through Gwadar Port. (*Business Recorder, January 13<sup>th</sup>, 2023 Page 3*)

*Import substitution of furnace oil: Engro LNG terminal has helped save \$3bn* [Back]  
Engro Elengy Terminal has successfully handled over 450 ship-to-ship transfers since its inception; as a result, Pakistan has been able to save more than \$3 billion through import substitution of furnace oil. (*Business Recorder, January 13<sup>th</sup>, 2023 Page 7*)

*Ministry, SBP agree to take measures for clearance of palm oil stuck at warehouses*  
In a bid to avert any shortage of ghee/cooking oil in Ramazan, the Ministry of Industries (MoI) and the State Bank of Pakistan (SBP) agreed to remove bottlenecks for speedy clearance of 385,000 tonnes of palm oil stuck at customs bonded warehouses due to non-retiring of documents. (*Dawn, January 17<sup>th</sup>, 2023 Page 9*)

*Pharma body demands urgent action for import of raw material* [Back]  
The Pakistan Pharmaceutical Manufacturers' Association (PPMA) has appealed to the government to adopt emergency fiscal measures for the immediate resumption of import of the raw material used in the production of medicines and essential medical equipment for uninterrupted treatment of patients in the country including those who require life-saving interventions. (*Dawn, January 19<sup>th</sup>, 2023 Page 15*)

*Used tractors` import to `destroy` local industry* [Back]  
The government`s decision to allow the import of five years old tractors will spell disaster in local manufacturing as well as in the vending units which are already struggling to survive, auto sector stakeholders feared. A local tractor assembler said that the decision appears highly surprising given the persistent foreign exchange crisis that leads to restrictions on the opening of letters of credit causing parts shortages due to non-clearance of containers stuck-up at ports. `From where the finances will be managed to import used tractors when the country`s foreign exchange reserves are depleting fast and the government is already discouraging imports,` he said. The government, he added, is now pushing the local industry to another challenge which would further hit local production/ sales, rendering thousands of people jobless.

The current tractor manufacturing is already on a partial shutdown. He said the import of used tractors would be of no benefit to the farmers as they would be more expensive than locally produced new tractors. Used imported tractors would also enhance the fuel bills of the farmers as old imported machines cannot be expected to be fuel efficient, he said. (*Dawn, January 22, 2023 Page 9*)

*No `prior approvals` needed for imports* [Back]  
The State Bank of Pakistan (SBP) has withdrawn the requirement for prior approval of imports aiming to clear the backlog of containers stuck-up at the port carrying industrial



raw materials and other essentials. Besides, the banks were instructed to prioritise the import of certain essential items like food, pharmaceutical, energy, etc. (*Dawn, January 24<sup>th</sup>, 2023 Page 9*)

*Stranded Container: Govt decides to waive demurrage, port charges* [\[Back\]](#)

The Federal Government has decided to waive all demurrage and port charges of around 8000 containers stranded at the country's ports. Earlier, a high level meeting in which all the stakeholders from government, as well as, private sector participated to resolve containers detention issue being faced by the trade community in Pakistan. (*Business Recorder, January 24<sup>th</sup>, 2023 Page 12*)

*Russian gasoline to be sent to Pakistan as EU import ban looms* [\[Back\]](#)

Independent Russian oil refiner Fortinvest has clinched a deal that will see Russian gasoline sent to Pakistan by land for the first time, as Russian refiners seek alternative markets for motor fuels days before an EU import ban. Fortinvest has sold to a trader an initial 1,000-tonne lot of gasoline from its Orsk plant for delivery to Pakistan and has more requests to supply gasoline, diesel and LPG to the country.

The move comes days ahead of a new set of Western sanctions, as G7 countries, and the 27-nation EU as a whole, seek to limit Russia's revenue from oil exports without disrupting world supply. A price cap on imported Russian oil products is due to come into force on Feb. 5, along with an EU import ban on Russia's refined products. Russia could start exporting oil to energy-starved Pakistan after March if terms are agreed, Russia's energy minister said on Jan. 20.

Historically, Pakistan has had no major commercial energy ties with Moscow. It currently depends on oil from Gulf countries, which often extend facilities such as deferred payments and can supply with lower transport costs, given Pakistan's proximity. (*Business Recorder, January 28<sup>th</sup>, 2023 Page 1*)

## 6 # CORPORATE SECTOR

*KE ordered to refund Rs10bn charged extra in November* [\[Back\]](#)

The National Electric Power Regulatory Authority (Nepra) notified a cut in fuel cost for consumers of K-Electric by Rs7.43 per unit for one month and an increase in fuel cost for consumers of other distribution companies (Discos) by about 19 paise per unit. The regulator said KE had sought a Rs7 per unit tariff reduction for electricity consumed in November but based on evidence it calculated the cut at Rs7.43 per unit, resulting in Rs10 billion relief to KE consumers. The negative FCA would be adjusted in January bills. (*Dawn, January 12, 2023 Page 9*)

*Two oil firms not paying royalties*

[Back]

The Prime Minister's Office (PMO) has directed the Petroleum Division to submit within three days the details of the non-payment of royalties by two oil and gas exploration companies, Spud Energy and Frontier Holdings Ltd, amounting Rs1.13 billion. (*Dawn, January 15<sup>th</sup>, 2023 Page 9*)

## **6.1 # Corporate Lobby**

*FPCCI holds another conference to formulate 'national economic plan'*

[Back]

As the country grapples with severe economic challenges, the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) is in consultation process with trade bodies, chambers and business associations to draft a much-needed 'Charter of Economy', so as to push political stakeholders to keep economy and politics separate from each other. The apex trade body held its 3rd national consultative conference of chambers and associations to draft the 'national economic plan' and agenda for 'charter of economy' here at the Federation House.

President FPCCI Irfan Iqbal Sheikh said that once the charter of economy is signed by business community, it will then be signed by all political parties and the government. This charter is important to steer the country out of socioeconomic and political crises. He said reserves touched the level not sufficient to cover a month imports. All economic indicators are negative. We are facing current account and fiscal deficits, power sector circular debts have touched Rs2,500 billion, exports and remittances are declining, he said. The revenue target of Rs7,470 million doesn't seem to be achieved. Our friendly countries seem reluctant to support us. Under such grim circumstances, we are left with no other option but to approach IMF. "Economy should be preferred over politics," Iqbal said.

Dr Usama Ehsan Khan from Policy Advisory Board of FPCCI in his detailed presentation on 'national economic plan, a way towards the charter of economy' said that the country's GDP growth rate is predicted to 3.5 percent in fiscal year 2023. Floods caused economic losses reached over \$30 billion. National poverty rate has increased from 4.5 percent to 7 percent, while the IMF prescribed measures mostly turned counterproductive. He said that the charter of economy has been a long-standing demand of business community, and FPCCI has proposed a set of areas where the government should work seriously. These areas include energy security, public finance management and monetary policy, foreign exchange management, trade and investment, national food security and agriculture sector sustainability. (*Business Recorder, January 11<sup>th</sup> 2023 Page 7*)

## 6.2 # Fertilizer Company

*Govt severs gas supply to two urea units, shuts them down*

[Back]

The government shut down two urea factories by cutting off gas supplies to both of them on Jan 4, further denting the urea fertiliser market. Fatima Fertilizer Company Limited and Agritech Limited produce around 77,000 tone urea per month and their closure is bound to create a urea availability crisis to the disadvantage of the farmers as well as the country. Urea is already selling at Rs2,900 per 50kg bag in the open marketRs460 per bag above the maximum retail price of Rs2,440 per bag-due to existing shortage of the compost in the country. The farming community paid billions of rupees extra to procure urea in the last one year. With the closure of the two urea manufacturing factories, its prices will now jump to over Rs3,000 per bag as the farmers will suffer at the hands of the black marketing mafia.

Pakistan Kisan Ittehad president Khalid Mahmood Khokhar says urea shortage means shortage of food crops like wheat and export crops like cotton, rice and maize. Demanding immediate restoration of gas supplies to the urea manufacturing plants, he fears that the urea shortage will also impact Pakistan`s exports due to lack of enough raw material from cotton, rice and maize crops. `Reopening of the urea plants is in the interest of the country as the move will prevent food shortage and ensure exports of products made of cotton, rice and maize. He estimates total urea demand in the country at around 6.8 million tones against the installed production capacity of 6.5m tones per annum, a gap of 300,000 tones between demand and supply, and with the closure of the two factories the situation will worsen.

Mr Khokhar has also written a letter to Prime Minister Shehbaz Sharif urging him to intervene in the matter and save the agriculture sector, the last hope of the country. He has informed the prime minister that the farming community has not yet recovered from the climate adversity that had hit the country between June and September and the growers have insufficient capital to purchase farm inputs, particularly fertilisers. He claims wheat crop has already been affected because of at least 40pc low application of phosphatic compost this year, as a result plants leaves are paler than being greener, showing poor growth. If the farmers fail to apply urea too, a drastic shortfall in wheat yield will force the country to import even higher quantities of grain from abroad than last year, he warns. (*Dawn, January 9<sup>th</sup>, 2023 Page 2*)

## 6.3 # Industry

*Production cuts continue in industrial sector*

[Back]

Another textile maker joined the steadily growing list of industrial units that`ve either scaled back or suspended operations citing unfavourable economic conditions. Crescent

Fibres Ltd is curtailing production by up to 50 per cent owing to `widespread demand destruction,` it told shareholders.

Earlier, Suraj Textile Mills Ltd announced it was bringing down its production by 40pc. Nishat Chunian Ltd also announced its partial shutdown because of poor business conditions. Similarly, Kohinoor Spinning Mills Ltd temporarily shut down production partly because of a high production cost and low demand.

Pakistan Apparel Forum Chairman Jawed Bilwani said the clothing industry in Pakistan is currently operating at `50-55pc` below its optimum capacity. `In addition to low international buying, the country`s apparel makers are suffering because of a host of domestic issues. There`s a shortage of dollars to import raw materials. Machinery imports are in limbo. Utility rates have gone up so much that we`ve become uncompetitive versus Bangladesh,` he said. (*Dawn, January 4<sup>th</sup>, 2023 Page 9*)

#### *Pak Suzuki extends plant shutdown*

[Back]

After keeping production activities suspended from Jan 2-6, Pak Suzuki Motor Company Ltd (PSMCL) has extended plant shutdown from Jan 9-13 due to a continued shortage of imported parts and accessories.

From August 2022 to date, PSMCL had kept its production activities closed for 30 days due to the State Bank of Pakistan`s restrictions for taking prior permission for imports including completely knocked-down (CKD) kits which had severely affected the clearance of consignments from the port causing parts and accessories shortages.

Meanwhile, the Pakistan Association of Automotive Parts and Accessories Manufacturers (PAAPAM) and Lahore Chamber of Commerce and Industry (LCCI) expressed their concerns over the shutting down of operations by Millat Tractors for an indefinite period due to dwindling sales and held up sales tax refunds. Both appealed to the government as well as the opposition parties to sit together and find ways to pull the country out of the crisis through dialogue. (*Dawn, January 7<sup>th</sup>, 2023 Page 9*)

#### *Foam-maker suspends production*

[Back]

Diamond Industries Ltd said its suspended manufacturing operations until further notice because of adverse economic conditions and non-availability of imported raw materials. The maker of foam, foam products and chemical binders used in textile, leather and wood industries said it`ll resume production once raw material becomes available. The government has made it difficult for industrial units to import raw materials as it`s battling a severe shortage of dollars. The authorities are trying to minimise the outflow of dollars by restricting imports of all kinds a move that`s resulting in industry-wide production shutdowns.

Diamond Industries follows Crescent Fibres Ltd, which recently announced a production reduction of up to 50 per cent owing to widespread demand destruction. Earlier, Suraj Textile Mills Ltd, Nishat Chunian Ltd and Kohinoor Spinning Mills Ltd also announced production cuts partly because of a high operational cost and low demand. (*Dawn, January 11<sup>th</sup>, 2023 page 9*)

### *Crisis of shortage of raw material in industries intensifies*

[Back]

The crisis of shortage of raw materials has further intensified in industries across the country due to non-availability of foreign exchange and many industries are fearful of closure, if serious efforts are not made to resolve the issue of Letter of Credits (LCs) opening immediately. The State Bank of Pakistan (SBP) has already asked the banks for opening of LCs on priority basis for the import of essential products and especially of raw material, input goods and spare parts, by the export-oriented industries. However, industries and exporters have claimed that they are still facing difficulties in opening LCs for the import of raw material.

Mainly, industries have raw material stock of three to six months and now their raw material stocks are almost finished. Industries are facing a serious shortage of raw materials and many factories are compelled to temporarily shut down their operations. A number of leading industries are also likely to suspend their operations in January and February 2023 due to unavailability of raw material, resulting in lay off of thousands of workers and it can create unrest in Karachi and increase in street crimes. Industry sources said the lower industrial input would also hit the GDP growth, which was already estimated 2-3 percent during this fiscal year. (*Business Recorder, January 13<sup>th</sup>, 2023 Page 1*)

### *Large-scale manufacturing shrinks for third month*

[Back]

Large-scale manufacturing (LSM) shrank 5.49 per cent in November 2022 over the same month last year, according to data released by the Pakistan Bureau of Statistics. The big industry production contracted for the third consecutive month of the current fiscal year sending fears of major layoffs, especially in the textile sector. The contraction in industrial output indicates that economic growth will slip further in the next quarter. It is estimated that the second quarter will be more disturbing owing to the suspension of gas supplies to industrial units in winter. There was a negative growth of 7.7pc in October 2022 and 2.27pc in September 2022 on a year-on-year basis. While a paltry rise of 0.30pc was recorded in August after LSM shrank 1.67pc in July, the first month of the current fiscal year. Between July and November, LSM also posted a negative growth of 3.58pc on a year-on-year basis. (*Dawn, January 18<sup>th</sup>, January 2023 Page 9*)

### *Jul-Nov LSMI output declines 3.58pc YoY*

[Back]

The Large Scale Manufacturing Industries (LSMI) output has declined by 3.58 percent during the first five months (July-November) of 2022-23 when compared with the same



period of last year, says the Pakistan Bureau of Statistics. According to the provisional Quantum Index numbers of the Large Scale Manufacturing Industries (QIM), the LSMI output decreased by 5.49 percent for November 2022 when compared with November 2021 and increased by 3.55 percent when compared with October 2022. (*Business Recorder, January 18<sup>th</sup> 2023 Page 1*)

### *LSM deep in red*

[Back]

Large Scale Manufacturing went down for the fifth straight month, but on cumulative and monthly basis. This last happened during peak Covid in 2020. Never before or since in the last ten years. On cumulative basis, negative 3.6 percent growth for 5MFY23 is also the lowest at any point, excluding peak Covid. Barring an out of the blue turnaround, trust the LSM growth for the fiscal year to be in red. A rare occurrence in the country's history. Unlike the previous periods of contraction, the current one has all that could possibly go wrong simultaneously. Floods causing supply disruption, eroding purchasing power due to high inflation, a deepening foreign exchange crisis, import curbs, sky-high interest rates – have all combined to ensure there is not much steam in large scale industrial activity. Business confidence surveys conducted by the central bank and other representative bodies, show more of this is in store for the second half of FY23. (*Business Recorder, January 18<sup>th</sup> 2023 Page 2*)

### *Local refineries likely to witness huge losses in 2HFY23: report*

[Back]

Local refineries might witness net losses during the second half of this fiscal amid expected decline in oil due to ongoing global economic slowdown, resulting in inventory losses. In view of 16 percent decline on quarterly basis in average crude oil prices during the second half of 2023, local refineries would likely incur huge inventory losses which could drag the earnings for a few refineries in the red, research report of brokerage firm Sherman Securities stated.

Further erosion in earnings would stem from 17 percent quarter-on-quarter decline in gross refinery margins (GRMs) as product prices of major fuels, including HSFO, MS and HSD in international markets fell sharply compared to crude oil price, it stated. (*The News, January 22, 2023 Page 17*)

### *Economic crisis to close down industries: SCCI*

[Back]

The business community in Khyber Pakhtunkhwa warned that if the `worsening` economic crisis in the country continued, then industrial units would close down and the people would struggle to make both ends meet.

Participants of a joint meeting of trader bodies here complained about the government's `flawed` economic policies and the banks' denial to issue letters of credit for imports had badly impacted businesses. They said if steps for the revival of the economy were not taken without delay, then the country would default on loans. The participants observed

that industrialists, small traders and shopkeepers faced enormous difficulties because of the government's `anti-business` policies. (*Dawn, January 31<sup>st</sup>, 2023 Page 8*)

## 7 # INTERNATIONAL FINANCING INSTITUTIONS

*Pakistan hopes for IMF `lifeline` as donors pledge generous sums* [Back]

Prime Minister Shehbaz Sharif asked the International Monetary Fund (IMF) for a pause in its demands for economic reforms before releasing more financial aid, as the country tries to rebuild after catastrophic floods. The call came as the country received over \$10 billion in pledges at a donors' conference, hosted jointly by the government of Pakistan and the United Nations. Federal Planning Minister Ahsan Iqbal said the Post Damage Needs Assessment conducted jointly by the Government of Pakistan, World Bank, ADB, the EU and UN relief agencies has estimated the aggregate cost of the calamity at \$30.1bn. (*Dawn, January 10<sup>th</sup>, 2023 Page 1*)

*Donors `exceed` Pakistan`s expectations with \$10bn pledges* [Back]

Donors committed to give Pakistan over \$10 billion to help it recover from last year's devastating floods. Officials from some 40 countries as well as private donors and international financial institutions gathered for the meeting in Geneva as Islamabad seeks help covering around half of a total recovery bill of \$16.3 billion.

According to the Resilient Recovery, Rehabilitation and Reconstruction Framework that Pakistan presented, it will need \$16.3 billion over the next three years for the initial efforts to rebuild and improve its ability to withstand climate change. The government has said the country should be able to cover half the cost, but is urging the international community to pay for the rest. Countries appeared to heed that call, with hundreds of millions of dollars promised even before the pledging part of the conference had begun.

Financial institutions According to Information Minister Marriyum Aurangzeb, the highest commitment came from the Islamic Development Bank, which pledged \$4.2 billion. The World Bank promised \$2bn, and emphasised the need for Pakistan to `keep spending within sustainable limits`. In addition, the Asian Development Bank (ADB) pledged \$1.5bn to the flood recovery efforts. Ms Aurangzeb also announced that the Asian Infrastructure Investment Bank has pledged \$1bn as part of the `build back better` initiative for `climate resilient infrastructure & adaptation`.

Pledges from other nations APP quoted the information minister as saying that Saudi Arabia had committed \$1bn. In addition, she said China had promised \$100m, while Japan had committed \$77m. A senior official from the US development agency USAID told Reuters that Washington would provide an additional \$100m in funding for Pakistan's recovery from devastating floods last year. ` French President Emmanuel

Macron said Paris was ready to support Pakistan in its talks with financial institutions, as the country faces huge losses from recent floods. Speaking via video-link, he told the conference that his country would contribute 360m euros (\$345m). France will continue to provide expertise and some financial support to the country, Mr Macron said, adding that it would also provide an additional 10m euros in emergency aid.

European Commission chief Ursula von der Leyen said the European Union was contributing 500m euros towards Pakistan's reconstruction, as she announced a fresh injection of 10m euros in humanitarian assistance. She also announced an additional 10m euros, bringing total humanitarian support for Pakistan to 172m euros. The EU and Pakistan also agreed to an 87m euros package to further enhance this cooperation. Britain, meanwhile, allocated over 9m pounds for the purpose. UK Development Minister Andrew Mitchell said it would be much easier for the world to help Pakistan 'if Pakistani taxpayers are seen to be playing a core part in this effort'. Germany is providing \$90m for the construction of rainwater retention basins and drainage systems. It has already pledged about \$71.6m to rebuild damaged infrastructure. Azerbaijan has also pledged \$2m for resilient recovery and rehabilitation. (*Dawn, January 10<sup>th</sup>, 2023 Page 3*)

#### *EU to provide 87m euros for three new uplift schemes*

[Back]

The European Union will provide 87 million euros for three new development programmes to support green and inclusive economic growth in Pakistan. With a focus on Khyber Pakhtunkhwa, Gilgit-Baltistan and Balochistan, the new programmes will improve agricultural value chains, provide access to clean energy and enhance availability of the skilled labour force. The KP Rural Economic Transformation project, for which 17 million euros will be allocated under one of the programmes, aims to improve rural households' income by supporting farmers in the transition towards more sustainable and profitable agriculture, creating employment opportunities and focusing on youth and women. It is part of a larger agricultural development programme led by the KP government, in which the EU contribution will ensure impact on the most vulnerable communities in rural areas. The EU provides Pakistan with about 90 million euros annually in grants for development and cooperation to support Pakistan's efforts to tackle poverty, improve education, promote good governance, human rights, rule of law, and ensure sustainable management of natural resources. (*Dawn, January 10<sup>th</sup>, 2023 Page 3*)

#### *Donor pledge more than \$9bn to help flood recovery*

[Back]

Pakistan said it had received pledges of more than \$9 billion at an international conference seeking support for its recovery from last year's devastating floods — a billion more than requested. "The message from the world is clear: the world will stand by those who go through any natural calamities and will not leave them alone," Hina Rabbani Khar. (*Business Recorder, January 10<sup>th</sup>, 2023 Page 1*)



*EU approves Rs7.8bn grant for GB, KP*

[Back]

The European Union has approved a grant of Rs7.86 billion (31.5 million euros) to support sustainable and climate-resilient projects in Gilgit Baltistan and Chitral in Khyber Pakhtunkhwa, according to an official statement. The project will help alleviate the suffering of the people who are at the forefront, bearing the impact of climate change and global warming. (*Dawn, January 11<sup>th</sup>, 2023 page 5*)

*Geneva aid pledges will be in shape of `project loans`*

[Back]

A day after projecting pledges of aid made by the international community at Geneva as a `big success of the ruling coalition`, the government revealed that 90 per cent of the \$10 billion would be project loans to be rolled out in three years. Prime Minister Shehbaz Sharif said that the money will be spent only for the relief and rehabilitation of victims of recent flash floods that hit almost the entire country. Ishaq Dar said project loan financing had already crossed \$8bn, which included commitments from the Islamic Development Bank, the Asian Development Bank, the Asian Infrastructure Investment Bank and the World Bank. (*Dawn, January 12, 2023 Page 3*)

*France to provide €120m soft loan for Keyal Khuwar hydropower project*

[Back]

France will provide soft loan of € 120 million for Keyal Khuwar 128 MW Hydropower project. The Republic of France through the French Agency for Development is working in Pakistan providing technical and financial support in the energy and urban development sector aiming at green investment in Pakistan. (*Business Recorder, January 17<sup>th</sup>, 2023 Page 1*)

*Japan extends loan to Punjab power sector project*

[Back]

The Japanese government extended the project loan effective period up to 31 December 2024 of ongoing loan project, “Punjab Transmission and Grid Stations Project (1)”. The loan agreement was signed on 3rd May 2008 under which JICA provided a project-based loan of Japanese Yen 11,943,000,000. (*Business Recorder, January 17<sup>th</sup>, 2023 Page 1*)

## **7.1 # Asian Infrastructure and Investment Bank**

*Dar, AIIB chief discuss economy*

[Back]

Finance Minister Ishaq Dar has said this during a virtual meeting with Asian Infrastructure and Investment Bank (AIIB) President Jin Liqun to felicitate him on assuming his second term as the bank head. Mr Dar highlighted the economic outlook of the country and apprised him of damages caused by the floods and its impact on the economy. The forthcoming donors conference in Geneva was also discussed in the meeting. The finance minister also extended invitation to the AIIB head to visit Pakistan this year. President AIIB lauded the relationship between Pakistan and the AIIB and

appreciated Pakistan for being an excellent member of the bank. (*Dawn, January 7<sup>th</sup>, 2023 Page 9*)

## 7.2 # United State of America Aid

*US provides \$60m in 2022 for Afghan refugees in Pakistan*

[Back]

The US has so far provided more than \$273 million in humanitarian assistance for Afghan refugees in Pakistan and its host communities. In the fiscal year 2022, the US provided nearly \$60 million in assistance to the Afghan refugees and Pakistani host communities. (*Dawn, January 1<sup>th</sup>, 2023 Page 5*)

## 7.3 # Asian Development Bank

*ADB helps Sialkot residents lessen climate impact*

[Back]

As climate change threatens the sustainability of cities and communities, an Asian Development Bank (ADB) technical assistance worked to empower poor and vulnerable urban communities in Pakistan, Bangladesh and the Philippines in tackling the impacts of climate change by using nature-based solutions in community-led projects, according to a bank case study published earlier this week. In Pakistan, a green park was constructed in Sialkot to help mitigate the impact of rising temperatures and urban flooding and to address the need for safe green open spaces, especially for women and children in the community.

The technical assistance, 'Promoting Urban Climate Change Resilience in Selected Asian Cities - Development of Pilot Activities and Project Development Support', was financed through the 'Urban Climate Change Resilience Trust Fund' amounting to \$6.07 million in the three countries. The ADB case study said the rapidly growing cities in Punjab were susceptible to climate change-related hazards like extreme temperatures, extreme rain, damaging cyclones, and flooding. (*Dawn, January 1<sup>st</sup>, 2023 Page 5*)

*Bilawal praises ADB's support*

[Back]

Foreign Minister Bilawal Bhutto-Zardari held a telephonic conversation with Vice President of the Asian Development Bank (ADB) Shixin Chen and appreciated the ADB for its support and solidarity with the people of Pakistan during the 2022 devastating floods. The foreign minister also expressed the confidence that “with the cooperation of our partners, we will build back a strong climate-resilient Pakistan.” (*Business Recorder, January 5<sup>th</sup>, 2023 Page 1*)

*Disaster risk reconstruction: ADB to reprioritise \$1bn over 3 years*

[Back]

The Asian Development Bank (ADB) will reprioritise up to \$1 billion for climate and disaster risk reconstruction, as well as, resilience support over the next three years for Pakistan. ADB has acted swiftly to support Pakistan's flood response. Beyond our contribution to the PDNA and the government's 4RF, we approved a \$557 million

emergency flood-assistance package to Pakistan on top of a \$1.5 billion countercyclical program, which also partly supports social protection and food security in flood-affected areas. Meanwhile, sizable additional co-financing has been mobilised.” (*Business Recorder, January 10<sup>th</sup>, 2023 Page 1*)

#### 7.4 # China Aid

*Gwadar Plant on Thar Coal: Two Chinese loans to be confirmed soon* [Back]

China has reaffirmed strong resolve to extend financial support to Pakistan including early confirmation of two loans, i.e., from ICBC and CBC, as Pakistan has reverted its decision regarding shifting of Gwadar coal power projects from imported to local coal. The Government of Pakistan had finalized plan to shift Gwadar coal power plant from imported coal to Thar coal but Chinese government refused to accept the decision of GoP. However, when PM visited China, he was compelled to alter GoP’s decision. Recently, Chinese Foreign Ministry also sought written confirmation from the GoP that it will honour commitment given by the Prime Minister during his recent trip to China. (*Business Recorder, January 19<sup>th</sup>, 2023 Page 1*)

#### 7.5 # International Monetary Fund

*IMF team due in a couple of days, says PM: Businesspeople urged to support govt’s energy plan*

Prime Minister Shehbaz Sharif said on Friday that the managing director International Monetary Fund (IMF) has assured him of dispatching a team to Pakistan in the next two to three days for the 9th review. The prime minister said that he received a call from the managing director IMF. He added he informed Kristalina Georgieva that Pakistan would fulfil the agreement’s conditions committed by the previous government. He said that like Saudi Arabia, China is Pakistan’s friend and spoke to the Chinese prime minister a day ago the Chinese PM told him about his meeting with the managing director IMF, wherein, the Chinese premier told her that Pakistan is like a brother to China and the IMF should support it. (*Business Recorder, January 7<sup>th</sup>, 2023 Page 1*)

*Demands for reforms: PM asks IMF for a pause* [Back]

Prime Minister Shehbaz Sharif asked the IMF for a pause in its demands for economic reforms before releasing more financial aid, as the country tries to rebuild after catastrophic floods. Shehbaz Sharif said he was trying to persuade the International Monetary Fund (IMF) to give Islamabad some breathing space as it tackles the “nightmarish” situation. A \$6-billion IMF deal negotiated by the previous government was restarted after Pakistan finally met conditions such as ending subsidies on fuel. But Islamabad has so far only received half the funds, the last payment in August, with a further review of the package ongoing. (*Business Recorder, January 10<sup>th</sup>, 2023 Page 1*)

### *IMF wants up to Rs7.50/unit power tariff raise*

[Back]

International Monetary Fund (IMF) has reportedly sought an increase in electricity tariff up to 7.50 rupees per unit across the board, to recover over Rs700 billion from consumers as previous commitments made by the government were not met. An increase of Rs7.91 per unit was agreed with the Fund and World Bank for last fiscal year but it was only partially implemented till July 1, 2022. IMF had also been assured that FPA and QTAs will be passed on to the consumers on time but their implementation had been delayed. (*Business Recorder, January 12 Page 1*)

### *Govt ready to meet all IMF demands to revive loan programme*

[Back]

Conveying its willingness to accept all the four major conditions of the International Monetary Fund (IMF), the government requested the lender to send its mission to Pakistan at the earliest, preferably next week, to conclude a long-awaited agreement to revive the loan programme. State Minister for Finance Dr Aisha Ghaus Pasha, who was part of the consultations, said Pakistan had conveyed to the IMF that it was ready to implement reforms as agreed and wanted to settle the outstanding issues. She said the government wanted to continue the IMF programme in a manner that the common people did not bear the burden of tough decisions. (*Dawn, January 20<sup>th</sup>, 2023 Page 9*)

### *US help sought for IMF programme revival*

[Back]

Pakistan sought the US support in reviving the IMF programme to facilitate soft landing of its economy marred by exogenous challenges like floods and adverse global economic conditions. During a meeting, Finance Minister Ishaq Dar asked a visiting US delegation to help convince the Washington-based multilateral lender to be lenient towards Pakistan in restoring the programme while understanding the challenges created by floods and other external factors. (*Dawn, January 26, 2023 Page 1*)

### *Govt ready to unleash taxes worth Rs200bn to appease IMF*

[Back]

The government has prepared two draft ordinances to impose Rs200 billion in new taxes, days after the government accepted International Monetary Fund's (IMF) demands to resume a stalled loan programme. The government is also mulling discontinuing the power sector subsidy and unleashing sales tax on raw materials for the export sector, especially textile industrialists measures. More hikes in electricity and gas tariffs are also on the agenda.

The two draft ordinances prepared by the country's top tax machinery related to the imposition of Rs100bn taxes and an Rs100bn flood levy on imports. 'We have prepared both ordinances,' adding that there would be an increase in withholding tax rates and regulatory duty on luxury items. Besides, the massive devaluation of the rupee in the outgoing week is also expected to generate additional revenue for the Federal Board of Revenue (FBR). The flood levy, to be collected by the FBR at the import stage, will be used to bridge a shortfall in the petroleum development levy (PDL).

The IMF has estimated a shortfall of Rs300bn under the PDL and asked the finance ministry to increase this levy to Rs50 per litre on petrol and diesel from Rs35 at present. This decision was expected in the next review of petroleum prices on Jan 31, the source said, which could result in Rs20 to Rs40 per-litre hike in petroleum prices.

The IMF team is expected to reach Islamabad on Jan 31 for talks after Prime Minister Shehbaz Sharif gave assurance for implementing these policy measures, which were delayed for almost four months for political reasons as they could have fuelled already-high inflation. However, the government had to accept IMF conditions after the lender refused to budge. (*Dawn, January 29<sup>th</sup>, 2023 Page 1*)

*Pakistan's currency shock is first step toward IMF loan revival*

[Back]

Pakistan has taken a first step toward reviving its bailout program with the International Monetary Fund by easing its control on the currency, which is among a slew of other decisions to be taken by the government to meet conditions set by the global leader, Bloomberg reported. Multiple other steps to meet the IMF conditions include increasing fuel and energy prices and raising more taxes, which together with the currency slump of about 13 percent in the past two days may further stoke inflation.

Pakistan will have to increase petrol and diesel prices between 15 percent and 42 percent, according to estimates by Karachi-based brokerage Arif Habib Ltd. The exact price hike will depend on whether the IMF asks the government to collect a 17 percent general sales tax on fuel. It is already charging 50 rupees (\$0.2) a liter as tax on petrol.

So far, the nation has dodged the IMF by not accepting a key bailout condition of raising natural gas prices. There seems to be some traction now. The Oil and Gas Regulatory Authority has recommended the government increase gas prices by about 75 percent this month, while separately Sharif has set up a committee to find ways to reduce debt of about 1.6 trillion rupees in the gas sector.

After missing the tax collection target by 225 billion rupees in December, Dar said he plans to introduce a flood levy, a tax to cover the losses of floods in August that caused damages of about \$30 billion to the economy. Pakistan is in its 13th loan program since the late 1980s and it introduced multiple new taxes in the middle of the year to meet the IMF demand to increase revenue. (*The News, January 29, 2023 Page 17*)

*IMF Conditionality: Govt raises fuel prices in a gesture of compliance*

[Back]

The government has announced to increase the prices of petroleum products by Rs35 (petrol, diesel) and Rs18 per litre (kerosene oil, light diesel) with decision to immediately implement the increase few minutes after their announcement by finance minister Ishaq Dar.



Finance Minister in a press statement issued through state-owned news channel stated that devaluation of rupee and 11 percent increase in petroleum prices in the international market were taken into consideration to increase the prices of petroleum products. Dar said it was decided to increase the price of petrol and diesel by Rs35 and the price of kerosene oil and light diesel oil by Rs18 per litre.

Dar stated that after the increase in petroleum prices, the price of petrol is Rs249.80, High speed diesel Rs262.80, Kerosene oil Rs189.83 and light diesel oil Rs187 per litre. He said that immediate action taken on the recommendation of the Oil and Gas Regulatory Authority (Ogra) would help counter the artificial shortage of petroleum prices reported in some part of the country. He said there were reports of artificial shortage in some areas; therefore, Ogra recommended that prices to be immediately implemented. He said that last week, the value of Pakistani rupee has decreased significantly, but the government has not increased the price of petrol from October to January 29 instead the prices were reduced. Sources in the finance ministry said that the government has increased petroleum levy on high speed diesel from Rs35 on per litre to Rs40 whereas PL on kerosene was decreased to Rs0.32 per litre from Rs6.22 per litre and light diesel oil were reduced to Rs27.25 from Rs30.45.

Federal government decided to increase the petroleum levy (PL) on HSD by Rs5 per litre to meet a monthly target of Rs32 billion. The PL rate on kerosene oil and light diesel oil whose consumption was increased significantly in the winter have been reduced by Rs5.9 per litre and fixed at 32 paisa and LDO Rs30.45 to Rs27.25 per litre or Rs3.2 per litre. When contacted a senior FBR official told Business Recorder that the sales tax has not been imposed on petroleum products. Sales tax rates remained zero percent on POL items. In this regard, Revenue Division has moved a summary to Finance Minister Ishaq Dar for imposing a lower rate of sales tax on all petroleum products, but the FBR's proposal was rejected by the Finance Minister. Therefore, the FBR has not issued any notification. The FBR wanted to gradually raise the sales tax rate of petroleum products, the official added. (*Business Recorder, January 30<sup>th</sup>, 2023 Page 1*)

*Subsidies, security costs `on chopping block` to placate IMF*

[Back]

The government may have to withdraw energy subsidies to big export industries, besides cutting non-salary, non-essential civil and security costs as part of harsh reforms required to obtain the International Monetary Fund's consent for an economic bailout that ensures soft landing for the poor and vulnerable. Hence impact on the rich and well-to-do people would be proportionate to their purse, both in terms of an increase in energy tariff and an additional tax burden. The officials conceded that about 30 per cent population was already below poverty line and being looked after through various social sector support programmes, while another 22-25pc is the most vulnerable to the inflationary spiral and hence would have to be insulated from further shocks. This will

require a compassionate and empathetic view of the IMF mission. (*Dawn, January 31<sup>st</sup>, 2023 Page 1*)

## 7.6 # Kingdom of Saudi Arabia Aid

*S. Arabia mulls boosting investment in Pakistan to \$10bn*

[Back]

Saudi Arabia said it could increase its investments in Pakistan`s economy to \$10 billion, the Saudi state news agency reported, as well as increase the ceiling on deposits into the State Bank of Pakistan (SBP) by \$2bn, to \$5bn. Last month, the Saudis extended the terms of an existing \$3bn deposit in the SBP it made in 2021. SBP-held reserves have dropped to \$5.6bn the lowest in almost nine years and enough to cover less than one month of imports. The deteriorating economic outlook triggered downgrades, forcing authorities to announce austerity measures to reduce energy bills and save dollars. (*Dawn, January 11<sup>th</sup>, 2023 page 9*)

*Pakistan gets \$4bn lifeline as economic woes mount*

[Back]

Pakistan secured a lifeline of about \$4 billion from the United Arab Emirates and Saudi Arabia to sail through the immediate challenge of a sovereign default amid rapidly shrinking foreign exchange reserves, massive flood damages and an overall economic slowdown. Two separate official announcements said the UAE pledged to roll over \$2bn debt payable over the next two months and topped this with an additional \$1bn support. Separately, the Saudi Fund for Development (SFD) signed an agreement in Islamabad to fund \$1bn worth of oil imports on deferred payment. (*Dawn, January 13<sup>th</sup>, 2023 Page 1*)

## 7.7 # United Arab Emirates Aid

*UAE to loan \$1bn, roll over another \$2bn*

[Back]

The United Arab Emirates agreed to lend \$1 billion to Pakistan and roll over an existing \$2 billion loan, information minister said, offering some respite to a nation still reeling from devastating floods. (*Business Recorder, January 13<sup>th</sup>, 2023 Page 1*)

*UAE has rolled over \$2bn loan: SBP governor*

[Back]

Governor State Bank of Pakistan (SBP) Jameel Ahmad said that the UAE has rolled over \$2 billion loan and assured the businessmen of facilitating their imports on a suppliers` credit. (*Business Recorder, January 19<sup>th</sup>, 2023 Page 1*)

## 7.8 # World Bank

*WB urged to help restructure FIIP*

[Back]

The government has requested the World Bank (WB) for restructuring “Pakistan Financial Inclusion and Infrastructure Project” to complete the national payment system activities and reallocation of un-disbursed funds. Official documents revealed that the Financial Inclusion and Infrastructure Project (FIIP) was conceptualised to support the



implementation of Pakistan's National Financial Inclusion Strategy (NFIS) of the State Bank of Pakistan (SBP). The SBP developed the NFIS with the support of the World Bank through a Reimbursable Advisory Service (RAS) in 2015. The government requested World Bank support to help meet the objectives of the NFIS through the FIIP; which was approved by the WB Board on June 15, 2017. The FIIP is a US\$137 million operation. (*Business Recorder, January 2<sup>nd</sup>, 2023 Page 1*)

*Punjab plans Rs60,000 monthly ration package for families with two kids: CM* [Back]  
Punjab Chief Minister Chaudhry Parvez Elahi has said his government has planned an initiative to give Rs60,000 monthly ration package to the families having two or less children to encourage family planning by involving the World Bank. (*Dawn, January 7<sup>th</sup>, 2023 Page 2*)

*WB projects 2pc growth* [Back]  
The World Bank has projected Pakistan's GDP growth rate at two percent in the fiscal year 2022-23, half the pace that was anticipated last June, while saying that the country faces challenging economic conditions, including the repercussions of the recent flooding and continued policy and political uncertainty. The bank in its latest report, "Global Economic Prospects" stated that Pakistan, with low foreign exchange reserves and rising sovereign risk, saw its currency depreciate by 14 percent between June and December and its country risk premium rise by 15 percentage points over this same period. (*Business Recorder, January 11<sup>th</sup> 2023 Page 12*)

*World Bank to finance two hydropower projects in KP* [Back]  
The World Bank will provide financial assistance for beginning construction work on two hydropower projects of 245 megawatts in Swat district of Khyber Pakhtunkhwa this year, which will generate an annual income of more than Rs13 billion for the province upon completion. (*Business Recorder, January 16<sup>th</sup>, 2023 Page 13*)

*WB delays approval of \$1.1bn for Pakistan* [Back]  
The World Bank has delayed the approval of two loans for Pakistan worth \$1.1 billion until the next fiscal year pending some steps on the country's energy debt and tariffs, a finance ministry source told Reuters. The approval of the loans have been pending since June, said the source, declining to be named as they were not authorised to talk to the media. Pakistan's next fiscal year starts in April. The South Asian nation of 220 million is still reeling from devastating floods that have led to losses of more than \$30 billion. Foreign exchange reserves held by the State Bank of Pakistan fell to \$4.3bn earlier this month, barely enough for three weeks of imports. (*Dawn, January 19<sup>th</sup>, 2023 Page 9*)

## 8 # POLICY

### 8.1 # Developmental Policy

*Dam fund at Rs16.35bn, work `hit by floods`*

[Back]

The Supreme Court was informed that various factors, including recent floods and Covid19, delayed the construction of the Mohmand and Diamer-Bhasha dams for at least nine months to a year. In addition to the natural disasters, development funds have also not been released by the government to help ameliorate the equity injections on part of Wapda for the construction of the dams. The total cost of Mohmand Dam was Rs260bn of which Wapda's equity is Rs29bn whereas the completion date for the Mohmand Dam is May-June 2025 and Diamer-Basha is 2028. Meanwhile, the planning sec-retary told the court that his department has requested the prime minister for early disbursement of Rs2.4bn for Mohmand Dam. (*Dawn, January 13<sup>th</sup>, 2023 Page 1*)

*Centre spends 44pc less on development in 1HFY23*

[Back]

The federal development spending fell drastically by 43.68 per cent to Rs151.42 billion in the first half year (July-December) of the current fiscal year from Rs268.87bn over the corresponding period last year to create a space for unbridled current expenditures. In absolute terms, the expenditures so far account for 20.82pc of the total revised allocation of Rs727bn, drastically short of the development spending target, according to data released by the Ministry of Planning and Development. The breakdown showed that the utilisation of development funds by state-run corporations stood on the higher side chiefly because of a more than 32pc surge in power sector projects which increased to Rs36.45bn from Rs27.6bn in 1HFY22. NHA's expenditure on the other hand dropped to Rs25.87bn in 1HFY23 against Rs35.72bn in the corresponding period last year. (*Dawn, January 17<sup>th</sup>, 2023 Page 9*)

*Rs2bn hydropower project inaugurated in Mansehra*

[Back]

Irrigation minister Arshad Ayub inaugurated the Kotkay small hydropower project after the completion of work at the cost of over Rs2 billion. (*Dawn, January 18<sup>th</sup>, January 2023 Page 8*)

### 8.2 # Neo-Liberal Policy

*Privatisation: govt delists SME Bank*

[Back]

The government has delisted SME Bank from privatisation list as no bank is ready to acquire it due to its poor financial condition and monthly Rs100 million loss, well informed sources told Business Recorder. Under the Companies Ordinance 1984, Government of Pakistan holds 93.88% shares in the SME Bank, whereas the rest are held by the National Bank of Pakistan, United Bank, MCB Bank, Habib Bank, Allied Bank and Industrial Development Bank limited to the aggregate of 6.12%. (*Business Recorder, January 12 Page 12*)

### *Senate body briefed about privatisation process*

[Back]

The Senate Standing Committee on Privatization's meeting was held which took up privatisation issues including a briefing by the Ministry of Privatization in light of the meeting on the Cabinet Commission on Privatization (CCOP) on the Roosevelt, New York; SME Bank, and the Services International Hotel, Lahore, and Sukkur Electric Power Company (SEPCO). (*Business Recorder, January 13<sup>th</sup>, 2023 Page 2*)

### *Private sector invited to invest in KP tourism zones*

[Back]

Experts have invited the private sector to invest in integrated tourism zones (ITZs) in Khyber Pakhtunkhwa to boost up tourism and strengthen the provincial economy. (*Business Recorder, January 16<sup>th</sup>, 2023 Page 3*)

### *TAL JV allowed to sell Mamikhel gas*

[Back]

The government has allowed TAL Joint Venture to sell gas from Mamikhel South discovery to third party with the condition that relevant rules and procedure will be followed in letter and spirit and no adverse financial implications may be caused to the Government of Pakistan. (*Business Recorder, January 28<sup>th</sup>, 2023 Page 1*)

## **8.3 # Discovery**

### *Mari finds gas*

[Back]

Mari Petroleum Company Ltd said it made a gas discovery at its exploratory well Mari Ghazij-1, located in Mari Development and Production Lease (D&PL) in Sindh. Mari Petroleum is the operator of Mari D&PL with 100 per cent working interest. The well was spud in on Nov 24, 2022. It was successfully drilled down to the depth of 1,015 metres. (*Dawn, January 10<sup>th</sup>, 2023 Page 9*)

## **9 # ENVIRONMENT**

### **9.1 # Atmosphere**

#### *CDA cutting, uprooting trees for countering pollen risk*

[Back]

The Capital Development Authority (CDA) was uprooting and felling the Paper Mulberry trees to ensure a healthy and clean environment in the federal capital without the risk of pollen allergy.

The policy was devised regarding the eradication of Paper Mulberry trees and would be placed before the competent forum for approval soon, an official of CDA told APP. He said the planting of Paper Mulberry trees was completely banned here and it would be replaced with planting fruit trees to provide a healthy environment to the citizens. He further said the authority was committed to utilize resources to plant fruit trees after the cutting of paper Mulberry trees to reduce the risk of pollen pollution and to keep the capital beautiful.

Paper Mulberry has been notoriously known for causing serious respiratory ailments and pollen allergy that was not compatible with the local environment and caused health hazards. (*Business Recorder, January 2<sup>nd</sup>, 2023 Page 3*)

#### *Thick fog descends on Punjab areas*

[Back]

Different areas in Punjab experienced a heavy fog that forced the authorities to close many motorways. SMOG: Lahore was among the top three most polluted cities in the world. The air quality levels of Lahore fell to very unhealthy levels. The government also banned crop residue burning and ordered shifting brick kilns to zigzag technology. It raised antismog squads to check vehicular and industrial emissions. (*Dawn, January 3<sup>rd</sup>, 2023 Page 2*)

#### *Five killed in pile-up due to fog*

[Back]

Five people, including three brothers, were killed and four others injured in Faisalabad in a pile-up between three cars due to heavy fog. (*Dawn, January 8<sup>th</sup>, 2023 Page 2*)

#### *Three die in fog-related accidents*

[Back]

Three people died in two fog-related accidents. (*Dawn, January 9<sup>th</sup>, 2023 Page 8*)

#### *Tracing & Tracking: A bee story 75 %*

[Back]

Bees pollinate more than 75pc of all fruits, vegetables and nuts cultivated worldwide, but they are succumbing to severe human- caused stressors, including toxic pesticides, new diseases, and increasing heat, according to Bloomberg (*Dawn, January 9<sup>th</sup>, 2023, Business & Finance Page 4*)

## **9.2 # Health**

#### *Cabinet cuts medicine prices by up to 30pc*

[Back]

The federal government approved a proposal to reduce the prices of 20 medicines, including those used to treat blood pressure, cancer, eye infection and other complications. A health ministry spokesperson said the prices of most medicines have been slashed by 30 per cent. The cabinet has also approved a proposal to fix the prices of 54 other medicines. (*Dawn, January 4<sup>th</sup>, 2023 Page 5*)

#### *Fears of healthcare crisis mount amid import restrictions*

[Back]

The Healthcare Devices Association (HDA) has warned the relevant authorities of disruption of medical and surgical treatment facilities across the country after the recent restriction making registration with the Drug Regulatory Authority of Pakistan (Drap) mandatory for the import of medical and surgical equipment.

Medical devices range from syringes, cannulas, blood sugar, and blood pressure measuring devices to ultrasound, X-ray, CT scan, and MRI machines, and without medical devices, no hospital can provide healthcare facilities. [As] 90 per cent of the medical devices used in Pakistan`s hospitals are imported, due to the stoppage of

imports, the process of providing health treatment in hospitals has started to stop. (Dawn, January 5<sup>th</sup>, 2023 Page 1)

*Probe confirms meningoencephalitis behind 12 `mysterious` deaths* [Back]

The findings of the medical committee to investigate the cause of the death of 12 persons, most of the children and teenagers, at Basti Behram Leghari, Rukanpur, revealed that they all had died of meningoencephalitis. Explaining the condition, John Hopkins Medicine of the John Hopkins University, Maryland, USA, says: The meninges are the layers of thin tissue that cover your brain. If these tissues become infected, it's called meningitis. When your brain becomes inflamed or infected, the problem is called encephalitis. If both the meninges and the brain are infected, the condition is called meningoencephalitis. (Dawn, January 6<sup>th</sup>, 2023 Page 2)

*Importers, PMA fear serious shortage of medical, surgery equipment, demand withdrawal of restriction*

Speakers at a press conference called for immediate steps to avert what they described as an `imminent humanitarian and healthcare crisis` by withdrawing import restrictions on medical equipment including X-ray films, X-ray printers, imaging plates, ultrasound and mammography machines.

Medical devices range from syringes, cannulas, blood sugar and blood pressure measuring devices to ultrasound, X-ray, CT scan, and MRI machines. Ninety per cent of the medical devices used in Pakistan's hospitals are imported. Meanwhile, the Pakistan Medical Association (PMA) has also expressed its concern over the restrictions. (Dawn, January 5<sup>th</sup>, 2023 Page 14)

*Eight more show mysterious disease symptoms* [Back]

Eight more residents of Basti Behram Leghari were shifted to the Shaikh Zayed Medical College Hospital (SZMCH) with the symptoms of the unidentified disease that had earlier claimed lives of more than 10 persons, mostly children. The symptoms were detected among these persons when a committee formed and visited the village and screen the residents.

The committee members also collected the specimens from food, cattle and fodder with the help of officials of livestock department and the Punjab Food Authority (PFA). As per local sources, WHO member Dr Mufakir Mian had contradicted the view that meningoencephalitis caused the death of 12 residents of the village.

Dr Mufakir told the committee members that after discussing the symptoms with the other residents of the village, a report would be finalised in 74 hours to identify the disease. Meanwhile, the DHA officials have established a medical camp at Basti Behram that will be functional round the clock on the directions of health department high-ups. (Dawn, January 7<sup>th</sup>, 2023 Page 2)



*Up to 4m children still living next to contaminated floodwater: Unicef* [Back]

The UN Children's Fund (Unicef) warned that up to four million children are still living near contaminated and stagnant floodwaters, risking their survival and well-being, more than four months after a national state of emergency was declared in Pakistan.

Acute respiratory infections among children, a leading cause of child mortality worldwide, have skyrocketed in the flood-stricken areas. In addition, the number of cases among children identified as suffering from severe acute malnutrition in the flood-affected areas monitored by Unicef nearly doubled between July and December as compared to 2021, and estimated 1.5m children are still in need of life-saving nutrition interventions.

Unicef's current appeal of \$173.5m to provide life-saving support to women and children affected by the floods remains only 37 per cent funded. Children living in Pakistan's flood-affected areas have been pushed to the brink. Nearly 10m girls and boys are still in need of immediate, life-saving support and are heading into a bitter winter without adequate shelter. Severe acute malnutrition, respiratory and waterborne diseases, coupled with the cold, are putting millions of young lives at risk, he added.

Unicef and partners have started providing items such as warm clothing kits, jackets, blankets and quilts, aiming to reach nearly 200,000 children, women and men. In response to the worsening child survival crisis, more than 800,000 children have been screened for malnutrition; 60,000 were identified as suffering from severely acute malnutrition a life-threatening condition where children are too thin for their height and referred for treatment with ready-to-use therapeutic food (RUTF).

Unicef's health interventions have reached nearly 1.5m people with primary healthcare services so far, and 4.5m children have been immunised against polio in 16 flood hit districts. The UN agency and its partners have also provided more than one million people with access to safe drinking water, and one million with hygiene kits. (*Dawn, January 10<sup>th</sup>, 2023 Page 3*)

*MSF sees malaria cases, malnutrition among flood-hit* [Back]

The Medecins Sans Frontieres (MSF), also known as Doctors without Borders, is seeing alarmingly high number of patients with malaria and children with malnutrition among flood affected communities it assists in Sindh and Balochistan. Catastrophic flooding began in June, and the situation remains an emergency, with critical humanitarian needs. The current response is inadequate. The basic needs of people living in worst flood affected areas such as access to essential food assistance, healthcare and safe drinking water, remain unmet, the MSF said in a statement. (*Dawn, January 10<sup>th</sup>, 2023 Page 5*)

*AGP detects unauthorised expenditure of Rs867.85m in KP's health dept* [Back]

The Auditor General of Pakistan (AGP) has detected an unauthorised expenditure amounting to Rs.867.858 million in Health Department during financial year 2017-18,

said Audit Report on accounts of Khyber Pakhtunkhwa Year 2019-20. (*Business Recorder, January 16<sup>th</sup>, 2023 Page 3*)

*Govt told to ensure schoolchildren get nutritious meals*

[Back]

The Lahore High Court, Rawalpindi bench, ordered the provincial government to formulate a policy for providing nutritious meals to children at schools of Punjab by expanding the fundamental rights to children under the Constitution.

The petitioner had sought directions to both the federal and provincial governments to declare the fundamental rights of child citizens, including right to nutritious food, right to proper development, to maximize benefit from education and right to education, as an unqualified right and to further expand the said rights in light of provisions of Articles 4, 9, 14, 25A and 38 of the Constitution. (*Dawn, January 19<sup>th</sup>, 2023 Page 3*)

*Years of neglect leaves national health gasping for relief: PMA*

[Back]

Describing the health status of the country as depressing, the Pakistan Medical Association (PMA) said that health indicators had gone from bad to worse in Pakistan and that there was an immediate need for intervention. The governments at the federal and provincial levels must admit persistent criminal negligence on their part. Had there been any proper investment in preventive healthcare and education, the situation would have been far better today irrespective of the scale of any disaster that might hit us, PMA. Citing the WHO recommendations, he said the health budget of any country should be at least six per cent of the GDP. In our case, however, the health budget had remained 1.2pc of the GDP out of which 80pc was consumed by salaries and administrative expenditures. A major chunk of the [remaining] 20pc budget allocated for the masses is taken away by corruption, leaving a negligible amount for poor patients. (*Dawn, January 22, 2023 Page 13*)

*Pakistan among nations at risk from toxic fat: WHO*

[Back]

Pakistan is among the countries where industrially-produced fat still poses a risk to a considerable number of the population, the World Health Organisation said. Industrially-produced trans-fat is often used in packaged foods, baked goods, cooking oils and spreads. The WHO called in 2018 for harmful trans-fatty acids to be wiped out by 2023. They are thought to be responsible for around 500,000 premature deaths from coronary heart disease each year.

Nine of the 16 countries with the highest estimated proportion of coronary heart disease deaths caused by trans-fat intake were not implementing best-practice policies. They include Australia, Azerbaijan, Bhutan, Ecuador, Egypt, Iran, Nepal, Pakistan and South Korea. The WHO called on the countries to take urgent action to implement the best-practice policies.



Trans-fat elimination policies were in place in 60 countries, covering 3.4bn people or 43 per cent of the world`s population. Of those countries, 43 are implementing best practice standards. Best practice means either a mandatory national limit of two grams of industrially-produced trans-fat per 100g of total fat in all foods; or a national ban on the production or use of partially-hydrogenated oils, which are a major source of trans-fat.

Separately, as the global health agency deals with a number of emergencies across the world, including the war in Ukraine, health impacts of conflicts in Yemen, Afghanistan, Syria and Ethiopia and floods in Pakistan, it appealed for more funds to continue its work. The WHO appealed for \$2.54bn to help millions facing health emergencies around the world in 2023. (*Dawn, January 24<sup>th</sup>, 2023 Page 12*)

#### *Outsourcing of over 50 more hospitals put on hold*

[Back]

The health department has put on hold the process of outsourcing 58 hospitals till a decision is made about the pending amount of the already contracted out health facilities to private parties in the province. The health department has linked contracting out more hospitals to government`s approval about availability of funds and has stopped the process midway, according to officials. An inquiry is also under way to evaluate the performance of the 11 contacted out hospitals before release of the outstanding amount of Rs938 million to the private organisations. (*Dawn, January 30<sup>th</sup>, 2023 Page 9*)

#### **KEAMARI INCIDENT**

##### *Toxic emissions from factories kill 18 in Keamari in two weeks*

[Back]

As many as 18 people, including 16 children, died in a Keamari locality over the past few days due to inhaling toxic gas emitting from some factories functioning in the residential neighbourhoods, health department confirmed. Officials said that the 18 deaths took place over a period of two weeks between Jan 10 and 25 in Ali Muhammad Goth, Mowach Goth, Keamari. On Thursday, a team of health department was sent to the area concerned and according to their preliminary investigation, `the cause of deaths is some chemicals which are developing interstitial lung disease`. The authorities swung into action as soon as TV channels started reporting the death of 20 persons as breaking news. They not only dispatched a team to the area concerned but also approached the environment department to take action against the factories emitting hazardous gases.

The officials feared that the number of mortalities might be higher than 18. It said that the victims, who had initial symptoms of fever, sore throat and shortness of breath, died within five to seven days of the onset of illness. They said that the symptomatic patients had no rashes or conjunctivitis. However, the area people complained of a severe irritating smell in the air.

Community elders told the visiting health department team that two factories, constructed within their village, were emitting gas with foul odour causing throat irritation. In a letter addressed to the Sindh environment department, District Health Officer Keamari Dr Arif ur Rehman stated that the health department's team found a few factories emitting noxious gases and these deaths `occurred after week of these factories` opening`, which are likely to be the cause of these respiratory tract-related illnesses and deaths in the locality.

Sources said that at least two factories operating in the residential locality had been sealed and a team of Sindh Environmental Protection Agency is due to visit the affected neighbourhood. Keamari Deputy Commissioner Mukhtiar Abro told Dawn that there were three factories established illegally in houses in the locality. He said that four persons, including the owner of a factory, had been taken into custody. (*Dawn, January 27<sup>th</sup>, 2023 Page 13*)

*Mystery shrouds Keamari deaths as probe remains inconclusive* [Back]  
Health authorities and environment officials collected blood and mucus samples of hundreds of residents. While the authorities also sealed three more industrial units and set up medical camps, it remained unknown what mysterious product these manufacturing plants were producing. The suspected cause include emission of gases from the nearby plastic/oil [factories] and the newly established factory deriving iron ore from rocks or/and post measles complications, the initial report added. A Sindh Environmental Protection Agency (Sepa) team, which collected samples, expressed its shock over the operation of `illegal factories` in the residential areas, saying they only learnt about their presence after the disaster.

Mystery shrouds manufacturing plant The residents of the suburban neighbourhood see the administration's response as quite late. They believe that the tragedy was in the making for the past several months, but no action was taken. `These factories have been here for the past few months,` said an Ali Muhammad Goth resident wishing not to be named. `We have seen `foreigners` at one of the units. They visit there. They work there and their engagements and level of activities suggest that they own one of the factories. We don't know what they produce. Some people here in our area, who had worked as labourers, say that they produce `limonite`. And for that they bring huge black rocks here at the factory regularly,` he said. It is not only that the area people have no information about the production details of these sealed factories, the authorities also appear to be clueless or at least show their ignorance about the nature of production of factories even after 24 hours of the tragedy. (*Dawn, January 28<sup>th</sup>, 2023 Page 13*)

*Measles outbreak may have played a role in Keamari deaths* [Back]  
A detailed investigation report by the office of Sindh's director general health said that measles outbreak could be one of the probable causes of deaths in the area, but a final

verdict could only be given after confirmation from the National Institute of Health (NIH), Islamabad, where blood samples had been sent for analysis. “As many as 49 people were found sick in the area, of which 40 (81 per cent) infected people were in the age group of less than 11 years. All were unvaccinated against vaccine-preventable diseases, including measles. During active search in the community, the investigation team observed cases of suspected measles,” said the report.

On the other hand, first responders to the incident, including the district health officer (DHO), reported a very foul smell in the affected area during the visit on January 26, said the report, adding that all the infected persons were living in the surrounding area (10 to 20 feet) of factories of rubber, plastic, stone and oil. According to the residents of the affected area, a sudden surge of “shortness of breath” cases had surfaced after the start of the factory on January 5. “Around 26 (53 per cent) cases have been reported from six families. After the closing of factories (January 26), the team and residents observed an absence of foul smell in the infected area during a visit on January 27. So, on the basis of the above findings, an environmental cause, i.e. the presence of toxic gases, could not be ruled in the deaths,” reads the report.

The report also states that the most affected group was children between two and four years, whose most common symptoms were fever, cough and shortness of breath. Other symptoms included pneumonia, redness of eyes, burning of eyes, itching in eyes, headache, nausea, dry mouth, dizziness and abdominal cramping. Of the 49 who exhibited any of these symptoms, 26 were living in six houses close to the factories.

In their initial investigation report, the investigators had suspected that burning shredded tyres for the extraction of iron from iron ore and melting plastic had caused respiratory distress, sore throat and fever in dozens of people in Ali Muhammad Goth who had inhaled the toxic fumes for several days, leading to the deaths in the area. The authorities said that a total of six factories were closed down by the authorities, while over 20 factory owners had locked down their illegal factories operating in the area and fled fearing being arrested. (*The News, January 29, 2023 Page 13*)

*Manslaughter FIR lodged against factory owners in Keamari death case* [\[Back\]](#)  
Keamari neighbourhood, police registered a manslaughter and negligence case against owners of three such industrial units. Moachko SHO Chaudhry Shahid told Dawn that an FIR had been lodged against three nominated factory owners on the complaint of one of the residents whose four family members died recently in Ali Mohammad Goth located on Suparco Road near Mowach Goth. Earlier, the health department hinted that measles virus could not be excluded as a risk factor of outbreak that killed several people including children over the past two weeks. (*Dawn, January 30<sup>th</sup>, 2023 Page 13*)

*Factory owner remanded in police custody for Keamari deaths*

[Back]

A judicial magistrate remanded in police custody the owner of a factory in the Keamari deaths case. Police had arrested Khair Muhammad alias Sher Muhammad and booked him along with co-owners Shahid Husain and Saeed Khan of a plastic recycling factory. (*Dawn, January 31<sup>st</sup>, 2023 Page 13*)

## 10 # CLIMATE CHANGE

*Rabi Crops: Dry weather may scale up need for irrigation in Jan*

[Back]

Dry weather is expected to scale up the need for Rabi crops irrigation in January 2023, as the season's primary produce - wheat is at its initial stage of growth, the Met Office said. In a weather outlook for Jan 2023, the Met said that the wheat will need irrigation for a healthier growth, since weather continues with its dry spell. In addition, it said, frost is also expected to grip some areas of upper Punjab, Khyber Pukhtunkhwa, and Kashmir particularly during the first fortnight of January.

Farmers are urged to step up measures as a precaution to protect vegetables and orchards keeping in view the frosting weather. It said that dry condition will have a negative impact on air quality index in urban parts of southern and central Punjab, producing smog conditions, which may result in health issues. Clear sky condition will favor mist and fog formation over plain areas of Punjab and upper Sindh, especially during late night and early morning hours of the day.

Overall, it said, there is a tendency for a normal to below normal rainfall in the country in January. Nearly normal rainfall is likely over rest of Punjab and Sindh. Rainfall is expected to remain below normal over northern and western parts of the country including northern Punjab, Khyber Pakhtunkhwa, Kashmir, Gilgit-Baltistan and western areas of Balochistan. (*Business Recorder, January 4<sup>th</sup>, 2023 Page 3*)

*Governance reforms urged to combat climate change issues*

[Back]

While the \$10 billion international commitments for Pakistan's post-flood recovery and rehabilitation is likely to mature, the country needs to go for institutional and governance reforms to combat the challenges of climate change in the long-run. (*Dawn, January 15<sup>th</sup>, 2023 Page 4*)

## 11 # SOCIAL PROGRESS

*Floods, political instability have taken heavy toll on economy: experts*

[Back]

The economic outlook of the country has deteriorated significantly owing to the floods and political bickering, experts said. Real GDP growth is expected to slow from 6.0 percent in FY22 to around 2.1 percent in FY23, as a result of high-base effects, flood-

related damages and disruptions, a tight monetary stance, high inflation, and a less conducive global environment, they added.

Pakistan it seems is caught in the midst of a perfect storm of adversities with spiraling inflation, falling reserves and external vulnerabilities. Pakistan's external position has again depicted vulnerability where despite a relatively controlled current account deficit (CAD) under the new regime (\$3.1 billion in five months of FY23 versus \$7.2 billion in 5MFY22), \$23 billion in debt maturity in FY23 amid dwindling forex reserves (\$5.8 billion as December 29, 2022) has rung alarm bells. At the same time, GDP growth in FY23 is expected to slow to 2.1 percent, driven by high base effects, flood related damages and disruptions, high inflation and less conducive global environment, it added.

“With average five months of FY23 headline CPI at 25.14 percent and full year expected at 24.9 percent, core inflation (trimmed) in November 2022 at 19.8 percent (Urban) and 25.4 percent (Rural), and the urgent need to get IMF on board, we foresee further rate hikes in the days ahead. In this regard, our economist expects the policy rate to settle at 18 percent with no easing expected in CY23. That said, from second half of CY22, we do foresee inflationary pressures easing off, primarily due to high base effect.” (*Business Recorder, January 3<sup>rd</sup>, 2023 Page 7*)

#### *Govt extracts Rs100bn more from telecom sector*

[Back]

The consumers of telecom and internet services paid Rs100 billion more in duties and levies during the fiscal year ending on June 30, 2022. Overall the telecom sector contributed Rs325.2bn to the national exchequer in 2021-22 compared to Rs225.8bn in the preceding fiscal year. (*Dawn, January 11<sup>th</sup>, 2023 page 9*)

#### *WEF foresees 10 major risks*

[Back]

Pakistan may face digital vulnerability and cybersecurity, rapid inflation, debt crisis, possible state collapse, interstate conflict and terrorism as top risks for the next 24 months. According to the World Economic Forum's Global Risks Report 2023, “Conflict and geo-economic tensions have triggered a series of deeply interconnected global risks. These include energy and food supply crunches, which are likely to persist for the next two years, and strong increases in the cost of living and debt servicing.

The report about Pakistan described that a combination of extreme weather events and constrained supply could lead the current cost-of-living crisis into a catastrophic scenario of hunger and distress for millions. This can also turn the energy crisis towards a humanitarian crisis. Energy shortages – because of supplier shut-offs or natural, accidental, or intentional damage to pipelines and energy grids, could cause widespread blackouts and fatalities, if combined with seasonal extreme weather.



The Global Risk Report 2023 identified the top 10 risks that pose the biggest threats to Pakistan in the next two years have been identified as: (1) Digital power concentration and monopolies;(2) Failure of cybersecurity measures (including loss of privacy, data fraud or theft, cyber espionage);(3) Rapid and/ or sustained inflation;(4) Debt crises;(5) State collapse;(6) Lack of widespread digital services and digital inequality;(7) Interstate conflict;(8) Terrestrial biodiversity loss and ecosystem collapse;(9) Terrorist attacks; and (10) Employment and livelihood crisis.

The World Economic Forum in the Global Risk Report says that estimates suggest, over 800,000 hectares of farmland have been wiped out by 2022 floods in Pakistan – this has resulted in increasing commodity prices significantly in a country that is already grappling with record 27 per cent inflation. (*Business Recorder, January 12 Page 12*)

*Income tax on salaried people: FBR identifies Rs28bn gap* [Back]

The tax gap for income tax on salaried income is approximately Rs28 billion and non-salaried approximately Rs755 billion, according to the tax gap report (2022). The Federal Board of Revenue (FBR) first report on tax gap analysis-2022 revealed that the corporate tax gap is estimated to be approximately Rs395 billion in 2020-21. The compliance gap in income tax is Rs730 billion which is 31 percent of the potential collectable income tax. However, based on the Labour Force Survey, the FBR has calculated tax gap of salaried class of Rs31 billion. The information on individual incomes and tax data is required to estimate the income tax revenue potential. (*Business Recorder, January 12 Page 12*)

*Rs19bn in BISP funds disbursed among 143,000 govt officials* [Back]

The office of the Auditor General of Pakistan (AGP) informed the Public Accounts Committee (PAC) that Rs19 billion of the Benazir Income Support Programme (BISP) had been illegally distributed among 143,000 government officials. Of the 143,000 ineligible beneficiaries who were in the government service, 2,500 had been working in BS-17 and above. (*Dawn, January 13<sup>th</sup>, 2023 Page 3*)

*Economist sees GDP growth in negative arena* [Back]

All economic indications of the first six months of the current year suggest that Pakistan's GDP growth will be in the negative arena even though the World Bank has projected it at positive two percent. (*Business Recorder, January 13<sup>th</sup>, 2023 Page 12*)

*Jul-Dec remittances fall 11pc to \$14.1bn YoY* [Back]

Inflows of home remittances recorded a decline of 11 percent during the first half of this fiscal year (FY23) mainly due to exchange rate volatility. According to State Bank of Pakistan (SBP), cumulatively the country has received home remittances inflows amounted to \$14.1 billion July-Dec of FY23 compared to \$ 15.8 billion in the same period of last fiscal year (FY22), depicting a decline of \$1.7 billion. (*Business Recorder, January 14<sup>th</sup>, 2023 Page 1*)

*Pakistan`s productivity growth averaged 1.5pc in 2010s: study* [Back]  
Pakistan`s average productivity growth remained just 1.5 per cent from 2010 to 2020, significantly low to achieve the required GDP growth rate of around 7-8pc on a sustainable basis, a new study shows. (*Dawn, January 16<sup>th</sup>, 2023 Page 3*)

### 11.1 # Food

*USC to provide essential commodities on subsidized rates from today* [Back]  
The Utility Stores Corporation (USC) under Prime Minister Relief Package would provide subsidized essential food items from January 1, 2023 across the country through its countrywide network to provide maximum relief to common man. A press release issued by the corporation reaffirmed its resolve to facilitate the nation in providing more efficient and transparent subsidies to the people under the Prime Minister Relief Package to reduce their hardships and provide them maximum relief. (*Business Recorder, January 1<sup>st</sup>, 2023 Page 5*)

*Experts say bio-fortified wheat offers food security solution* [Back]  
Authorities in Pakistan anticipate considerable climate-related decline in wheat production for the 2022-2023 season. And yet, food and agriculture experts are hopeful that production of zinc-enriched bio-fortified wheat will rapidly increase to approximately 5.4 million metric tonnes (MT) in the wheat cropping season of 2023, up from 3.5 MT in 2022. Zinc wheat has the potential to help bring food security to Pakistan, as well as help overcome widespread and preventable zinc deficiency in the larger population.

“Pakistan is leading the way globally when it comes to scaling zinc wheat production,” said Jenny Walton, HarvestPlus Head of Commercialization and Scaling, following a recent visit to Pakistan during which she inaugurated zinc wheat flour production at a chakki mill in Faisalabad. “Zinc wheat has commercial benefit for all supply chain players and results in a nutritious product that consumers need and want,” she added. Economists believe that malnutrition costs Pakistan USD 7.6 billion every year due to lost labor, healthcare expenses, and lower productivity of human capital. (*Business Recorder, January 15<sup>th</sup>, 2023 Page 6*)

*Only fortified crops offer sustainable food security, better nutrition in Pakistan* [Back]  
Amid fears of considerable decline in the wheat production due to effects of climate change for the 2022-2023 season, biofortified crops, especially Zinc-enriched wheat, has the potential to help bring food security to Pakistan and overcome widespread and preventable zinc deficiency in the larger population, food and agriculture experts said.

Pakistan faces serious challenges of food insecurity and malnutrition, especially among women and children. Nearly one in every five children under five years old and over 20 per cent of women are zinc deficient. Climatic changes, including extreme flooding, have further deteriorated the situation. Economists believe that malnutrition costs



Pakistan \$7.6 billion every year due to lost labour, healthcare expenses, and lower productivity of human capital.

Authorities in Pakistan anticipate considerable climate-related decline in wheat production for the 2022-2023 season, and yet food and agriculture experts are hopeful that production of zinc-enriched biofortified wheat will rapidly increase to approximately 5.4 million metric tonnes (MT) in the wheat cropping season of 2023, up from 3.5 MT in 2022. (*The News, January 15<sup>th</sup>, 2023 Page 15*)

*Centre blames provinces for wheat `shortage`*

[Back]

Minister for National Food Security and Research Tariq Bashir Cheema said that rules did not allow import of GMO food products since they had harmful effects on health. `Before 2015, GMO soybean was not part of poultry feed and there are alternatives available,` he added, adding that the import bill of oil seed was expected to be \$6 billion this year, and emphasised that provinces should promote oil seed cultivation to reduce the burden on the exchequer. (*Dawn, January 5<sup>th</sup>, 2023 Page 3*)

## 11.2 # Food Scarcity

*Call to reduce food consumption gaps in flood-hit areas*

[Back]

The United Nations and humanitarian agencies have called for urgent action to reduce food consumption gaps and save lives and livelihoods of people affected by floods in Balochistan, Sindh and Khyber Pakhtunkhwa. The food security snapshot given in the Integrated Food Security Phase Classification report, estimates that the high level of acute food insecurity experienced by nearly 6 million people between July and August 2022, is projected to increase to 8.5m people by the end of December 2022. Of these, around 2.6m people are in the emergency situation and 6m in the crisis situation across the 38 districts that were analysed. In the acute food insecurity analysis, 12 rural districts of Balochistan, seven of KP and nine of Sindh were analysed, amounting to around 9.2 per cent of Pakistan`s population. (*Dawn, January 3<sup>rd</sup>, 2023 Page 9*)

*Shortage of ghee, cooking oil looms*

[Back]

With rising prices of wheat flour and chicken already hitting most household budgets, two more staples ghee and cooking oil are also going to be short in supply as well as costlier ahead of the holy month of Ramazan if corrective measures are not taken immediately. Producers are fast running out of palm oil, soybean oil and sunflower following banks` reluctance in opening the letters of credit (LCs) and retiring documents for clearance of goods despite the fact that these raw materials were listed as essential items by the State Bank on Dec 27, 2022. Lifting of 358,000 tonnes of edible oil from the Customs Bonded Warehouses has been suspended as banks are turning down requests for opening of LCs. (*Dawn, January 6<sup>th</sup>, 2023 Page 9*)

*Desperation for subsidised flour claims labourer`s life in Mirpurkhas* [Back]

While people have been protesting across the province against meager supply of subsidised flour, a labourer was killed in a stampede when several hundred people stormed the few trucks laden with wheat flour as soon as the consignment arrived a designated spot, Gulistan-i-Baldia Park, in Mirpurkhas. Several other people were injured in the incident. (*Dawn, January 8<sup>th</sup>, 2023 Page 13*)

*Several women injured in chaos at flour sale spot in Nawabshah* [Back]

Many women standing in queues to buy subsidised wheat flour at a designated spot in Nawabshah were injured, some of them seriously, in chaos as people jostled each other to reach the supply trucks first. (*Dawn, January 10<sup>th</sup>, 2023 Page 15*)

*Six months after floods, 14.6m need food support, warns IRC* [Back]

Six months since extreme flooding submerged one-third of Pakistan, five million people remain living in flooded areas, while food insecurity and malnutrition across the country has intensified, the International Rescue Committee (IRC) has said. The IRC is warning that an estimated 14.6 million people are in need of food assistance, including 8.6 million people who are experiencing an extreme level of food insecurity and are facing impossible decisions on how to cope, skipping meals and selling off assets. As winter takes hold and temperatures drop to below freezing, many communities affected by the floods now face the daunting challenge of surviving without housing, food, clean water and fuel sources for warmth. (*Dawn, January 25<sup>th</sup>, 2023 Page 3*)

*Subsidised flour sale stopped, chakki owners also shut operations over price control drive*

The sale of subsidised flour at Rs650 per 10kg bag has been stopped by the Sindh government while chakki owners have also shut their operations against price fixing by the Karachi commissioner. The provincial government has stopped sale of subsidised flour after withdrawing the subsidy. (*Dawn, January 25<sup>th</sup>, 2023 Page 13*)

## **WHEAT CRISIS**

*Balochistan turns to Centre for help as wheat crisis worsens* [Back]

Balochistan has requested the Centre to provide 600,000 bags of wheat on an emergency basis as it was facing an acute shortage which led to a massive hike in the price of flour. The province had also requested the Punjab government to provide 600,000 bags of wheat two months back but despite a promise by Chief Minister Parvez Elahi, the grain was yet to reach Balochistan. (*Dawn, January 4<sup>th</sup>, 2023 Page 5*)

*Centre blames provinces for wheat `shortage`* [Back]

Minister for National Food Security and Research Tariq Bashir Cheema announced that there was no shortage of wheat as all the provinces had sufficient stocks, but they were not releasing the staple. He said there was not only no shortage of wheat in the country,

but the position of strategic wheat reserves was also satisfactory. He said the federal government imported wheat to supply to provinces and `we will meet the demand of provinces if they approach us`. (*Dawn, January 5<sup>th</sup>, 2023 Page 3*)

*Wheat shortage, Financial Crisis: Balochistan seeks centre's help* [Back]

Balochistan Chief Minister Mir Abdul Quddus Bizenjo demanded the federation to immediately play its role to address wheat shortage and financial crisis in order to provide facilities to the people of the province. Punjab had promised to supply 0.6 million sacks of wheat and it is hoped that as a big brother, it will fulfill his promise, he said adding that we repeatedly told the federation to provide our share in view of NFC. (*Business Recorder, January 5<sup>th</sup>, 2023 Page 12*)

*Operation against wheat hoarders in Balochistan* [Back]

Amid acute wheat shortage leading to a steep rise in flour prices, authorities launched a crackdown against hoarders across the province. Official sources said a team headed by Assistant Commissioner Attaul Momin conducted raids in the Sabzal Road area on the outskirts of Quetta and recovered thousands of flour bags. The raiding party sealed many godowns and arrested 11 people for hoarding, (*Dawn, January 8<sup>th</sup>, 2023 Page 5*)

*Buying flour a 'fantasy' for low-income groups now* [Back]

Buying a bag of flour on record high prices has literally become a 'fantasy' for daily wagers and low-income groups who are desperately looking towards the government for resolution of their problems. According to the details, the per kilogram prices of flour has increased up to record Rs130 in twin cities of Rawalpindi and Islamabad, making it difficult for people especially belonging to lower strata of society to make their both ends meet. (*The News, January 8<sup>th</sup>, 2023 Page 3*)

*Balochistan sends SOS as it runs out of wheat* [Back]

Despite an SOS sent by the Balochistan government a day earlier, no consignment of wheat reached the province. Food Minister Zamarak Khan Piralizal had said that the food department had run out of its wheat stock and called for help from other provinces and the Centre. The federal, Sindh and Punjab governments are responsible for this crisis, the minister said, adding that despite the promise to provide 600,000 bags of wheat by Punjab Chief Minister Pervez Elahi, not a single bag was sent to the province. When the private sector tried to purchase wheat from other provinces, security forces did not allow the consignment to enter Balochistan from Punjab and Sindh due to the ban on inter-provincial transportation of wheat. He said Balochistan's annual wheat consumption is 10.52 million bags, and it needed 1.2m bags every month. (*Dawn, January 9<sup>th</sup>, 2023 Page 1*)

### *Subsidised wheat flour not easily available*

[Back]

Flour and wheat crisis further deepened in Punjab and Sindh as citizens found it difficult to receive subsidised flour at local shops. The shortage of flour left thousands of people in the lurch as they were seen returning empty-handed from shops. Those who managed to get flour complained that the sellers charged much higher than the official rates. There were reports that subsidized flour in green bags also wasn't easily available in the local markets. (*Business Recorder, January 9<sup>th</sup>, 2023 Page 12*)

### *Sindh govt vows to bring down retail price of flour to Rs95 a kilo*

[Back]

In a bid to control the rising prices of flour that hit all-time high to reach up to Rs150 per kg during the last week, the provincial government increased wheat quota of flour mills and claimed that the daily-use commodity would be available at Rs95 per kg in retail shops and open market in the next couple of days. The Sindh government has been providing subsidised flour on designated stalls across the province for Rs65 a kilo.

There are widespread reports of non-availability of the commodity at government rate and long queues of people and their protest demonstrations have become a routine feature from Karachi to Kashmir. (*Dawn, January 11<sup>th</sup>, 2023 page 13*)

### *Wheat prices sharply decline in Punjab*

[Back]

Wheat prices in the open market of provincial metropolis crashed after the provincial food department's announcement of increasing the quota of wheat to the flour mills from 21,000 metric tons per day to 26,000 metric tons per day. Sources in wheat trade said that the prices fell to Rs4,200 per maund from Rs5,400 per maund. (*Business Recorder, January 11<sup>th</sup> 2023 Page 2*)

### *Govt's reluctance to announce support price deepens wheat crisis*

[Back]

The government should declare 'agricultural emergency' in the country as its staple crop (wheat) is in deep crisis because of Punjab's reluctance to announce its support price and black market of fertilisers taking it out of farmers' fiscal reach. Khalid Mahmood Khokhar, president Pakistan Kissan Ittehad (PKI), claims. He says Pakistan has become a wheat-importing nation because of the government's wrong policies. (*Dawn, January 12, 2023 Page 2*)

### *Chakkis ready to sell flour at Rs80 a kilo if wheat quota raised*

[Back]

Office bearers of Atta Chakki Owners Social Welfare Association have announced they are ready to sell flour for Rs80 per kilo at their chakkis if food department increases their quota for wheat. The ministers' announcement of price for flour produced by roller mills at Rs95 was a great injustice when the official price of chakki flour was fixed at Rs75 by the government, they said. (*Dawn, January 12, 2023 Page 15*)

*Govt faces backlash from opposition over `artificial` flour crisis*

[Back]

A day after the Sindh government pledged to bring down retail price of flour to Rs95 a kilo, opposition parties slammed the provincial administration for allegedly creating an artificial crisis of the commodity due to which the market price of the daily-use item reached to Rs160 a kilo. (*Dawn, January 12, 2023 Page 13*)

*Food dept directed to ensure flour is sold at Rs95/kg*

[Back]

Sindh Chief Minister Syed Murad Ali Shah, after attending a donors' conference in Geneva, held a meeting regarding price control of atta, and directed the food dept to ensure Rs95 per kg price in the open market and Rs65 of subsidies atta. Minister Food Mukesh Kumar Chawla told the CM that his department was releasing 8,000 tonnes to 12,000 tonnes of wheat daily and added the wheat stocks to meet the province's wheat requirement till the end of February were available. (*Business Recorder, January 12 Page 7*)

*Punjab responsible for flour crisis in KP, insist dealers*

[Back]

Though the Khyber Pakhtunkhwa government has blamed flour crisis in the province on its counterpart in Sindh, the local traders disagree and insist that Punjab is responsible for the issue and whenever it withdraws the ban on the inter-province movement of wheat, the flour price will normalise. (*Dawn, January 13<sup>th</sup>, 2023 Page 8*)

*With flour price relief yet to reach masses, pulse crisis emerges*

[Back]

Just when the prices of wheat flour are soon going to ease, following a merciless upward trend witnessed over the past few months, another fundamental kitchen commodity started to become costlier for a people badly battered by the inflation. Prices of pulses are going up, thanks to the non-clearance of imported consignments at the port due to a delay in the approval of relevant documents by banks.

Karachi Wholesalers Grocers Association (KWGA) chairman Rauf Ibrahim said the traders held a protest outside the State Bank's head office against the no-clearance of over 6,000 containers of pulses at the port for the past two months on account of dollar shortage and banks' reluctance in approval of import documents. International suppliers are losing confidence and are cancelling contracts for future shipments as their current funds are stuck on Karachi Port. (*Dawn, January 13<sup>th</sup>, 2023 Page 9*)

*Punjab comes to Balochistan's rescue with 21,000MT wheat*

[Back]

Chief Minister Chaudhry Parvez Elahi announced sending 21,000 metric tonnes of wheat to Balochistan to help the province meet its needs. Balochistan requested the Punjab government to provide 10,000 tonnes, but we decided to send 21,000 metric tonnes more than their requirement, Mr Elahi said. (*Dawn, January 14<sup>th</sup>, 2023 Page 2*)



### *Federal govt says sufficient wheat stocks available*

[Back]

Federal Minister for National Food Security and Research Tariq Bashir Cheema said that a sufficient quantity of wheat stock is available in the country, and if any province needs the wheat then they should come and take the commodity. (*Business Recorder, January 14<sup>th</sup>, 2023 Page 1*)

### *Govt notifies open market flour prices*

[Back]

Commissioner Mohammed Iqbal Memon, who is also the controller general of prices and supplies, Karachi division notified ex-mill and retail rates of wheat flour for the open market with immediate effect and until further orders. According to a notification, the ex-mill selling price of the wheat flour is set at Rs95 per kg, the retail price at Rs98 per kg, and the chakki flour retail selling price is fixed at Rs105 per kg. (*Dawn, January 22, 2023 Page 14*)

### *Official claims he was removed for reporting wheat scam*

[Back]

Former Dadu district food controller (DFO) Mansoor Ahmed Mirani has revealed that he was removed from the post for exposing six of his subordinates involved in creating a wheat shortage in the area, according to sources in the department. The sources quoted him as saying that he had instituted an inquiry into the `artificial` shortage and the probe found the six food officials, involved in the scam. DFO Mirani had transferred the errant officials on the basis of the inquiry report and soon afterwards he himself was removed by the food secretary. (*Dawn, January 31<sup>st</sup>, 2023 Page 15*)



MUZAFFARABAD: Tandoor owners raise slogans during a demonstration at Yadgar Chowk. The *naanbai* association observed a strike in the A.J.K capital, creating problems for the people of the area. One of their representatives said wheat flour prices had swelled to record a Rs5,400 per 40 kilogram bag, making it impossible for them to sell roti at the price determined by the administration. Kamran Naqvi, president of the local *naanbai* association, said they will keep their business shut unless the government revises the prices. A meeting of the price control committee is likely to be held on Tuesday (today) to address the issue.—Online / Text by Tariq Naqash

### 11.3 # Poverty

*Official data shows 126 Tharis committed suicide last year*

[Back]

At least 126 people committed suicide in the desert district of Tharparkar in 2022, according to the record maintained by the Mithi SSP office. According to an official report, 70 women and 56 men committed suicide, most of whom due to abject poverty. The report added that 50 of the people who committed suicide were between 15-20 years, 63 were between 21-40 years, seven were aged between 41-60, while six were above 60 years. The police officials, however, instead of properly investigating the actual cause of the incident, denied registering FIRs and labelled all the cases as of mental health problem. (*Dawn, January 2<sup>nd</sup>, 2023 Page 15*)

*BISP not making good on its promise*

[Back]

Balochistan is widely acknowledged as the poorest province in Pakistan. Various studies conducted over the years support the view. As much as 10-11 percent of Pakistan's total population living in poverty resides in Balochistan. According to the 2016 Report on Multidimensional Poverty, three out of four individuals in the province live below the poverty line. Despite the dire situation, the province is not receiving its fair share of poverty alleviation funds under the Benazir Income Support Programme.

A series of messages exchanged between officials of the Balochistan government and the federal government show that Balochistan's share of total beneficiaries of the BISP who receive unconditional transfers is a mere 4 percent. There are only 230,000 such beneficiaries in Balochistan. Discounting for a moment that it is poorer than the other provinces, Balochistan receives even less than its share according to population (6%).

This is exacerbating the problems faced by Balochistan which is already receiving less funds from the federal divisible pool due to under-reporting of poverty in the region. At present, Balochistan's share in the NFC Award is 9.09 percent; it should be 10.41 percent if the most recent poverty figures from the 2016 Report on Multidimensional Poverty are taken into account. Against this backdrop, the Balochistan government has requested the federal government to raise the province's share in the BISP programme. On April 23, Prime Minister Shahbaz Sharif announced in Quetta that an additional 500,000 households would be added to the existing list of BISP beneficiaries. He reaffirmed this commitment on June 3 and announced that the poor households in Gwadar will be added to the BISP list.

Although nearly nine months have passed since the prime minister announced this commitment, the BISP has not implemented it. Balochistan government have reminded the BISP of this commitment in three letters. On June 28, the chief minister wrote to the prime minister again and urged him to honour his commitment to raise the number of BISP beneficiaries in Balochistan. (*The News, January 15<sup>th</sup>, 2023 Page 24*)



## 11.4 # Unemployment

### *MDA fires over 100 employees*

[Back]

Malir Development Authority (MDA) sacked more than 100 employees from their jobs. As per details, the MDA has sacked employees from the engineering department, public housing, landed department and encroachment cell. The sacked employees include sub-engineers, clerks and the office in-charge. Earlier, the Supreme Court (SC) reinstated 16,000 sacked employees on humanitarian grounds. It was decided by the apex court that employees serving in BS-1 to BS-7 will be reinstated to their original positions while BS-08 to BS-17 employees will have to go through a commissioned test in order to maintain the transparency of government organizations. (*Business Recorder, January 1<sup>st</sup>, 2023 Page 5*)

### *7m people laid off in textile industry, associations claim*

[Back]

About seven million people in textile and textile-related industries have been laid off due to dwindling exports and the government's failure to end the economic crisis, representatives of the value added textile associations said. The current government does not have any policy to end the various crises affecting textile producers and exporters, they said. The industry is on the verge of closure as many units have already closed down. Several others are planning to either shut down or shift their production abroad. Textile factories are being deprived of necessary raw material and accessories. (*Dawn, January 10<sup>th</sup>, 2023 Page 9*)

### *Declining exports hurting economy, causing joblessness: PBF report*

[Back]

A detailed report of Pakistan Businesses Forum (PBF) stated that despite Pakistan's myriad political issues, the declining trend in exports has had a long-term negative impact on the country's economy. Due to decreasing exports and the government's failure to end the economic crisis, approximately seven million people in Pakistan's textile and textile-related industries have lost their jobs.

Exports fell for the second month in a row, falling 18.3% from \$ 2.9 billion a year earlier, proving that Pakistan's economy is consistently shrinking. In contrast, imports increased 11.3% to \$ 5.25 billion in November, resulting in a \$ 2.88 billion monthly trade deficit. Exports decreased by 3.5% to \$ 11.93 billion in the first five months of the current fiscal year — that is from July to November—from \$ 12.36 billion in the corresponding period of last year. (*Business Recorder, January 14<sup>th</sup>, 2023 Page 9*)

## 11.5 # Inflation

### *Inflation, price hike set daily wagers' purchasing power back several years*

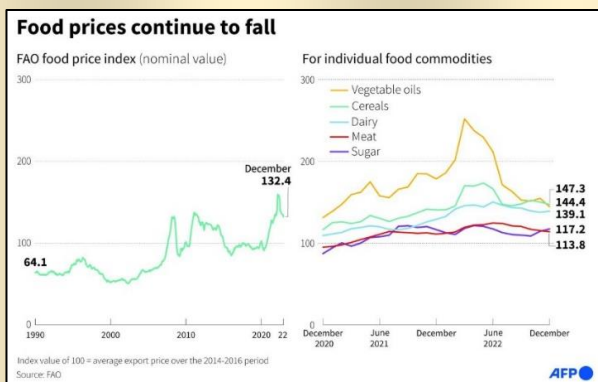
[Back]

CY2022 has not been an easy year on Pakistanis. Inflation averaged above 20 percent during the calendar year. Based on PBS data, average daily wage has increased from

Rs571 in January 2012 to Rs1,356 in December 2022, an increase of 2.37 times over a span of 11 calendar years (or 132 months).

During the 11-year period under review, an average Pakistani daily wager witnessed two major trends. The first trend lasted between December 2013 and September 2018, when an average household should have witnessed improvement in its food security as measured by affordability of various kitchen essentials. Post 2018, daily wagers have witnessed massive erosion in purchasing power, if retail prices of kitchen essentials are anything to go by. Today, an average daily wager can afford lower quantity of flour in than he did back in January 2012, fewer farm eggs, less fresh milk, fewer kilos of chicken meat, barely same kgs of rice and pulses such as moong, and far fewer liters of cooking oil. The only exception is refined sugar, where affordability has in effect improved, despite the rise in the absolute price of the commodity.

The tremendous escalation in prices of kitchen essentials may have put many more at the risk of food insecurity and malnutrition, especially at a time when the specter of job losses and mass layoffs looms ahead. (*Business Recorder, January 2<sup>nd</sup>, 2023 Page 16*)



### Short-lived respite from inflation reversed in December

[Back]

The rate of consumer inflation shot back up to 24.5pc in Dec after a temporary decline to 23.8pc in Nov affecting the country's rural population the most, as prices escalated by almost 29pc.

The average six-month (July December 2022) inflation increased to 25.02pc when compared to the same period in the previous year. It was more pronounced at about 28pc for rural areas home to more than two thirds of the population compared to their urban counterparts who faced 21.6pc inflation in Dec, and average of 23.1pc over six months. Most damaging impact was in the shape of 35.5pc food inflation in Dec 2022 and the increase in rate of prices of perishable items was even higher (56pc) in December 2022 when compared to December 2021. The PBS said the general inflation CPI increased to 24.5pc on a year-on-year (YoY) basis in Dec 2022 as compared to an increase of 23.8pc in the previous month. (*Dawn, January 3<sup>rd</sup>, 2023 Page 1*)

### *Inflation refuses to be tamed, rises to 24.5pc*

[Back]

The Consumer Price Index (CPI) based inflation increased to 24.5 per cent on a year-on-year basis in December 2022 as compared to an increase of 23.8 per cent in the previous month and 12.3 per cent in December 2021, says the Pakistan Bureau of Statistics (PBS).

The CPI in the first half (July-December) of the current fiscal year on average remained at 25.02 per cent compared to 9.81 per cent during the same period of the last fiscal year. On a month-on-month basis, CPI increased to 0.5 per cent in December 2022 as compared to an increase of 0.8 per cent in the previous month and with no change in December 2021.

CPI inflation Urban increased to 21.6 per cent on a year-on-year basis in December 2022 as compared to an increase of 21.6 per cent in the previous month and 12.7 per cent in December 2021. On a month-on-month basis, it increased to 0.3 per cent in December 2022 as compared to an increase of 0.4 per cent in the previous month and an increase of 0.3 per cent in December 2021.

CPI inflation Rural increased to 28.8 per cent on a year-on-year basis in December 2022 as compared to an increase of 27.2 per cent in the previous month and 11.6 per cent in December 2021. On a month-on-month basis, it increased to 0.7 per cent in December 2022 as compared to an increase of 1.3 per cent in the previous month and a decrease of 0.5 per cent in December 2021.

The Sensitive Price Index (SPI) inflation on YoY increased to 27.8 per cent in December 2022 as compared to an increase of 27.1 per cent a month earlier and an increase of 20.9 per cent in December 2021. On a MoM basis, it increased by 0.2 per cent in December 2022 as compared to an increase of 6.1 per cent a month earlier and a decrease of 0.4 per cent in December 2021.

The Wholesale Price Index (WPI) inflation on YoY basis increased to 27.1 per cent in December 2022 as compared to an increase of 27.7 per cent a month earlier and an increase of 26.2 per cent in December 2021. On a MoM basis, it decreased by 0.7 per cent in December 2022 with no change a month earlier and a decrease of 0.2 per cent in the corresponding month, i.e., December 2021. (*Business Recorder, January 3<sup>rd</sup>, 2023 Page 1*)

### *Biting Inflation*

[Back]

There is no respite from inflation. The headline recorded at 24.5 percent in Dec and half-year average stood at 25 percent – highest since the 1970s. And the inflation dragon is yet to settle down. There are two economic options going forward – one is to go to the IMF which would bring more imported and energy inflation. Other is to default— in which case, there would be runaway inflation.

Last few months are perhaps most difficult for the households of Pakistan in terms of facing inflation, and the situation is likely to remain grim. There is clear evidence of inflation expectations building up. (*Business Recorder, January 3<sup>rd</sup>, 2023 Page 2*)

*‘Rapid inflation’ among major risks faced by Pakistan: WEF* [\[Back\]](#)

The World Economic Forum in its global crisis risk report has identified debt crisis, sustained and/or rapid inflation, state collapse, failure of cyber security measures, and concentration of digital power as top five risks faced by Pakistan. In its ‘Global Risks 2023’ report, the global forum said that Pakistan was also among larger emerging markets exhibiting a heightened risk of default. Other countries include Argentina, Egypt, Ghana, Kenya, Tunisia, and Türkiye. The report also referred to the super floods in Pakistan which destroyed swathes of agricultural land, increasing commodity prices significantly in a country already grappling with record 27% inflation. (*Dawn, January 12, 2023 Page 12*)

*Inflation and lower output* [\[Back\]](#)

A former Finance Minister, Dr Hafiz A. Pasha, while addressing the members of Pakistan Industrial and Traders Association Front, stated that in the event that the ninth International Monetary Fund (IMF) review is not successful the country’s inflation could rise to 70 percent while in case of success inflation would rise by 35 percent. (*Business Recorder, January 23<sup>rd</sup>, 2023 Page 6*)

*PBF chief anticipates further spike in inflation* [\[Back\]](#)

President of Pakistan Business Forum (PBF), Mian Usman Zulfiqar says government is likely to meet all IMF demands to revive loan programme and as a result of which new taxes would be imposed on the industry and masses; further depreciation of the currency which would further spike the inflation. It is feared that we may touch 30 percent annual inflation rate in the end of 2023. (*Business Recorder, January 23<sup>rd</sup>, 2023 Page 16*)

*‘Devaluation to trigger new wave of price hikes’* [\[Back\]](#)

The unprecedented 10.6 per cent rupee devaluation in a single day would not only trigger a new wave of price hikes but the expensive loans after the interest rate hike would hit industrial activities, warned trade and industry leaders. They said a weak rupee would increase the landed cost of imported goods and industrial raw materials and would make the life of inflation-hit people more miserable. Earlier this week, the State Bank of Pakistan (SBP) had raised the interest rate by 100 basis points to a 25-year high of 17pc to tame inflation but the latest currency devaluation would limit the impact of the SBP’s efforts to check food prices. (*Dawn, January 27<sup>th</sup>, 2023 Page 9*)

### 11.5.1 # Inflation BPS

*SBP likely to hike interest rate by 100-200bps*

[Back]

The State Bank of Pakistan is expected to further raise its benchmark interest rate at its January 23 meeting, a brokerage house poll showed, as a result of rising inflation and declining foreign exchange reserves.

“Majority of the participants (74 percent) expect policy rate to increase by 100-200 basis points (bps),” said Topline Research, citing a poll result on the monetary policy expectations. Out of these, 37 percent expect a 100bps increase, 18 percent anticipate a 150bps increase and 19 percent are eyeing a 200bps hike, it added. Out of the remaining participants, 2 percent expects more than 200bps increase, 5 percent anticipate a 50bps increase whereas 18 percent are eyeing no change and only 2 percent expect a rate cut. The SBP raised the policy rate by 100bps to 16 percent in November.

“We think that policy rate will increase by 100bps in upcoming monetary policy however if inflation rate does not fall and external issues persist, further rate hikes cannot be ruled out,” said an analyst at Topline Research. (*The News, January 15<sup>th</sup>, 2023 Page 17*)

*SBP may hike rates by another 100bps to tame inflation*

[Back]

State Bank looks set to raise its key policy rate by 100 basis points to 17% at its review as it struggles to rein in persistently high inflation, according to the median estimate in a Reuters poll. Eighteen of the 22 economists and market watchers surveyed said there would be a hike — 14 of them predicted 100 basis points (bps), three expected 200 bps, and one 150 bps. Four respondents expected rates to remain unchanged. In its last policy meeting in November the bank unexpectedly pushed up the rate by 100 bps to 16%. It has raised rates by a total of 625 bps since January 2022. (*Business Recorder, January 20<sup>th</sup>, 2023 Page 1*)

*Market foresees 100-200bps policy rate hike*

[Back]

The financial market looks firm that the State Bank of Pakistan (SBP) would increase the interest rate in the range of 150 to 200 basis points in the next monetary policy to be announced. State Minister for Finance Aisha Ghouse Pasha said that the government was ready to implement all conditions to bail out the economy with IMF help. Bankers, financial experts and analysts expect a hike in the SBP’s policy rate keeping in view the surging inflation which hit 24.5 per cent in December 2022, but they are not sure about the size.

The IMF conditions include a market-based exchange rate, an increase in electricity and gas prices and the imposition of new taxes to generate sufficient liquidity to compensate for the first quarter fiscal slippages. After the implementation of IMF conditions, the state minister warned that things would change and it would not be business as usual.



Some analysts said this is a clear indication that the SBP policy rate would be increased to get some control over inflation, but at the same time, the IMF conditions would generate much more inflation with electricity and gas price hikes. (*Dawn, January 22, 2023 Page 9*)

### *SBP raises key rate to tame rampant inflation*

[Back]

The State Bank of Pakistan (SBP) raised its key interest rate by 100 basis points to a 25-year high of 17 per cent in an attempt to tame persistently high inflation, stressing that achieving price stability was crucial for attaining sustainable economic growth in the future. Announcing the central bank's monetary policy, SBP Governor Jameel Ahmad also told a news conference that the country needed only less than \$3 billion for debt servicing in the remaining five months of the current fiscal year. The increase of 100 bps in the country's benchmark rate was in line with the expectations of most economists and market watchers, according to a Reuters survey. The SBP has now raised the policy rate by 725 bps since January 2022, and the current rate of 17pc is the highest since October 1997.

The government is under pressure amid persistently high inflation and a sharp fall in reserves, among other factors. Annual consumer inflation has remained above 20pc since June and was recorded at 24.5pc for December. SBP's reserves have plummeted from \$17.6bn in January 2022 to \$4.6bn now, barely enough to cover three weeks of imports. (*Dawn, January 24<sup>th</sup>, 2023 Page 1*)

### *Policy rate hiked to 17pc to rein in soaring inflation*

[Back]

The Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) increased the key policy rate by 100 basis points to 17 percent, highest-level since October 1997, due to rising inflationary pressure on the economy. Overall, the committee raised the policy rate by 325 bps during this fiscal year (FY23). The first increase of 125 bps was announced in July 2022, 100 bps in November 2022 and now policy has been raised by another 100 bps. (*Business Recorder, January 24<sup>th</sup>, 2023 Page 1*)

## **11.5.2 # Inflation: Survey**

### *Survey shows sharp increase in price of wheat flour, chicken*

[Back]

The wheat flour and chicken prices have witnessed a significant increase during this week past against the previous week. Chicken and Eggs prices went up. Wheat flour prices witnessed an increase. (*Business Recorder, January 1<sup>st</sup>, 2023 Page 5*)

### *Survey reveals steep hike in price of key food items*

[Back]

There has been a steep increase in prices of live chicken/ meat, flour, sugar, and some other daily-use items in the local market. An increase of Rs30 per kilogram has been witnessed in the price of live chicken/ meat, which is now available for Rs350 per kilo in the market, and the price of farm eggs has also touched a new peak of Rs300-320 per



dozen. Chinese eggs are being sold at Rs400-450 and non-farm eggs at Rs500 per dozen, the survey has shown.

A flour crisis is looming in Khyber Pakhtunkhwa as the commodity's prices have risen sharply within a week, according to vendors and traders. The survey has revealed that the price of a flour bag of 20kg has increased to Rs2550, which was selling at Rs2250 last week. Price of sugar has jumped from Rs95 per kilo to Rs100-105 per kg. One kilogram of onion is being sold at Rs220-250 while ginger is priced at Rs400-450 and garlic at Rs300-400 per kilo. (*Business Recorder, January 2<sup>nd</sup>, 2023 Page 1*)

#### *Price of flour, Chicken witness significant increase*

[Back]

The wheat flour and chicken prices have witnessed a significant increase during past week against the previous week. The survey observed a mixed trend in the prices of other kitchen items as prices of most of the vegetables, powder chilies and rice witnessed a decline, while pulses, packed milk, spices, fresh milk, and turmeric prices remained unchanged. The survey observed an increase in the prices of bathing soap, shoe polish, shampoos, matchbox and other daily use items. The survey observed no changes in the transportation cost as passengers and goods transporters are charging old fares despite a reduction in petrol and high-speed diesel oil prices. (*Business Recorder, January 8<sup>th</sup>, 2023 Page 3*)

#### *Survey reveals sharp increase in Chicken flour prices*

[Back]

Prices of live chicken/ meat, flour and some other essential food items have gone up sharply in the local market. Even though a federal minister, Tariq Bashir Cheema, recently declared that chicken meat is not very healthy, its price has touched a new peak in Khyber Pakhtunkhwa. Live chicken is being sold at Rs410 per kilogram in the local market against the price of Rs330 a kilo last week. In fact, there has been an increase of Rs80 per kg in the price of live chicken within the last 10 days. Flour prices have also touched new peaks in the wholesale and retail markets in Peshawar. The survey revealed that the price of a 20kg bag of fine and danedar flour has increased to between Rs3,100 and Rs3,300. (*Business Recorder, January 9<sup>th</sup>, 2023 Page 3*)

#### *Prices of essential kitchen items start declining*

[Back]

The prices of essential kitchen items have started declining. A reduction in chicken and wheat flour price was observed which in the past few weeks have witnessed massive increase as, chicken price went down. Eggs prices went up. Wheat flour prices witnessed a reduction as best quality wheat flour bag price went down.

The survey observed that due to ineffective monitoring by the authorities the suppliers of Liquefied Petroleum Gas (LPG) are selling the commodity at Rs260 per kg against OGRA's fixed price of Rs204 per kg. The survey observed no changes in the transportation cost as passengers and goods transporters are charging old fares, despite

a reduction in petrol and high-speed diesel oil prices. Rice prices remained stable. Pulses price also witnessed no change. (*Business Recorder, January 15<sup>th</sup>, 2023 Page 5*)

*Prices of flour, chicken show declining trend*

[Back]

A declining trend in prices of live chicken/meat, flour, vegetable, except cooking oil, sugar, cow meat, pulses and other commodities was witnessed in the retail market. Buyers complain about the price-hike and charging shopkeepers self-imposed rates in absence of price-checking by the authorities concerned. The survey observed that vegetable prices remained unchanged in the local market. According to a survey, one-kg onion is being sold at Rs220-250 while ginger is priced at Rs400-450/- per kg and garlic at Rs300-350 and Rs400 per kg. Meanwhile, the bakery owners and sweet sellers/houses have also increased confectionery items and sweets owing to rising prices of maida (Fine flour). (*Business Recorder, January 16<sup>th</sup>, 2023 Page 7*)

*Prices of essential kitchen items witness mixed trend*

[Back]

The prices of essential kitchen items have witnessed a mixed trend during this week past against previous week. However, the survey observed that due to ineffective monitoring by the special price control magistrates and other relevant departments, the retailers are free to charge prices. (*Business Recorder, January 22, 2023 Page 5*)

*Downward trend in prices of chicken, flour, other items witnessed*

Downward trend in prices of live chicken/meat, flour, vegetables, pulses, grocery items, sugar and other essential commodities was witnessed. The survey noticed the price of one kilo chicken has decreased at Rs365/kg from Rs370/kg in the previous week, showing an increase of Rs5/ kilo. However price of farm eggs remained unchanged as available at Rs300/dozen and Chinese eggs being sold at Rs400/dozen and hen eggs at Rs500/dozen. A nominal reduction in the price of flour was registered in wholesale and local markets. Buyers have continuously complained about overcharging by shopkeepers wholesale and retail markets in absence of price-checking by the authorities concerned. Meanwhile, the bakery owners and sweet sellers/houses have also increased confectionery items and sweets owing to rising prices of maida (Fine flour). (*Business Recorder, January 23<sup>rd</sup>, 2023 Page 7*)

*Prices of essential kitchen items witness rising trend*

[Back]

The prices of essential kitchen items have witnessed an increasing trend during this week past against previous week. The survey observed that due to ineffective monitoring by the authorities, the suppliers of Liquefied Petroleum Gas (LPG) once again has increased the commodity prices from Rs260 per kg to Rs270 per kg against OGRA's fixed price of Rs204 per kg. The survey observed no changes in the transportation cost as passengers and goods transporters are charging old fares, despite a reduction in petrol and high-speed diesel oil prices. Pulses price witnessed no change. (*Business Recorder, January 29<sup>th</sup>, 2023 Page 5*)

### *Price of essential kitchen items soar*

[Back]

Prices of essential food commodities including vegetables, live chicken/ meat, pulses, sugar, flour, fruits and others remained high in local retail market. The prices of vegetables are sky-high in the local market as onion is being sold at Rs250/kg, while ginger is available at Rs420/kg and garlic at Rs400/kg in. Buyers have continuously complained about overcharging by shopkeepers in wholesale and retail markets in absence of price-checking by the authorities concerned. Likewise, the prices of different cooking oil and ghee remained on higher side in the local market, as no change and increase was witnessed in the previous week as compared to preceding week. Meanwhile, the bakery owners and sweet sellers have also increased rates of confectionery items and sweets owing to rising prices of maida (Fine flour). (*Business Recorder, January 30<sup>th</sup>, 2023 Page 7*)

### **11.5.3 # Inflation Weekly Report**

#### *Weekly inflation sees 30pc jump from last year*

[Back]

Weekly inflation, measured by the Sensitive Price Index (SPI), jumped by nearly 31 per cent as compared to last year, amid a big surge in the prices of foods and a couple of fuel items. The year-on-year (YoY) trend depicts an increase of 30.60pc, the Pakistan Bureau of Statistics (PBS) said in its weekly report on the movement in prices of 51 essential items, collected from 50 markets in 17 major cities across the country. PBS said the SPI had been increasing in double digits since Feb 2021, with minor variations throughout FY2021-22 and FY2022-23.

The SPI is computed on a weekly basis to assess the price movement of essential commodities at short intervals. The prices are estimated to go further up in the coming week in view of the recent government decision to increase the prices of wheat flour, sugar and ghee by 25 to 62 percent for sale through the Utility Stores Corporation (USC), to reduce the size of untargeted food subsidies.

The price index for the week ending on Jan5, 2023 recorded an increase of around 1.1pc, which was accompanied by massive surges in the prices of certain commodities. For example, a 501pc increase was witnessed in the prices of onions, followed by an 82.5pc increase in the price of chicken. Wheat flour and tea were also reported as being costlier by more than 45pc and 65.41pc, respectively, when compared with the same period last year. Likewise, the prices of diesel were reported to have gone up by almost 61pc, eggs 50.51pc, powdered salt 49.50pc, petrol 48.21pc, pulse moong 47pc, broken Basmati rice 46pc, bananas 46pc and wheat flour 45pc. On the flip side, the prices of powdered chilli dropped by 23pc while electricity costs were down 14pc, mainly because of adjustments in the fuel cost base. The data showed a massive variance of essential commodities in four provinces.

On a week-on-week (WoW) basis, the increase was mostly similar, between 1pc and 1.2pc. The SPI week-on-week also increased by 1.09pc during this week. A major increase was observed in the prices of food items. During the week, prices of 23 out of 51 items increased, nine items decreased and 19 items remained stable. (*Dawn, January 7<sup>th</sup>, 2023 Page 1*)

#### *Pakistan: Weekly SPI sharply up 1.09pc*

[Back]

The Sensitive Price Indicator (SPI) witnessed a sharp increase of 1.09 percent ended on January 5, 2023 over the previous week on the back of a surge in the prices of essential commodities. According to the Pakistan Bureau of Statistics, weekly inflation data released, the surge in SPI for the week ended on 5th January 2023 was due to increase observed in the prices of food items. According to the PBS, during the week, out of 51 items, prices of 23 items increased, whereas, nine items decreased and prices of 19 items remained stable. The SPI is computed on a weekly basis to assess the price movement of essential commodities at shorter interval of time so as to review the price situation in the country. SPI comprises of 51 essential items collected from 50 markets in 17 cities of the country. (*Business Recorder, January 7<sup>th</sup>, 2023 Page 1*)

#### *Costly wheat, vegetables fuel weekly inflation*

[Back]

Weekly inflation, measured by Sensitive Price Index (SPI), posted an increase of 31.75 per cent for the combined income group on a year-on-year basis ending Jan 12 due to a massive surge in prices of both food and non-food items, according to data released by the Pakistan Bureau of Statistics (PBS). However, the SPI on a week-on-week basis was slightly up by 0.44pc. This was mainly because of an increase in food items, especially wheat flour, as well as vegetables like onions, over the past few weeks. The prices of tomatoes and potatoes slightly declined over the past couple of weeks owing to arrival of new crops. (*Dawn, January 14<sup>th</sup>, 2023 Page 5*)

#### *Weekly SPI-based inflation on the rise*

[Back]

The Sensitive Price Indicator (SPI) based inflation for the week ended January 12, recorded an increase of 0.44 per cent due to an increase in food items. The SPI for the week under review in the above mentioned group was recorded at 220.53 points against 219.56 points registered in the previous week, according to the latest PBS data. During the week, out of 51 items, prices of 23 (45.10 per cent) items increased, 07 (13.73 per cent) items decreased and 21 (41.17 per cent) items remained stable. (*Business Recorder, January 14<sup>th</sup>, 2023 Page 1*)

#### *Short-term inflation spikes to 31.83pc*

[Back]

Weekly inflation, measured by Sensitive Price Index (SPI), posted an increase of 31.83 per cent for the combined income group on a year-on-year basis ending Jan 19 due to a massive surge in prices of both food and non-food items, according to data released by the Pakistan Bureau of Statistics (PBS). However, no change was reported in the SPI

on a week-on-week basis. This was mainly because of an increase in food items, especially vegetables like onions, over the past few weeks. The SPI monitors the prices of 51 essential items based on a survey of 50 markets in 17 cities across the country. During the week under review, the prices of 23 out of 51 items increased, 11 decreased, and 17 remained stable. (*Dawn, January 21<sup>st</sup>, 2023 Page 9*)

#### *Weekly SPI inflation stays unchanged*

[Back]

The Sensitive Price Indicator (SPI) based inflation for the week ended January 19, remained unchanged, however, a major increase was observed in the prices of food items including rice, onions, chicken, bananas, garlic, bread, and non-food items including LPG, the Pakistan Bureau of Statistics (PBS) said.

The year-on-year trend depicts an increase of 31.83 per cent mainly due to an increase in prices of onions (482.07 per cent), chicken (101.93 per cent), eggs (64.23 per cent), diesel (57.34 per cent), and rice basmati broken (56.09 per cent) etc.

The SPI for the week under review in the above mentioned group was recorded at 220.54 points against 220.53 points registered in the previous week. During the week, out of 51 items, prices of 23 (45.10 per cent) items increased, 11 (21.57 per cent) items decreased and 17 (33.33 per cent) items remained stable. (*Business Recorder, January 21<sup>st</sup> 2023 Page 1*)

#### *SPI jumps to 32.57pc*

[Back]

Weekly inflation, measured by Sensitive Price Index (SPI), posted an increase of 32.57 per cent for the combined income group on a year-on-year basis ending Jan 26 due to a massive surge in prices of both food and non-food items, especially vegetables like onions, according to data released by the Pakistan Bureau of Statistics (PBS). However, a 0.45pc increase was reported in the SPI on a week-on-week basis. During the week under review, the prices of 25 out of 51 items increased, six decreased and 20 remained unchanged. (*Dawn, January 28<sup>th</sup>, 2023 Page 9*)

#### *Weekly SPI up 0.45pc*

[Back]

The Sensitive Price Indicator (SPI) based inflation for the week ended 26th January 2023 recorded an increase of 0.45 percent due to an increase in the prices of food items. The year-on-year trend depicts an increase of 32.57 percent.'

The SPI for the week under review in the above mentioned group was recorded at 221.54 points against 220.54 points registered in the previous week, according to the latest PBS data released. During the week, out of 51 items, prices of 25 (49.02 percent) items increased, six (11.76 percent) items decreased, and 20 (39.22 percent) items remained stable. (*Business Recorder, January 28<sup>th</sup>, 2023 Page 10*)



## 11.5.4 # Inflation: Food

### *Mill owners increase price of wheat flour*

[Back]

Private mill owners have increased the price of wheat flour to Rs150 per kg. Even though, a 20-kg official wheat flour bag is available at Rs1,280, people prefer wheat from mills due to the quality of the former being low. While the price of a 20-kg wheat flour bag is between Rs2,400 to Rs2,600, a 15-kg bag of flour is available for Rs1,950. (*Dawn, January 2<sup>nd</sup>, 2023 Page 4*)

### *Govt hikes wheat flour price by 62pc in utility stores*

[Back]

The government has increased the prices of wheat flour, sugar and ghee by 25 to 62 per cent for sale through the Utility Stores Corporation (USC) with immediate effect to reduce the impact of untargeted subsidies. Under the new rates that went effective on Sunday, the price of sugar has been raised from Rs70 per kg to Rs89, an increase of 27pc. Likewise, the price of ghee has been jacked up by Rs75 per kg to Rs375, while wheat flour price has been increased by 62pc to Rs64.8 per kg from Rs40 at present. (*Dawn, January 2<sup>nd</sup>, 2023 Page 12*)

### *Atta, chicken rates soar amid no sign of let-up*

[Back]

An uncontrollable upward trend in prices of wheat flour and chicken has left consumers high and dry as rates witnessed a fresh jump over the last few days. While prices of various flour varieties shot up to Rs140-160 per kg, that of live poultry reached Rs420 per kg amid lack of any official check on sellers who are raising prices at their whims. (*Dawn, January 5<sup>th</sup>, 2023 Page 9*)

### *Pakistanis in a fix over deepening food price disparities*

[Back]

Higher import and transportation costs, crop availability, the demand and supply gap, hoarding, exchange rate issues, etc have led to massive price disparities in prices of essential food items in various cities of the country. (*Dawn, January 8<sup>th</sup>, 2023 Page 9*)

### *Naan price shoots up in Islamabad*

[Back]

Amid unprecedented inflation in the country, the price of the staple Naan has increased up to Rs10 in the capital, with tandoor walas charging between Rs25 and Rs30. In the last two years, the price of Naan has shot up by over 130pc. (*Dawn, January 9<sup>th</sup>, 2023 Page 4*)

### *Hike in prices of subsidised items at USC adds to woes of poor*

[Back]

The poor segment of society has protested against Utility Store Corporation (USC) on a massive increase in prices of subsidised items like flour, ghee, and sugar. Despite a massive increase in prices of so-called subsidised items of ghee and flour, both items are not available at all utility store outlets in the twin cities of Rawalpindi and Islamabad. (*The News, January 15<sup>th</sup>, 2023 Page 5*)



### *Flour consumers paying higher prices*

[Back]

Despite a substantial cut in mill rates, retailers continue fleecing flour consumers by charging higher prices for different varieties due to the Sindh government's weak regulatory mechanism. Meanwhile, improved supplies have brought down the prices of tomatoes and potatoes, but onions and pulses maintained a rising trend. (*Dawn, January 20<sup>th</sup>, 2023 Page 9*)

### *Increase in roti, naan prices announced*

[Back]

The Muttahida Naan Roti Association has announced to increase the prices of roti of 100 grams from existing Rs14 to Rs16 and 150 grams naan from existing Rs25 to Rs30 per piece. According to the office-bearers of the Association. They termed the increase a result of hike in flour prices. The association also said that increase is necessary as rent of the shops and tariff of power and gas have increased as well. A spokesman of the Association said they are ready to follow the government notified prices if administration ensures provision of flour and fine at government rates. (*Business Recorder, January 22, 2023 Page 2*)

### *Onion rates rise to Rs320 per kilo on short supply*

[Back]

Onion sells at Rs250 per kg in Karachi while in other parts of the country the rate hovers between Rs200-320 due to limited arrivals from Sindh and Balochistan crops and additional taxes on import of the staple food item from Jan 1. As per Sensitive Price Index data, the national average of onion prices on the week ending Jan 26 was Rs200-320 per kg as compared to Rs180-280 prevailing on the week ending Jan 5. (*Dawn, January 29<sup>th</sup>, 2023 Page 9*)

### *Kitchen items get costlier as inflation goes haywire*

[Back]

The present hike in the US dollar rate is termed a virtual bombshell for the masses because prices of all eatables and other routine items have jumped in the last two days. A market survey conducted by 'The News' revealed that prices of all eatable or routine items have increased within two days. The price of a 900-gram tea pack has increased by Rs300 from Rs1,450 to Rs1,750, rice by Rs80 from Rs290 to Rs370 per kilogram, and all pulses by Rs20 to Rs40 per kilogram. A 50-kilogram sugar bag is being sold at Rs4500 against Rs4100 in the wholesale market. One kilogram of LPG is selling for over Rs300 against Rs204. The rupee continued its downward slide while gold reached Rs200,000 per tola level for the first time in the country's history. (*The News, January 29, 2023 Page 5*)

## **11.5.5 # Inflation: Petroleum**

### *Petroleum prices see record rise in 2022*

[Back]

Petroleum prices witnessed record high increase in outgoing year 2022, going up almost 60 percent, which was the highest increase in a year. The outgoing year saw the price

of high speed diesel (HSD) registering 66 percent hike with price standing at Rs227.80/litre at the end of year compared to Rs137.62/litre at the start of the year. In rupee terms, HSD price increased by Rs90.18/litre, which was the highest increase in a single year in the country's history.

Similarly, the price of petrol also registered the highest increase in a year of Rs73.98/litre. Petrol price stood at Rs214.80 at the end of year compared to Rs140.82 at the start of year, registering 53 percent hike. Kerosene price jumped to Rs171.83/litre at the end of the year compared to Rs109.58 at the start of 2022, up by Rs62.25 or 57 percent in the outgoing year. Light diesel oil was priced at Rs107.06/litre at the start of 2022 and was being sold at Rs169/litre at the end of the year, registering 58 percent increase. The necessity to revive the IMF programme, compelled the government to increase the price, which saw massive increase of almost Rs100/litre on petroleum products in just one month. Government re-imposed the petroleum levy on petroleum products in order to raise revenue. On petrol, the levy was raised to Rs50/litre on IMF conditions, whereas on HSD it was raised to Rs30/litre, still short of Rs20 sought by the IMF. Government is not charging sales tax on petroleum products to avoid hike in prices. (*The News, January 1<sup>st</sup>, 2023 Page 17*)

#### *Public transporters raise fares after closure of CNG stations*

[Back]

As the district administration closed CNG stations, public transporters, especially taxi and rickshaw drivers, almost doubled the fares, causing problems to commuters in the provincial capital. The Peshawar's district administration had ordered that the CNG stations would remain closed till January 31 in order to ensure smooth gas supply to domestic consumers. (*Dawn, January 2<sup>nd</sup>, 2023 Page 9*)

#### *PL on HSD hiked*

[Back]

After maxing out on the legislated petroleum levy on petrol at 50 rupees per litre effective 1 November, the government raised the levy on high speed diesel (HSD) from 30 rupees per litre to 32.50 rupees per litre effective 1st January 2023. The main petroleum levy revenue generators are petrol and HSD due to consumption and therefore their contribution to domestic inflation is significant. (*Business Recorder, January 3<sup>rd</sup>, 2023 Page 1*)

#### *Transporters increase fare due to closure of CNG stations*

[Back]

Transporters have unilaterally increased fare rates on inter and intra-district routes owing to closure of Compressed Natural Gas (CNG) filling stations across the province. Passengers expressed outcry over charging self-imposed fares by transporters. According to passengers, the public transport, plying in local as well as inter and intra-districts routes increased fare rates by 50 per cent. (*Business Recorder, January 8<sup>th</sup>, 2023 Page 5*)

*POL products: additional Rs76bn revenue can be generated thru PL maximization to Rs50 per litre*

The government has projected to collect Rs76 billion additional revenue if it maximizes the petroleum levy to Rs50 per litre on all petroleum products in the remaining five months (February-June) based on current fuel consumption and international oil prices. The government would generate Rs15 billion each month or Rs75 billion till the end of the current fiscal year. Raising PL on the other two petroleum products - kerosene oil (SKO) and Light Speed Diesel (LDO) would generate an estimated revenue of Rs1 billion (Feb-June 2022-23), as consumption of these two items in total petroleum products is not more than 0.4%. Currently, Rs6.22 per litre PL is being charged on SKO and Rs30.45 per litre on LDO. (*Business Recorder, January 25<sup>th</sup>, 2023 Page 12*)

*LPG hits historic high of Rs300/kg*

[Back]

A judicial commission should be formed to inquire into corrupt practice and people behind black marketing of LPG as it has touched historic high of Rs300/kg across the country. Although the fixed price of LPG by Ogra is Rs204 per kg, but on the contrary, the government-owned SSGC has increased the price of LPG per kg to Rs300 with rate of domestic cylinder increasing by Rs235 to Rs3,550 and the price of commercial cylinder has reached a high of Rs13,620, ie, up by Rs908. (*Business Recorder, January 29<sup>th</sup>, 2023 Page 1*)

*After record jump in a day, petrol hits all-time high*

[Back]

Pakistanis woke up to a record single-day hike in the petrol price which also now stands at an all-time high of around Rs250 a litre. The Rs35 per-litre increase in the price of petrol along with a similar jump in the prices of high-speed diesel (HSD), and a Rs18 rise in light diesel oil (LDO) and kerosene rates came three days before the scheduled fortnightly announcement. After the revision, the new exdepot price of petrol now stands at Rs249.80 per litre, HSD Rs262.8, kerosene 189.83, and LDO Rs187. (*Dawn, January 30<sup>th</sup>, 2023 Page 1*)

### 11.5.6 # Inflation Energy

*FY 2022-23 Ogra allows SNGPL, SSGCL to raise gas prices by over 74pc*

[Back]

The Oil and Gas Regulatory Authority (Ogra) recommended permitting two gas companies, the Sui Northern Gas Pipelines Limited (SNGPL) and the Sui Southern Gas Company Limited (SSGCL) to raise gas prices by 74.42 percent and 75.35 percent, respectively for the financial year 2022-23. The decision has been taken on the petitions (estimated revenue requirements) filed by both companies for an increase in gas tariff to meet their revenue requirements. (*Business Recorder, January 12 Page 3*)

### *Nepra approves hike in KE tariff under QTA*

[Back]

While setting aside concerns of business community, National Electric Power Regulatory Authority (Nepra) has approved an increase in tariff of KE ranging from Rs1.49 per unit to Rs4.46 per unit under QTA to maintain uniform tariff across the country. The increase in domestic consumers' tariff will be from Rs1.4874 per unit to Rs3.2116 per unit depending upon consumption of electricity whereas commercial consumers, general services and industrial consumers will pay over Rs4 per unit as QTA. This adjustment will be applied on electricity consumption in October, November and December 2022 and January 2023. The QTA adjustment will be recovered in bills from January to April 2023. (*Business Recorder, January 14<sup>th</sup>, 2023 Page 1*)

### *FY 2022-23 Ogra determines up to 11.5pc increase in gas prices*

[Back]

The Oil and Gas Regulatory Authority (Ogra) has determined up to 11.5 percent increase in the prescribed price of gas for consumers of both gas companies - the Sui Northern Gas Pipeline Limited (SNGPL) and the Sui Southern Gas Company (SSGC) for the current financial year 2022-23. In a review estimated revenue requirement (RERR) for the current financial year, the SNGPL has been allowed to increase Rs98.17 per mmbtu or 11.5 percent increase in the prescribed price. (*Business Recorder, January 14<sup>th</sup>, 2023 Page 5*)

## **11.5.7 # Inflation: Misc. Items**

### *Cement, steel bar prices surge*

[Back]

The prices of cement and steel the two key building materials have jumped 41 per cent and 16pc, respectively, pushing up the cost which resulted in a construction slowdown in the outgoing calendar 2022. Steel bars, which hold a 40-45pc share in the total cost of construction of a high-rise project, hit an all-time high at Rs235,000 per tonnes in June 2022. A cement maker said, attributing the price hike to rising coal prices, power and diesel rates and general inflationary trend. Local cement sales in December may fall by 13-17pc year-on-year to 3.4-3.5m tonnes and 9-13pc month-on-month amid an overall economic slowdown and higher construction costs. (*Dawn, January 1<sup>st</sup>, 2023 Page 9*)

### *Students shocked as SU raises fees by 30pc*

[Back]

Sindh University administration has reportedly passed on burden of its financial liabilities and debts to thousands of students by drastically hiking charges for various services by 30pc within a short span of two years. The administration has increased fees for degrees, transcripts, date of declaration of results certificate, pass certificates, marksheets and other documents by 30pc -after raising the same by 40pc to 400pc over past two years. The decision would not only affect the university's own students but also a large number of students enrolled in public and private colleges affiliated with the university. (*Dawn, January 4<sup>th</sup>, 2023 Page 15*)

### *Steel prices surge to all-time high level*

[Back]

The prices of steel rebars rose to an all-time level of Rs235,000 per metric ton due to shortage of raw material. The booking rates of quality steel rebars have been increased by Rs8,000 per metric ton with effect from 10th January, 2023. The steel industry is facing a serious crisis of raw material as the banks are not establishing LCs for the import of raw material. Industry sources said that shortage of raw material will result in imminent shutdown of large steel manufacturers that will directly halt the infrastructure projects of national importance but also cause a domino effect on allied industries including cement and building material resulting in massive unemployment. (*Business Recorder, January 11<sup>th</sup> 2023 Page 12*)

### *Steel price hits new peak despite demand slump*

[Back]

The ex-factory price of steel bars has crossed the Rs250,000 per tonne threshold for the first time amid claims by stakeholders regarding thin demand for steel products on account of a slowdown in construction activities. Sufiyan Adhia, a former office-bearer of the Association of Builders and Developers (ABAD), said the construction cost has swelled by 60pc in the last year and would rise further given uncontrollable price increases in construction materials especially steel bars and cement. All Pakistan Tiles and Sanitary Merchants Association Chairman Mohammad Amin Lasania said the price of locally produced tiles and imported tiles have risen by 25-30pc and 40-50pc, respectively, while the price of imported sanitary items has doubled followed by 35-40pc rise in the rates of locally produced items in the last one year. (*Dawn, January 22, 2023 Page 9*)

### *One tola of gold scales new peak of Rs202,500*

[Back]

As the rupee depreciated by 13.7 per cent against the US dollar in the last two days, the one-tola gold rate for the first time crossed the Rs200,000 mark despite a \$6 drop on world markets to \$1,936 per ounce. According to the All Sindh Saraf Jewelers Association (ASSJA), the one-tola rate surged by Rs7,000 to Rs202,500 while the 10-gram saw a rise of Rs6,000 to Rs173,610. (*Dawn, January 28<sup>th</sup>, 2023 Page 9*)

### *Steel price hits record Rs277,000*

[Back]

Manufacturers again jacked up steel bar prices to an unprecedented high of Rs277,000 per tonne blaming a massive rupee devaluation and rising prices of raw materials that pushed up the cost of production. After increasing the prices by Rs10,000 less than a week ago, the steel makers delivered the second price shock of Rs22,000 per tonne despite thin construction activities evident from dwindling cement sales during July-December 202223. The surging prices of the key building materials have put extra pressure on the construction cost which has risen by 60pc in less than a year. (*Dawn, January 28<sup>th</sup>, 2023 Page 9*)



*UAF hikes fee by 25pc*

[Back]

The University of Agriculture, Faisalabad, has implemented its last year decision of 25 per cent fee hike. (*Dawn, January 30<sup>th</sup>, 2023 Page 8*)

## 12 # NATURAL DISASTERS

*Cushioning vulnerability against natural catastrophes*

[Back]

Pakistan is among the top ten countries most affected by natural disasters, including floods, according to the Global Climate Risk Index 2021. While numbers are insufficient to divulge the true footprint of a natural disaster, they can certainly underscore some of the repercussions. The catastrophic 2022 flood has taken the lives of about 1,739 people, around 13,000 suffered injuries, and roughly 2.3 million homes were damaged, affecting around 33m people in poverty-stricken areas, reveals the National Disaster Management Authority data. Every time a natural calamity hits the country, the government follows the same prescription of emergency relief and vows to rebuild the damaged infrastructure at its earliest. (*Dawn, January 23<sup>rd</sup>, 2023 Page Business & Finance 2*)

*Two labourers killed by lightning*

[Back]

Two men were burnt alive when they were struck by lightning during torrential rain in Pirmahal. (*Dawn, January 30<sup>th</sup>, 2023 Page 8*)

### 12.1 # Earthquake

*Low magnitude earthquake hits Lahore, other cities*

[Back]

An earthquake measuring 4.3 on the Richter scale hit Lahore and other cities of Punjab province. The National Seismic Monitoring Centre (NSMC) confirmed that tremors were felt in Lahore, Sheikhpura, Muridke, Farooqabad, Gujranwala, Sharaqpur, Jaranwala and other areas of Punjab. The epicentre of the earthquake was 20km away from Sheikhpura, it said. According to some of the Lahore residents, they heard a humming sound before the earthquake. However, no casualty was reported. (*Dawn, January 5<sup>th</sup>, 2023 Page 2*)

*Magnitude 5.8 earthquake hits Afghanistan*

[Back]

Parts of the country especially Punjab, Azad Jammu and Kashmir, Khyber-Pakhtunkhwa (KPK) and Gilgit-Baltistan were jolted by earthquake of 5.8 magnitude. According to National Seismic Monitoring Centre (NSMC), the earthquake tremors were felt in Gilgit, Jhelum, Chakwal, Pakpattan, Lakki Marwat, Nowshera, Swat, Malakand, Azad Kashmir, and other areas of the country. No loss of life or property was reported anywhere till the filing of this report. The epicentre of the earthquake was



Afghanistan's Hindu Kush region, while its depth was 173 kilometres, according to the seismological centre. It shook not only parts of Pakistan but its neighbouring countries India and Afghanistan as well. The earthquake's effects were also felt in Peshawar, Lower Dir, Chitral, Khyber District, Waziristan, Tank, Bajaur, Mardan, Parachinar, Murree, Mansehra, Abbottabad, Multan, Sheikhpura, Chiniot, and Kotli. However, the US Geological Survey claimed that the magnitude of the quake was recorded as 5.5 on the Richter scale. (*Business Recorder, January 6, 2023 Page 12*)

#### *5.5-magnitude quake strikes KP*

[Back]

A 5.5-magnitude earthquake struck Khyber Pakhtunkhwa. The epicentre of the earthquake was 1.5 miles away in Nooristan forest, National Reserve Park, bordering Afghanistan. There were no immediate reports of casualties or loss of property from any area, said the PDMA. Tremors were felt in upper parts of the province, including Malakand and Hazara divisions, where people came out of their homes and offices in panic. (*Dawn, January 20<sup>th</sup>, 2023 Page 5*)

#### *Three dead, over 800 injured as quake hits northwestern Iran*

[Back]

Earthquakes hit parts of Pakistan and neighbouring Iran and Afghanistan, claiming at least three lives and leaving hundreds injured all casualties reported from Iran's West Azerbaijan province. In Pakistan, according to National Seismic Monitoring Centre, a 6.3-magnitude quake jolted Islamabad, Rawalpindi, Murree, and other parts of Punjab and Khyber Pakhtunkhwa. However, no deaths or damage was reported. The epicentre of the earthquake was Tajikistan, with a depth of 150km, while tremors also shook parts of Afghanistan. (*Dawn, January 30<sup>th</sup>, 2023 Page 12*)

## **12.2 # Flood**

#### *Glacier's collapse floods Chilas village*

[Back]

Villagers ran for safer places as their houses were flooded after a glacier collapsed in Diamir area of Chilas. The outburst flood inundated houses in Pehpat village of Tangeer Valley after the glacier in Geechhar Lake caved in, triggering exodus locals on their own. The worried villagers have appealed to the administration to send help. Local sources have confided that there is a grave threat that more glaciers will collapse. They urged the government to take pre-emptive action by taking immediate steps and survey the region. The heavy flooding due to monsoon rains in May 2022 had also caused widespread devastation in Diamir Sub-Division of Tangeer Valley. In May 2022, Hunza Valley's Hassanabad Bridge on the Karakoram Highway had been destroyed and swept away by a glacial lake outburst flood from the Shishper Glacier. (*Business Recorder, January 15<sup>th</sup>, 2023 Page 2*)

## 13 # RESISTANCE



### *The Naanbai association observed a strike in the AJK*

[Back]

Tandoor owners raise slogans during a demonstration at Yadgar Chowk. The naanbai association observed a strike in the AJK capital, creating problems for the people of the area. One of their representatives said wheat flour prices had swelled to record a Rs5,400 per 40 kilogram bag, making it impossible for them to sell roti at the price determined by the administration. (*Dawn, January 3<sup>rd</sup>, 2023 Page 3*)

### *CMCH doctors, paramedics boycott duties*

[Back]

Doctors and paramedics staged a demonstration outside central OPD of Chandka Medical College Hospital after boycotting duties for two hours to press Sindh government to accept their demands. Members of Paramedics Staff Association, Young Nurses Association and Young Doctors Association took part in the protest held under the aegis of Grand Health Alliance (GHA).

After four-day token strike the GHA would consider resuming the protest campaign at a meeting to be held in Karachi. The alliance leaders appealed to BhuttoZardari, Sindh chief minister, health minister and others to accept their demands to end growing unrest among healthcare workers. The boycott inconvenienced a large number of patients who visited the CMCH, Shaikh Zayed Hospital for Women and CMC Children`s Hospital from remote areas. (*Dawn, January 10<sup>th</sup>, 2023 Page 15*)

### *Lawyers boycott courts in protest against arrest of HDT leader*

[Back]

The lawyers boycotted courts in Balochistan to protest against the arrest of ‘Haq Do Tehreek’ (HDT) leader Maulana Hidayatur Rehman from the court premises in Gwadar.

The Balochistan Bar Council while condemning Maulana's arrest said the DPO Gwadar forcibly detained the HDT leader, which tantamount to contempt of court. The Bar urged Balochistan chief secretary and inspector-general of police to take immediate notice of the incident. The Bar said that the HDT leader was in court with his lawyers to seek interim bail. It is the fundamental right of every citizen to appear before a court to seek interim bail, the Bar added. The Bar said the Gwadar police have completely failed to protect the lives and properties of the citizens. HDT leader Maulana Hidayatur Rehman was arrested after he showed up at a local court. (*Business Recorder, January 15<sup>th</sup>, 2023 Page 5*)

*Workers' union demands better working conditions*

[Back]

All Pakistan NIFT (National Institutional Facilitation Technologies Limited) workers' union (CBA) General Secretary Salman Mahmood has asked the chief executive officer of the NIFT for convening a meeting with the union for consideration of its charter of demands. He asked the chief executive officer of the NIFT to fix a meeting with the union in respect of the charter of demands for improving the working condition of employees and increasing their wages as well as for the provision of other benefits. (*The News, January 15<sup>th</sup>, 2023 Page 15*)

*Ogra's proposal of 74pc raise in gas tariff strongly opposed by small traders*

[Back]

The Hyderabad Chamber of Small Traders and Small Industry (HCSTSI) has strongly opposed a 74pc raise in gas tariff for consumers proposed by the Oil & Gas Regulatory Authority (Ogra), and urged the prime minister to reject the summary. President of the chamber Mohammad Farooq Shaikhani, in a statement issued here, noted that gas rate was proposed to be increased from \$0.5 to \$4 per MMBTU which would give effect to further increase in prices of many commodities used by domestic consumers, who were already paying heavily for wheat flour due to its persisting shortage. (*Dawn, January 17<sup>th</sup>, 2023 Page 15*)

*SCBA, PBC call a strike over killing of leading lawyer*

[Back]

The Supreme Court Bar Association (SCBA) and the Pakistan Bar Council (PBC) urged the lawyers' community to observe a complete strike and boycott the court proceedings across the country to express solidarity with late Abdul Latif Afridi. The SCBA and the PBC office-bearers strongly condemned the target killing of Latif Afridi and demanded that the culprits involved in this heinous crime should be caught and dealt with the utmost severity. Latif Afridi, former SCBA president and vice-chairman was assassinated inside the Peshawar High Court (PHC) bar room. (*Business Recorder, January 17<sup>th</sup>, 2023 Page 3*)

*Apcas strikes against 'arbitrary' actions by BISE Larkana, Mirpurkhas heads*

[Back]

Employees affiliated with All Pakistan Clerks Association (Apcas) put locks on Board of Intermediate and Secondary Education (BISE), offices in Larkana and Mirpurkhas in

protest against `arbitrary` dismissals, suspensions and transfers of employees, and held a sit-in on the board premises, demanding the two board`s chairmen withdraw their orders. (*Dawn, January 20<sup>th</sup>, 2023 Page 15*)

### 13.1 # Protest

#### *Protest against gas loadshedding causes gridlock*

[Back]

A traffic mess was witnessed on I.I.Chundrigar Road, Mauripur Road, Saddar and adjoining areas due to the protest organised by hundreds of residents of Lyari in protest over loadshedding of gas and electricity in their area. The protesters, mostly belonging to the Kutchhi community of Lyari, chanted slogans against the K-Electric and Sui Southern Gas Company. They said that the power utility resorted to up to 18-hour of loadshedding while there was no sign of gas in their area for 16 hours on a daily basis. (*Dawn, January 8<sup>th</sup>, 2023 Page 14*)

#### *Larkana students rise against fee hike*

[Back]

Students of government schools staged demonstrations on roads and on the premises of their institutions in protest against rise in examination fees for secondary school certificate part-I and II by the Board of Intermediate and Secondary Education (BISE) Larkana.

The students of Municipal Higher Secondary School, Government Saint Joseph High School, Government Girls Model High School and other schools demanded withdrawal of the fee hike in view of devastation caused by recent floods which had seriously hit their parents` financial condition. In some schools teachers also joined the students` protest terming the fee hike against government`s policy. The students said they had been protesting for a week but people at the helm of affairs remained unmoved.

Carrying placards and raising slogans against BISE`s decision they lamented that they had not taken into account the post-flood condition of the families who were ruined economically. The labour class could not afford to pay Rs1,100 and Rs2,600 as annual examination fee for SSC part-I and II, they said. It was quite unfair that all was being done against the verdict of Sindh High Court, said a teacher Zahid Hulo. The petition was filed in SHC Karachi. (*Dawn, January 11<sup>th</sup>, 2023 page 15*)

#### *Protest against move to encroach on public ground*

[Back]

Hundreds of people, including players, demonstrated at the municipal stadium against the district government`s decision to take possession of the ground in order to expand the Gymkhana`s boundaries. The stadium is located on the city`s northwestern outskirts, next to the DHQ municipal hospital and medical colony. (*Dawn, January 23<sup>rd</sup>, 2023 Page 8*)

### *Chitralis protest power outages, bad roads*

[Back]

People hailing from Chitral set up a protest camp outside the Peshawar Press Club to raise voice against prolonged power outages and dilapidated condition of roads in their district. The protest camp was organised by Tehreek-i-Tahafuz Haqooq Chitral, wherein people belonging to different walks of life participated. Shouting slogans for solution to their demands, the residents also criticised the relevant officials of the provincial government for not taking action against the people involved in illegal mining in their district. (*Dawn, January 23<sup>rd</sup>, 2023 Page 9*)

### *Ban imposed on lifting of earth, minerals in Thatta*

[Back]

Amid public protests held repeatedly over the last several months against lifting of sand, gravel, limestone, rocks, iron ore etc in different areas of the district, particularly the sites of national importance around Keenjhar Lake, the director general of mines and minerals department has imposed a ban and ordered a strict check on the activity. The activity involving permit-holders and other private parties, as well as local residents, had increased during the last few weeks despite the protests. (*Dawn, January 23<sup>rd</sup>, 2023 Page 15*)

### *Traders stage protest demo against 'anti-industry' policies*

[Back]

The business community lodged a massive and strong protest demonstration in front of Lahore Press Club, against the anti-industry policies of the government, especially the non-opening of LCs (Letter of Credits) by the SBP to import industry raw material for the smooth running of business activities in the country.

Thousands of protesters from various industrial estates, including Kotlakhpat Industrial Estate, Sundar Industrial Estate, Quaid-e-Azam Industrial Estate, Kanakacha Industrial Estate, Ferozepur Road Industrial Estate, Kasur Industrial Estates, Gujranwala Industrial Estates, Sheikhpura Industrial Estates, beside trade representatives of Lahore major markets and bazaars, gathered in front of Press Club to raise their voice against wrong economic policies of the government, particularly of the central bank. Holding posters and banners, the protesters chanted slogans against the Finance minister as well as the State Bank governor as they are unable to deliver. (*Business Recorder, January 24<sup>th</sup>, 2023 Page 2*)

### *North Nazimabad residents hold protest over gas shortage*

[Back]

Protesting against non-supply of natural gas for the past several weeks in North Nazimabad neighbourhoods, the residents of localities took to streets on Thursday and demanded immediate restoration of gas supply. (*Dawn, January 27<sup>th</sup>, 2023 Page 14*)



## TERRORISM

### *Coal mine contractors protest against extortion*

[Back]

Hundreds of coal mine contractors blocked the Quetta-Loralai highway by burning tyres and putting up barricades in the Duki district, suspending all kinds of traffic between Dear Ghazi Khan and Quetta. They were protesting at what they said was the administration's failure to arrest the elements extorting money from coal mine owners and even contractors. They said such elements also opened fire on their trucks carrying coal to Punjab from Duki and other mining areas in Balochistan. Several victims of extortion gathered in Manday Tack area of Duki and blocked the road connecting Loralai to Punjab, suspending the traffic on both carriageways. The protesters said despite the registration of FIRs, the suspects had not been arrested. (*Dawn, January 2<sup>nd</sup>, 2023 Page 5*)

### *Gwadar protest leader booked on murder charge*

[Back]

Police in the port city of Gwadar have registered an FIR against Haq Do Tehreek leader Maulana Hidayatur Rehman on charges of murder, attempt to murder, provoking the people for violence and other charges. However, the police officer said, the Maulana has not been arrested so far as he had disappeared from Gwadar. The police constable was killed in the firing from mob during violent protests in Gwadar. Peaceful protests have been ongoing in Gwadar for months over demands such as ending illegal trawling and the provision of water, power and jobs. The provincial government attempted to hold negotiations with the protesters, led by Haq Do Tehreek (HDT), but the situation turned violent in the last week of December after a policeman was shot dead by unidentified assailants during a demonstration. The killing came a day after dozens of HDT protesters were rounded up by the police after talks failed. As the situation aggravated the government imposed Section 144 prohibiting the gathering of five or more people as the police arrested over 100 protesters and used force to disperse the demonstrators. (*Dawn, January 3<sup>rd</sup>, 2023 Page 1*)

### *Thousands rally in Bajaur for restoration of lasting peace*

[Back]

Thousands of people took to streets and pledged to protect the hard-earned peace in the region at all costs. People from all walks of life including political workers, social activists, traders and youth attended the peace march organised by Bajaur Peace Action Committee, a local alliance of political parties. Tribal elders, traders, social activists and youth participated in the march enthusiastically and demanded restoration of peace in the district. Holding white flags and placards, the participants of the march chanted slogans in favour of peace and against the fresh wave of terrorism in the region, particularly in the tribal districts. They lauded Bajaur Peace Action Committee, the local leaders and workers of political and religious parties and the residents of the district for arranging the march. They said that the march was necessary to stop the ongoing wave of terrorism in the tribal districts. (*Dawn, January 6<sup>th</sup>, 2023 Page 8*)



### *Thousands rally against terror spike in S. Waziristan*

[Back]

Thousands of people took to the streets in South Waziristan on Friday against the recent wave of terrorism in the region. The protesters called upon the government to immediately take steps and restore peace in the region. The tribesmen held the protest against a surge in terrorist activities in Khyber Pakhtunkhwa in general and Waziristan in particular. People from all walks of life, including political workers, social activists, traders and youth, attended the peace march led by local leaders of different political parties. The protesters holding white flags and placards chanted slogans in favour of peace and against terrorism in the volatile region, particularly tribal districts. Pakistan has seen a rise in terrorist attacks since the banned Tehreek-i-Taliban Pakistan announced resuming attacks a few weeks ago. The terrorist strikes are believed to have been planned and directed by the TTP leaders based in Afghanistan. (*Dawn, January 7<sup>th</sup>, 2023 Page 1*)

### *Spike in terrorism: Protest in South Waziristan enters second day*

[Back]

The protest sit-in against the recent wave of terrorism and lawlessness in the restive South Waziristan had entered the second day. The protesters blocked the Wana-Razmak road to all kinds of traffic. A large number of people, including workers of various political parties and members of the civil society, are staging the protest against the rising wave of militancy and lawlessness in Khyber Pakhtunkhwa in general and South Waziristan in particular. The Wana Ulasi Pason had organised the protest at Rustam Bazaar in Wana. Carrying white flags and banners, the participants of the rally condemned the rising acts of subversion and demanded the government to take steps for the restoration of peace and maintenance of law and order in the province, particularly the merged districts. They demanded the government to take action against the militants. (*The News, January 8<sup>th</sup>, 2023 Page 3*)

### *South Waziristan protesters block roads after talks with officials fail*

[Back]

The participants of a protest sit-in blocked roads in South Waziristan tribal district after talks between their leaders and the local administration failed to yield any results. The protest sit-in staged in Wana, the district headquarters, entered the fifth day. It has been organised by Waziristan Aman Olasi Pason to demand that the government restore durable peace to the militancy-wracked district. After the failure of negotiations, the protesters erected barricades on roads to disrupt traffic as more than 8,000 shops in Wana Bazaar remained closed. (*Dawn, January 11<sup>th</sup>, 2023 page 8*)

### *Shutdown enforced by protesters in Kandhkot*

[Back]

A large number of people staged a demonstration on Sindh Balochistan road after forcing closure of markets in Tangwani town in protest against police failure to curb increasing crimes in and around the town. The protesters first forced shopkeepers in the market to pull down shutters then blocked the road by staging the demonstration and burning tyres. (*Dawn, January 29<sup>th</sup>, 2023 Page 15*)

## FOOD

### *Protests held against rise in flour price*

[Back]

People took to the streets in Mithi, Islamkot and Chachro town to express their anger over a steep rise in the price of wheat flour and Sindh government's failure to provide relief to common man. (*Dawn, January 3<sup>rd</sup>, 2023 Page 15*)

### *Protesters block highway over disruption in supply of low cost flour*

[Back]

A large number of men and women blocked the National Highway at Kotri Hori Mill in protest against suspension in supply of low cost flour for the past two days. The food department was supplying the commodity at Rs65 per kg in Kotri town and surrounding areas. The protesters were raising slogans against the food department. (*Dawn, January 6<sup>th</sup>, 2023 Page 15*)

### *GB CM blames centre for wheat crisis, other issues*

[Back]

Amid a shutdown and transport strike across Gilgit-Baltistan against the land reforms, imposition of taxes, wheat shortage and prolonged blackouts in the region, GB Chief Minister Khalid Khurshid blamed the federal government for the issues being faced by the people. Sources said negotiations between the chief minister and representatives of the protesters were held as the ongoing protest in Skardu entered ninth consecutive day amid freezing temperatures, but the protesters refused to call off the sit-in. Shops, markets and business centres in various areas of 10 districts remained shut while traffic was thin as thousands of workers from different political and religious organisations participated in the demonstrations held in various areas blocking roads. They chanted slogans against both the federal government and GB government for not solving their demands and vowed to continue their protest till the acceptance of their demands. (*Dawn, January 7<sup>th</sup>, 2023 Page 3*)

### *Rallies against price hike in several KP cities*

[Back]

People in various cities of Khyber Pakhtunkhwa held protest demonstrations against rising prices of flour and other essential commodities and asked the government to take immediate steps to control prices and ensure availability of daily use food items.

In Swat, the protesters in Khwazakhela and Mingora took to the streets despite rain against the record hike in prices of essential food commodities.

In Charsadda, despite rain the people of Tarnab area came out on streets against skyrocketing prices of wheat flour and other food items. The protesters demanded the government to control inflation and provide relief to the people.

In Khyber, scores of tribesmen, including political activists, held a demonstration against price hike at Bacha Khan Chowk in the main Landi Kotal Bazaar.

In Lower Dir, workers of political party staged a protest rally in Adenzal against the shortage of flour and price hike, said the prices of essential commodities like flour, rice, sugar, ghee and pulses had soared manifold during the last four years and the people were unable to feed their families.

In Shangla, workers political party blocked Bisham-Swat road in Bally Baba Bazaar in protest against the current wave of inflation, especially sharp increase in the flour prices. (*Dawn, January 9<sup>th</sup>, 2023 Page 9<sup>th</sup>*)

### *Protests continue over govt failure to rein in profiteers*

[Back]

A large number of people took to the streets in Larkana and Mithi towns and staged demonstrations to protest against steep rise in the price of flour and Sindh government's failure to rein in profiteers and provide subsidised atta to inflation-hit population.

In Larkana, the protesters who had arrived from Dari locality, Allahabad and Bakrani road areas, Khalig Colony, Shahu Boraho, Otha Chowk and Bachu Boraho areas gathered near an overhead bridge and staged a demonstration. They said that being poor and daily wage earners they could not afford to purchase flour from the open market and atta chakkis where it was being sold at the rate of Rs130 to 150 per kilo.

Protest held in Mithi Mithi residents staged a demonstration at Kashmir Chowk in protest against steep rise in the price of flour and government's failure to provide relief to the poor. The protesters' leaders said that they were forced to purchase the flour at Rs140 to Rs150 per kg despite the fact that Tharis were to be provided flour at Rs65 a kilo. (*Dawn, January 11<sup>th</sup>, 2023 page 15*)

### *Tandoor owners protest rising flour prices*

[Back]

A number of tandoor owners staged a protest rally outside the civil secretariat against the rising prices of simple and fine flour and demanded revisions in the naan and roti prices in line with the ongoing price hike. Under the banner of the Muttahida Nanbais Association, participants chanted slogans urging the government to either lower flour prices or allow them to set naan and roti prices of Rs35 and Rs25. (*Dawn, January 13<sup>th</sup>, 2023 Page 2*)

### *Rally held against flour crisis*

[Back]

Activists of the Sindh United Party (SUP) and Pakistan Peoples Party-Shaheed Bhutto (PPP-SB) staged a rally and sit-in outside the local press club in protest against the shortage of flour and hike in its price. Leading the protest against the skyrocketing prices of essential commodities and shortage of flour, blamed the PPP government for its failure in providing relief to people, forcing them to stand in long queues to purchase flour from government outlets. (*Dawn, January 13<sup>th</sup>, 2023 Page 15*)

### *Several rallies held over soaring price*

[Back]

Activists of Shia Ulema Council, Pakistan Peoples Party Shaheed Bhutto, Sindh Taraqqi-pasand Party and Tehreek-i-Labbaik Pakistan staged separate demonstrations outside local press club in protest against skyrocketing inflation and shortage of flour. (*Dawn, January 14<sup>th</sup>, 2023 Page 15*)

## LABOUR

### *Lakhra power plant workers demand withheld salaries*

[Back]

Employees of Lakhra Power Plant held a protest demonstration for nonpayment of salaries for five months by the plant authorities. (*Dawn, January 6<sup>th</sup>, 2023 Page 15*)

### *GB lady health workers continue protest despite harsh weather*

[Back]

Scores of temporary lady health workers in Gilgit-Baltistan staged a protest sit in outside the Chief Minister house against suspension of their appointments. The protesters blocked River View road in Gilgit, despite harsh weather. According to the protesters, the last GB government had advertised over 600 temporary posts of lady health workers in the national programme for family planning and primary health care in 10 districts of GB. However, the very next day before issuing appointment letters, GB Chief Minister Khalid Khurshid Khan suspended the appointments and saying that a large number of complaints were received regarding appointments on the posts. Protesters said that they passed the test and interview and qualified for the posts, alleging that the GB chief minister along with others wanted to appoint their own candidates on the posts. They said that when these candidates could not qualify for the posts, the C. Minister suspended their appointments. (*Dawn, January 12, 2023 Page 4*)

### *Protest held over action against APCA leaders*

[Back]

Scores of employees of the Board of Intermediate and Secondary Education and office-bearers of the All Pakistan Clerks Association (APCA), Mirpurkhas unit, staged a demonstration outside the local press club to protest suspension of APCA president and others by the board's chairman during ongoing protest campaign against alleged corruption. (*Dawn, January 17<sup>th</sup>, 2023 Page 15*)

### *Ex-PSM workers demand dues `pending for six years`*

[Back]

Former workers of the Pakistan Steel Mills, under the umbrella of `Retired Employees Unity of Pakistan Steel` held a demonstration outside the local press club to demand their dues. Their leaders told the media that for six years now, they had not been getting the interest being collected from their provident fund amount. Most of them are not even getting their pension as is their right under the Employees` Old-age Benefits Institution (EOBI) rules, according to them. (*Dawn, January 20<sup>th</sup>, 2023 Page 13*)

*Wapda union threatens countrywide drive if privatisation plan not shelved* [Back]

The All Pakistan Wapda Hydro Electric Workers Union threatened to launch countrywide protests if the government did not shelve its plan for the privatisation of national enterprises. Wapda union workers brought out a rally from the Labour Hall to the local press club in protest against outsourcing of some feeders` reading and billing functions. Union president Abdul Latif Nizamani, Sindh general secretary Iqbal Ahmed Khan and others said that they would not allow the privatisation of national enterprises of the country. They claimed that the union had got stopped privatisation thrice in the past because it was interested only in workers` employment and justice. The union had always raised voice for the workers, they said. The union leaders alleged that the government was bent upon privatising the profit-earning organisations of the country. (*Dawn, January 20<sup>th</sup>, 2023 Page 15*)

*Affectees of Baldia factory fire protest against ILO`s `undemocratic attitude`* [Back]

Affectees of the Baldia factory fire staged a demonstration in front of the Karachi Press Club (KPC) here in protest against what they termed an undemocratic attitude of the International Labour Organisation (ILO).

Speaking on the occasion, the protest leaders said that in 2016, a pact was inked between the German brand KiK, IndustriaAll Global Union and Clean Cloth Campaign (CCC) under which the German brand handed over \$5.1 million to the ILO for a long-term compensation to the heirs of those died in the fire and the injured.

In the pact, they said, it was decided that the money would be invested in Pakistan so that lifetime payment to the affectees could be made possible and till the funds were invested with mutual agreement, an agreed amount would be paid to the affectees on a monthly basis.

In that regard, a memorandum of understanding (MoU) was signed between the ILO and government of Sindh through which monthly payment to the affectees was carried out through the Sindh Employees Social Security Institute (Sessi), the protest leaders added. But violating the agreement and without consulting the stake holders, the ILO inked an agreement with an insurance company and handed over all the funds to it, they said. The affectees were not taken into confidence before or after that development. Despite the demands of the affectees and labour organisations, they said, the agreement with the insurance firm was not being shared with them. That attitude of the ILO was against the principle of transparency and tantamount to disrespect to the affectees, they observed. On the other hand, the Sindh labour department in connivance with the ILO announced to disband the oversight committee without any consideration or prior information, they said.

That undemocratic attitude of the ILO and unilateral decision of the labour department had created uncertainty among the affectees of the Baldia factory fire, they added. Refusal to share the agreement of the ILO with the insurance company and announcement of the labour department to dissolve the committee had not only made that affair dubious, but also created a lot of bitterness for the 260 affected families, they said. But the ILO and the labour department were not willing to answer to the reservations of the affectees, they added.

The affectees of the Baldia factory fire have demanded to make public the secret agreement between the ILO and the insurance company and immediately restore the oversight committee. Continuing their struggle, the affectees had consulted noted legal experts in that regard to initiate litigation next month, sources said. In continuation of their protest, they would hold demonstrations in front of Sindh Assembly and ILO office in Karachi. (*Dawn, January 30<sup>th</sup>, 2023 Page 15*)



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# 1 # AGRICULTURAL PRODUCTION RESOURCES

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## 3 # AGRICULTURAL OUTPUTS

### 3.1 # Cash Crop

*Cotton demand: grim prospects*

[\[Back\]](#)

The world cotton demand is slowly teetering towards the brink. According to USDA's latest monthly update, global demand is forecast to be down by more than 10 percent since its post-Covid peak. USDA predicts world cotton consumption during 2022-23 at a little under 111 million bales (of 217kg), lowest in at least a decade (excluding Covid bottom 2019-20).

If USDA is to be believed, world cotton consumption shall drop by 12.3 million bales (of 217kg) during the ongoing year, which is the single largest drop 2008-09, the year following the last global financial crisis. Meanwhile, the global ending stock to use ratio has climbed up to 81 percent, its highest level since 2014-15. Recessionary headwinds are no doubt strong, with grim prospects for the yarn milling segment. Cotton consumption by the spinning industry is forecast on lower side across all major producing regions including China, India, Pakistan, Bangladesh, Viet Nam, and Turkey. In fact, China, India and Pakistan together account for 90 percent of the reduction in cotton demand by the milling segment, year on year. Bangladesh, Viet Nam, and Turkey account for the remainder 8 out of 10 percent.

Back home, the trend is already visible in the unsold inventory with the ginneries. Although stuck up cargoes, delayed import payments, and declined LC issuance requests dominate the news cycle, local industry hasn't exactly run out of cotton supply. According to the latest report card by Pakistan Cotton Ginners Association, ginning units were sitting on unsold inventory of 0.65 million bales as at January 03rd, 2023, which is more than double the unsold volume as at last year – 0.31 million bales. (*Business Recorder, January 18<sup>th</sup> 2023 Page 2*)



## 4 # NON AGRICULTURAL PRODUCTIONS

*Church of England body apologises for links to slavery*

[Back]

A Church of England funding body apologised for its historic links to slavery, promising to address the wrongs of the past with investment in affected communities. `The Church Commissioners is deeply sorry for its predecessor fund`s links with the transatlantic slave trade,` the organisation said in a statement. The commissioners committed 100 million (\$122 million) of investment over the next nine years to `a better and fairer future for all`. The money will target `communities affected by historic slavery`, and towards further research about church links to the practice.

A report it commissioned revealed that Queen Anne`s Bounty invested `significant amounts` of its funds in the South Sea Company, which traded African slaves. It also received donations which were likely to have come from individuals involved in the practice and the plantation economy. `Nothing we do, hundreds of years later, will give the enslaved people back their lives,` the commissioners wrote in a foreword to the report. `But we can and will recognise and acknowledge the horror and shame of the Church`s role in historic transatlantic chattel slavery and, through our response, seek to begin to address the injustices caused as a result. (*Dawn, January 11<sup>th</sup>, 2023 page 10*)

## 5 # TRADE

*China`s 2022 trade with Russia hits record \$190bn*

[Back]

China`s trade with Russia hit a record 1.28 trillion yuan (\$190 billion) last year, the government said, even as Russia`s imports from the European Union fell on sanctions related to Moscow`s invasion of Ukraine. China`s 2022 exports to and imports from Russia accounted for 3% of China`s total trade. Shipments of Chinese goods to Russia have grown for six months in a row. Russia more than doubled its rail exports of liquefied petroleum gas to China in 2022 as part of the Kremlin`s drive to diversify its energy export sales. China`s trade with Russia slowed sharply in dollar terms in December, with exports up 8.3% from the same month last year, down from November`s 17.9% rise, according to Reuters calculations based on Chinese customs data. Imports from Russia rose 8.3%, slowing from a 28.5% gain in November, as a surge in COVID-19 infections following China`s abrupt end to severe restrictions weighed on domestic demand. But with the dismantling of Beijing`s zero-COVID policy, however, Russia and China are ready to resume mutual travel as soon as possible and deepen their strategic cooperation, Zhang Hanhui, China`s ambassador to Russia, said this week. (*Business Recorder, January 16<sup>th</sup>, 2023 Page 8*)

### *India hopeful of rupee trade with Russia after imports surge*

[Back]

India is hopeful of a rupee trade with Russia, a trade ministry official said, as government data showed a near 400% jump in Russian merchandise imports from April-December compared with a year ago. India has been exploring a rupee trade settlement mechanism with Russia since soon after Moscow invaded Ukraine in February last year. The two sides have spoken about facilitating trade in local currencies, Satya Srinivas, a secretary at the trade ministry, told reporters in New Delhi. However, rules have not yet been formalised. India is hopeful that rupee trade with Russia will pick up in the future, Srinivas said. (*Business Recorder, January 17<sup>th</sup>, 2023 Page 11*)

## **5.1 # Exports**

### *US secures deal to limit chip exports to China*

[Back]

The United States has secured a deal with the Netherlands and Japan to restrict exports of some advanced chip-making machinery to China in talks that concluded, Bloomberg reported, citing people familiar with the matter. The agreement would extend some export controls the United States adopted in October to companies based in the two allied nations, including ASML Holding NV, Nikon Corp and Tokyo Electron Ltd, the report said. A source familiar with the talks said restricting exports of semiconductor manufacturing equipment to China was among the topics. Getting the Netherlands and Japan to impose tighter export controls on China would be a major diplomatic win for President Joe Biden's administration, which in October announced sweeping restrictions on Beijing's access to US chip making technology to slow its technological and military advances. (*Dawn, January 29<sup>th</sup>, 2023 Page 9*)

## **5.2 # Imports**

### *India, US establish new trade group to bolster supply chains*

[Back]

India and the United States have established a new working group to build sustainable supply chains and boost bilateral trade, the governments said in a joint statement. The working group will initially focus on trade facilitation, digitization of customs procedures, issues related to mobilization of sustainable finance and scaling up of innovative clean technologies, according to the statement issued after a Trade Policy Forum meeting in Washington D.C. The countries agreed to continue close monitoring of visa issues and increase dialogue on food and agricultural trade issues in 2023. The United States will also consider India's interest in the restoration of beneficiary status under the US generalized system of preferences program. The Trade Policy Forum, revived in 2021 after a gap for four years, will reconvene on a ministerial level before end of 2023. The two countries said they mean to continue to work together on resolving outstanding trade issues. "Waiting for all-or-nothing comprehensive agreements will only slow our shared goal of achieving a \$500 billion trade relationship," president of

the US Chamber of Commerce's US-India Business Council, Atul Keshap, said in a statement. (*Business Recorder, January 13<sup>th</sup>, 2023 Page 11*)

*Beijing aims to boost consumption, imports*

[Back]

China's cabinet said it would promote a consumption recovery as the major driver of the economy and boost imports, state broadcaster CCTV reported, at a time of cooling global demand as major economies teeter on the brink of recession. At a meeting chaired by Premier Li Keqiang, China's state council which functions as the cabinet also vowed to speed up the rollout of foreign investment projects, maintain a stable yuan, ease cross-border travel and help companies to participate in domestic and overseas trade shows. The cabinet also reaffirmed its support for the private sector and digital platform economy, which have taken a knock from a series of regulatory crackdowns in recent years. It also discussed measures to support farmers to start spring planting, including subsidies for soybean sowing. China's economy grew by 3.0pc in 2022, when stringent Covid measures were still in place, well below the official target for 'around' 5.5pc, official data showed earlier this month. (*Dawn, January 29<sup>th</sup>, 2023 Page 9*)

## 6 # CORPORATE SECTOR

No News

## 7 # INTERNATIONAL FINANCIAL INSTITUTIONS

*China's EXIM bank gives Sri Lanka debt extension*

[Back]

China's Export-Import Bank of China (EXIM) has provided Sri Lanka with a debt extension, China's foreign ministry said. EXIM offered Sri Lanka a two-year moratorium on its debt and said it would support the country's efforts to secure a \$2.9 billion loan from the International Monetary Fund. Regional rivals China and India are the biggest bilateral lenders to Sri Lanka, a country of 22 million people that is facing its worst economic crisis in seven decades. India wrote to the IMF earlier this month, saying it would commit to supporting Sri Lanka with financing and debt relief, but the island nation also needs the backing of China in order to reach a final agreement with the global lender. At the end of 2020, China EXIM loaned Sri Lanka \$2.83 billion which is 3.5% of the island's debt, according to an IMF report released in March last year. (*Business Recorder, January 27, 2023 page 1*)

*WB seeks more funds*

[Back]

The World Bank is seeking to vastly expand its lending capacity to address climate change and other global crises and will negotiate with shareholders ahead of April meetings on proposals that include a capital increase and new lending tools, according to an “evolution roadmap”. The roadmap document marks the start of a negotiation process to alter the bank’s mission and financial resources and shift it away from a country and project-specific lending model used since its creation at the end of World War Two. (*Business Recorder, January 4<sup>th</sup>, 2023 Page 1*)

## 8 # POLICY

### 8.1 # Discovery

*Europe’s largest rare earths deposit discovered in Sweden*

[Back]

Europe’s largest known deposit of rare earth elements, essential for the manufacturing of electric vehicles, has been discovered in Sweden’s far north, boosting Europe’s hopes of cutting its dependence on China. Swedish mining group LKAB said the newly-explored deposit, found right next to its iron ore mine, contained more than one million tonnes of rare earth oxides. “This is the largest known deposit of rare earth elements in our part of the world, and it could become a significant building block for producing the critical raw materials that are absolutely crucial to enable the green transition,” LKAB’s chief executive Jan Mostrom said. (*Business Recorder, January 16<sup>th</sup>, 2023 Page 8*)

## 9 # ENVIRONMENT

*World enters ‘new age’ of clean energy manufacturing: IEA*

[Back]

The world is at the “dawn of a new industrial age” of clean energy technology manufacturing that will triple in value by 2030 and create millions of jobs, the International Energy Agency said. The global market for key mass-manufactured technologies including solar panels, wind turbines, electric vehicle batteries, heat pumps and electrolyzers for hydrogen will be worth around \$650 billion a year by the end of the decade, the IEA predicted in a report. The figure is more than three times larger than current levels but is conditional on countries fully implementing their energy and climate pledges, it added.

Related jobs in clean energy manufacturing will more than double from six million to nearly 14 million by 2030, the agency said. But the Paris-based organisation warned that the concentration of resource extraction and manufacturing poses risks to supply chains. Three countries account for 70 percent of the manufacturing capacity for solar,

wind, battery, electrolyser and heat pump technology, with China “dominant in all of them”. The Democratic Republic of Congo produces more than 70 percent of the world’s cobalt, and three countries — Australia, Chile and China — account for more than 90 percent of the global production of lithium, a key resource for electric vehicle batteries. (*Business Recorder, January 13<sup>th</sup>, 2023 Page 1*)

*Delhi fog delays flights, cold wave closes schools*

[Back]

Heavy fog in Delhi delayed flights, and a cold wave forced authorities to defer school re-openings a week, as visibility fell and cars drove with their hazard lights on. The Indira Gandhi International Airport in the Indian capital asked flyers to contact their airlines for updates on flights. Due to dense fog, flight operations at Delhi Airport may get affected. (*Dawn, January 10<sup>th</sup>, 2023 Page 10*)

*England to ban some single-use plastic items*

[Back]

England will ban a range of single-use plastic items such as cutlery, plates and bowls from October in an effort to limit soaring plastic pollution, Britain’s environment department said. The decision follows a public consultation by the government in which 95 per cent of respondents were in favour of the bans. ‘We all know the absolutely devastating impacts that plastic can have on our environment and wildlife,’ Environment Secretary Thrs Coffey said. ‘These new single-use plastics bans will continue our vital work to protect the environment.’ Most plastics can remain intact for centuries and damage oceans, rivers and land where millions of tonnes end up as waste each year. The United Nations says decades of overuse of single-use plastics has caused a ‘global environmental catastrophe’. It is estimated England uses 2.7 billion items of single-use cutlery, most of which are plastic, a year as well as 721 million such plates, but only 10pc end up being recycled. (*Dawn, January 15<sup>th</sup>, 2023 Page 11*)

## 9.1 # Health

*South Asia sees worst child mortality rate in 2021*

[Back]

South Asia and sub-Saharan Africa remained the two worst regions in terms of child mortality in 2021, a new UN report has said. The report released estimated that around five million children died before the age of five while another 2.1 million children and youth between five and 24 years lost their lives in 2021.

Children continue to face wildly differentiating chances of survival based on where they are born, with sub-Saharan Africa and Southern Asia shouldering the heaviest burden. Though sub-Saharan Africa had just 29 per cent of global live births, the region accounted for 56pc of all under-five deaths in 2021, and Southern Asia for 26pc of the total deaths. Children born in sub-Saharan Africa are subjected to the highest risk of childhood death in the world 15 times higher than the risk for children in Europe and Northern America. The report, said the global community failed to uphold its promise



to its youngest and most vulnerable members in 2021. The global under-five mortality rate fell by 50pc since the start of the century, while mortality rates in older children and youth dropped by 36pc and the stillbirth rate decreased by 35pc.

If swift action was not taken to improve health services, almost 59m children and youth will die before 2030, and nearly 16m babies will be lost to stillbirth. If current trends continue, nearly 19m children, adolescents and youth aged 5-24 years will die between 2022 and 2030, with more than 70pc of those deaths projected to take place in South Asia and sub-Saharan Africa. Nearly 3.8m of these deaths will occur among adolescents aged 10-19 years and a combined 71pc will occur in sub-Saharan Africa (9.4m or 50 pc) and Southern Asia (4m or 21pc). (*Dawn, January 11<sup>th</sup>, 2023 page 5*)

### *WHO warns against use of Indian cough syrups*

[Back]

The World Health Organisation has issued an alert warning against the use of two Indian cough syrups blamed for the deaths of at least 20 children in Uzbekistan. WHO said the products, manufactured by India's Marion Biotech, were 'substandard' and that the firm had failed to provide guarantees about their 'safety and quality'. (*Dawn, January 13<sup>th</sup>, 2023 Page 10*)

### *WHO seeks \$2.5bn for health emergency responses in 2023*

[Back]

The World Health Organization appealed for \$2.54 billion for its work in 2023 to help millions of people facing health emergencies around the world. The UN health agency said that it was currently responding to an unprecedented number of intersecting health emergencies. It pointed to the brutal war in Ukraine and the health impacts of conflicts in Yemen, Afghanistan, Syria and Ethiopia, as well as climate change related disasters like the monster floods that hit Pakistan last year and swelling food insecurity across the Sahel and the Horn of Africa. And all of these emergencies, it stressed, overlap with the massive health system disruptions caused by the Covid-19 pandemic and outbreaks of other deadly diseases like measles and cholera. The many health emergencies are happening as the need for humanitarian aid overall is skyrocketing. The United Nations has estimated that a record 339 million people worldwide will need some form of emergency assistance this year — up nearly a quarter from 2022. (*Business Recorder, January 24<sup>th</sup>, 2023 Page 11*)

### *World 'dangerously unprepared' for next pandemic: Red Cross*

[Back]

All countries remain 'dangerously unprepared' for the next pandemic, the Red Cross warned, saying future health crises could also collide with increasingly likely climate-related disasters. Despite three 'brutal' years of the Covid-19 pandemic, strong preparedness systems are 'severely lacking', the International Federation of Red Cross and Red Crescent Societies (IFRC) said. The IFRC cited the rise in climate-related disasters and waves of disease outbreaks this century, of which Covid-19 was just one.



It said extreme weather events were growing more frequent and intense, “and our ability to merely respond to them is limited”. (*Dawn, January 31<sup>st</sup>, 2023 Page 10*)

## 10 # CLIMATE CHANGE

### *Record-breaking winter temperatures warm Europe*

[Back]

Europe has seen “extreme” warm winter weather in recent days, experts have said, with 2023 already posting record temperatures for January across the region. As temperatures rise globally because of human-caused climate change, scientists say heatwaves and spells of warmer-than-average weather are becoming more common throughout the year. (*Dawn, January 8<sup>th</sup>, 2023 Page 10*)

### *The Climate Cause*

[Back]

A German band performs on a stage as people demonstrate at Luetzerath, a village that is about to be demolished to allow for the expansion of the Garzweiler open-cast lignite mine of Germany’s utility RWE. Police prepare the planned evacuation of the village of Luetzerath occupied by climate activists, who demonstrate against the demolition of the village for the extension of the neighbouring open-air coal mine. The residents of Luetzerath have left as their homes were expropriated and they were compensated and rehoused. The German government, led by Social Democrat Olaf Scholz, announced in early 2022 a compromise with energy giant RWE to allow the extension of the nearby mine. (*Business Recorder, January 9<sup>th</sup>, 2023 Page 1*)

### *Scientists sound alarm as ocean temperatures hit new record*

[Back]

The world’s oceans, which have absorbed most of the excess heat caused by humanity’s carbon pollution, continued to see record-breaking temperatures last year, according to research. Climate change has increased surface temperatures across the planet, leading to atmospheric instability and amplifying extreme weather events such as storms. Oceans absorb about 90 per cent of the excess heat from greenhouse gas emissions, shielding land surfaces but generating huge, long-lasting marine heatwaves that are already having devastating effects on underwater life. The study, by researchers in China, the US, Italy and New Zealand, said that 2022 was “the hottest year ever recorded in the world’s oceans”. Heat content in the oceans exceeded the previous year’s levels by around 10 Zetta joules equivalent to 100 times the electricity generation worldwide in 2021. Records going back to the late 1950s show a relentless rise in ocean temperatures with almost continuous increases going back to around 1985. (*Dawn, January 12, 2023 Page 10*)

### *UN chief slams oil firms for ‘big lie’ on global warming*

[Back]

UN Secretary-General Antonio Guterres skewered oil firms for having “peddled the big lie” about their role in global warming, telling the World Economic Forum that they

should be held accountable. Addressing a room full of the world's business and political elite, Guterres drew a parallel between the actions of oil companies and those of tobacco companies that have been hit by huge lawsuits over the adverse effects of cigarettes.

“We learned last week that certain fossil fuel producers were fully aware in the 1970s that their core product was baking our planet,” Guterres said. He was referring to a study published in the journal *Science* that said ExxonMobil had dismissed the findings of its own scientists on the role of fossil fuels in climate change. “Just like the tobacco industry, they rode roughshod over their own science,” Guterres said, referring to lawsuits that determined cigarette companies had hidden the dangers of their products. “Some in Big Oil peddled the big lie. And like the tobacco industry, those responsible must be held to account,” he said.

In 1998, US states won a landmark settlement against tobacco companies worth \$246 billion aimed at recovering the costs of treating smokers from the harmful effects of cigarettes. The study on ExxonMobil found that the firm's scientists had modelled and predicted global warming “with shocking accuracy”, only for the company “to spend the next couple of decades denying that very climate science”. ExxonMobil is the target of a number of lawsuits in the United States. Asked about the *Science* report, an ExxonMobil spokesman said last week that the issue had come up several times in recent years and in each case the company's answer was that “those who talk about how ‘Exxon Knew’ are wrong in their conclusions”.

In his speech, Guterres urged the world to “end the addiction to fossil fuels” and warned that the aspirational goal of limiting warming to 1.5 degrees Celsius (2.7 degrees Fahrenheit) from pre-industrial levels was “going up in smoke”. “Fossil fuel producers and their enablers are still racing to expand production, knowing full well that this business model is inconsistent with human survival,” he said. “This insanity belongs in science-fiction, yet we know the ecosystem meltdown is cold, hard scientific fact,” Guterres added. (*Business Recorder, January 19<sup>th</sup>, 2023 Page 1*)

*Kerry cries out for `money, money` to stop climate change*

[Back]

US climate envoy John Kerry bluntly summed up in one word what the planet needs to avoid a global warming catastrophe at the World Economic Forum this week: money. The annual meeting of the global elite in the Swiss Alpine resort of Davos was a chance for top government officials, CEOs, academics and campaigners to debate how to tackle the climate crisis. The bill is monumental: Kerry and others warned that trillions of dollars were needed to speed up the world's efforts to reach net-zero carbon emissions by 2050 and limit warming to 1.5 degrees Celsius. But the week-long forum exposed fault lines over how to meet those targets at a time when the world faces a costly war in Ukraine, an economic downturn, soaring inflation and a cost-of-living crisis. The US government is pouring \$369 billion dollars into its green energy transition through tax

incentives and subsidies for electric cars and other technology under its landmark Inflation Reduction Act (IRA). (*Dawn, January 21<sup>st</sup>, 2023 Page 10*)

*Greenland at its warmest in 1,000 years, says study*

[Back]

Temperatures in parts of Greenland are warmer than they have been in 1,000 years, the co-author of a study that reconstructed conditions by drilling deep into the ice sheet said. "This confirms the bad news that we know already unfortunately (It is) clear that we need to get this warming under control in order to stop the melting of the Greenlandic ice sheet", climate physics associate professor Bo Mollesoe Vinther of the University of Copenhagen said. (*Dawn, January 21<sup>st</sup>, 2023 Page 10*)

*Focus on emissions, says UAE's climate talks and oil boss*

[Back]

The president of this year's COP28 climate talks, who heads a major oil company, urged a focus on lower emissions to reduce global warming, warning that energy needs were set to accelerate. Sultan Al Jaber, the United Arab Emirates' special envoy for climate change and CEO of oil giant ADNOC, said less-polluting fossil fuels would remain part of the energy mix, along with renewables and other solutions. The Gulf monarchy argues that oil remains indispensable to the global economy and is pushing the merits of carbon capture — removing carbon dioxide, the main greenhouse gas, as fuel is burned or from the air. He said the world's population, currently eight billion, was on course to reach 9.7 billion by 2050 and would need "50 percent more energy than what is available today". (*Business Recorder, January 15<sup>th</sup>, 2023 Page 8*)

*ECB can cut carbon footprint by shedding bonds of biggest polluters*

[Back]

The European Central Bank could radically cut the carbon footprint of its corporate bond portfolio by selling just 50 billion euros (\$54.30 billion) of polluting companies' debt, research shows, but analysts say this would risk big market distortions. Analysis from sustainable finance think tank Anthropocene Fixed Income Institute (AFII) showed the ECB could cut the carbon footprint associated with its corporate bond holdings by 87% if it sold just 48.3 billion euros of debt from the 25 top polluters. These included oil and gas companies such as Shell, TotalEnergies, Repsol and BP. "This is an extremely high concentration of carbon in a few names," said AFII founder Ulf Erlandsson, adding the total emissions they account for is substantial in the context of annual global CO2 emissions of around 30-40 giga tonnes. U.S. Fed chair Jerome Powell has said the bank's regulatory powers give it a narrow role to ensure financial institutions "appropriately manage" the risks they face from climate change. "We are not, and will not be, a 'climate policymaker'", he said. (*The News, January 15<sup>th</sup>, 2023 Page 18*)

## 11 # SOCIAL PROGRESS

*Wealth managers grapple with one of their worst years in a century* [Back]

Wealth managers are grappling with one of their worst years in a century after high inflation and a sell-off in stocks and bonds hammered returns. The threat of stubbornly higher inflation presents a challenge to preserving wealth in real terms that has not been faced in decades, while the pain in markets over the past 12 months has undermined conventional wisdom around balancing portfolios between equities and fixed income. (*The News, January 1<sup>st</sup>, 2023 Page 18*)

*Coal, gas lead 2022 commodities rally; recession clouds New Year* [Back]

Coal and natural gas markets ended 2022 with strong gains after a global energy crisis triggered by the Russia-Ukraine war stoked prices, and tighter supplies expected in 2023 could fuel more gains. Industrial metals, iron ore and rubber finished in negative territory, pushed down in 2022 by China's strict zero-Covid policy and fears of a world recession. Agricultural markets, including grains and palm oil, jumped to all-time highs in March on adverse weather and pandemic-related supply disruptions, triggering higher food prices and warnings of famine, though those commodities gave up some of their gains in the second half. "Despite the recent price declines, commodities will still likely finish the year as the best performing asset class," Goldman Sachs said in its 2023 commodity outlook. (*The News, January 1<sup>st</sup>, 2023 Page 18*)

*Most CAREC nations have fractured food safety control systems: report* [Back]

Most countries in the Central Asia Regional Economic Cooperation (CAREC) programme, which includes Pakistan, have fractured food safety control systems that exhibit limited cooperation among the local and international agencies, and as a result, consumers are likely to face food safety risks.

The report emphasised that there was a need for the region to have a more systematic and effective food safety system. The economic benefits that the CAREC region could obtain from an improved food safety system were considerable, as it had the economic advantage of being at the strategic point on the Silk Road and an agro-ecosystem that permitted the production of various food products, it said. As for Pakistan, the report noted that various foodborne diseases were quite common in the country, including different forms of hepatitis, typhoid, animal contact diseases, influenza, and aerosolised dust, along with soil contact diseases.

In 2022, the World Health Organisation reported that unsafe food results in infectious illnesses caused by bacteria, viruses, parasites, and chemical substances. Consumption of these unsafe food products has resulted in around 600 million cases of diseases and around 420,000 cases of death every year, and most of these cases of morbidity and mortality occur in developing countries. Although there are no official estimates of the

total burden of foodborne diseases in developing countries, experts are equivocal that the food safety situation in developing countries is far more severe than in developed countries because food from developing countries has high levels of hazards, around 750 million people in developing countries do not have access to clean water, and the use of human or animal waste is prevalent in agricultural production in developing countries. The ADB has implemented a technical assistance project, `Strengthening International Food Safety Standards in Agricultural Value Chains`, in the CAREC member countries to develop national food safety legislation and strategies to facilitate harmonisation with international food standards, improve national laboratories, and develop national food safety networks to facilitate the adoption of international food safety standards.

About Pakistan, the report says while food production and processing accounted for about 14.4 per cent of the country`s GDP in 2020, maintaining the economic viability of the country`s agriculture sector remains challenging due to the lack of a coherent sanitary and phytosanitary regulatory framework and harmonised food safety laws, outdated animal and plant health laws, poor supply chain management, and a heavy focus on end-product food safety testing. Pakistan`s food safety system lacks a supraministerial advisory board to coordinate activities among agencies concerned, making food safety governance cumbersome and complex, often failing to facilitate trade and protect public health. There are more than a dozen federal and provincial food laws in the country, and several do not address contemporary issues on food safety. Despite the numerous regulations on food safety, a significant proportion of the agro-food products produced in Pakistan are not compliant with animal and plant health and food safety standards, often due to high chemical and pesticide residues, according to the report. Pakistan`s food imports are regulated by the federal government, while provincial and municipal governments regulate food safety standards concerning the domestic trade of food products. (*Dawn, January 2<sup>nd</sup>, 2023 Page 3*)

*Global economy faces tougher year, warns IMF chief*

[\[Back\]](#)

For much of the global economy, 2023 is going to be a tough year as the main engines of global growth the United States, Europe and China all experience weakening activity, the head of the International Monetary Fund said. The New Year is going to be `tougher than the year we leave behind`, IMF Managing Director Kristalina Georgieva said. `Why? Because the three big economies the US, EU and China are all slowing down simultaneously, she said. In October, the IMF cut its outlook for global economic growth in 2023, reflecting the continuing drag from the war in Ukraine as well as inflation pressures and the high interest rates engineered by central banks like the US Federal Reserve aimed at bringing those price pressures to heel. (*Dawn, January 2<sup>nd</sup>, 2023 Page 11*)



### *Cost-of-living crisis 'biggest global risk'*

[Back]

The cost-of-living crisis will be the biggest global risk over the next two years, a survey by the World Economic Forum warned ahead of its Davos meeting next week. Global inflation remains at sky-high levels after energy and food costs rocketed last year following the invasion of agricultural powerhouse Ukraine by major oil and gas producer Russia. Supply constraints caused by the Covid pandemic have also contributed to decades-high consumer prices. "Conflict and geo-economic tensions have triggered a series of deeply interconnected global risks," said the study ahead of the WEF's annual meeting of global elites in the Swiss Alpine village of Davos. "These include energy and food supply crunches, which are likely to persist for the next two years, and strong increases in the cost-of-living and debt servicing." It added that such "crises risk undermining efforts to tackle longer-term risks, notably those related to climate change, biodiversity and investment in human capital". (*Business Recorder, January 12<sup>th</sup>, 2023 Page 1*)

### *Pakistan among lower-middle income countries: UN report*

[Back]

Pakistan remains a lower-middle income country and will continue to be vulnerable to fluctuating energy prices, warns a UN report. The report also places India and Bangladesh among lower-middle income countries despite their economic gains and urges the entire South Asian region to reduce its energy consumption. Nepal is also placed in the same category, although Afghanistan is listed among low-income countries. The report by the UN labour agency warns that finding a decent and well paid job will be harder in 2023 than it was in 2022, thanks to the continuing global economic downturn. According to this report, South Asia `remains highly vulnerable to natural disasters, for example on the flood plains of Pakistan and Bangladesh. Countries such as Pakistan `are also increasingly held back by very high levels of energy subsidies, which weigh heavily on public finances and are failing to reduce poverty effectively.

The UN labour agency predicts that the number of people unemployed around the world would rise slightly to 208 million in 2023. This corresponds to a global unemployment rate of 5.8 per cent or 16 million people according to the International Labour Organisation`s (ILO) World Employment and Social Outlook Trends report. Today`s economic slowdown `means that many workers will have to accept lower quality jobs, often at very low pay, sometimes with insufficient hours,` the report adds.

`Real wages we project for 2022 to have declined by 2.2pc in advanced countries and of course, Europe makes up a significant proportion of advanced countries, versus a rise in real wages in developing countries,` says Richard Samans, Director of ILO`s Research Department. The report also predicts a setback to the informal economy, which will adversely affect efforts to help the world`s two billion informal workers join the formal employment sector.



As prices rise faster than wages, the cost-of-living crisis risks pushing more people into poverty, the report adds, pointing out that the trend follows significant declines in income during the Covid19 crisis, which affected low-income groups most, in many countries. Some 214m workers live in extreme poverty today, `in other words with \$1.90 a day. (*Dawn, January 17<sup>th</sup>, 2023 Page 9*)

*Davos 2023: Recession casts long shadow over opening of WEF summit* [Back]

The prospect of imminent global recession cast a long shadow over Davos as participants gathering for the opening of the World Economic Forum's annual meeting counted the likely cost for their economies and businesses. Two-thirds of private and public sector chief economists surveyed by the WEF expect a global recession this year, with some 18% considering it "extremely likely" more than twice as many as in the previous survey conducted in September 2022. "The current high inflation, low growth, high debt and high fragmentation environment reduces incentives for the investments needed to get back to growth and raise living standards for the world's most vulnerable," WEF Managing Director Saadia Zahidi said in a statement accompanying the survey results. The World Bank last week slashed its 2023 growth forecasts to levels close to recession for many countries as the impact of central bank rate hikes intensifies, Russia's war in Ukraine continues, and the world's major economic engines sputter. (*Business Recorder, January 17<sup>th</sup>, 2023 Page 1*)

*ECB union says staff losing faith in leadership over inflation, pay* [Back]

European Central Bank staff are losing confidence in the institution's leadership following the ECB's failure to control inflation and a pay award that lagged the leap in prices, according to a survey by trade union IPSO. The responses underline that even central banks, whose primary responsibility is fighting inflation, are not immune to staff dissatisfaction with the sharply rising cost of living. The survey was organised in the context of a dispute between IPSO, which holds six out of nine seats on the ECB's staff committee, and the central bank's board over pay and remote-working arrangements. (*Business Recorder, January 19<sup>th</sup>, 2023 Page 6*)

*Global economic growth projected to slow down to 1.9pc this year: UN report* [Back]

A new United Nations report warns that the global economic growth is projected to slow down to only 1.9 per cent in 2023, sharply lower than the 3pc in 2022. However, the report says, the global growth is forecast to moderately pick up to 2.7pc in 2024. This will be one of the lowest growth rates in recent decades, apart from the 2007-8 financial crisis and the height of the Covid-19 pandemic, said the World Economic Situation and Prospects 2023 report. The outlook for South Asia has deteriorated and is subject to multiple downside risks amid global monetary tightening, fiscal vulnerabilities, rising inflation and extreme weather vents. The regional GDP growth is expected to slow to 4.8pc in 2023 from an estimated 5.6pc expansion in 2022. In Pakistan, the economy is expected to expand by only 2.5pc in 2023 as devastating floods caused significant

damages, particularly for agriculture, with spillover effects on related industrial and service sectors.

Overall, weaker global demand, tighter monetary policy, additional supply disruptions, further escalation in commodity prices and the emergence of new Covid-19 variants pose significant risks in 2023. The floods in Pakistan caused unemployment, given that 43pc of employed people work in agriculture in the most affected areas. The report says as the United States Federal Reserve raised its policy rate and international investors reduced their exposures to developing markets in 2022, South Asian currencies weakened significantly against the dollar. Existing high levels of sovereign debt and unsustainable debt-servicing burdens prompted several South Asian countries to seek multilateral financial support in the second half of 2022. Consumer price inflation in South Asia, particularly in Pakistan and Sri Lanka, accelerated markedly in 2022, driven by rising global fuel and food prices. (*Dawn, January 27<sup>th</sup>, 2023 Page 12*)

*UN sees South Asian women as most vulnerable to human trafficking* [\[Back\]](#)  
Women continue to comprise the largest share of trafficking victims in South Asia, a new UN report has said. In 2020, however, more men were detected as victims of trafficking in the region compared to previous years, said the report prepared by the UN Office on Drugs and Crime (UNODC). The 'Global Report on Trafficking in Persons 2022' also showed a decline in trafficking, even though crises and pandemics increased the vulnerabilities of communities against trafficking. Globally, the number of victims fell by 11 per cent in 2020 as compared to a year ago. More children from South Asia, Central America and the Caribbean were detected to be driven into forced labour, with more girls than boys. Another sizable global trafficking flow involved victims trafficked out of South Asia to destinations in Western Europe, East Asia and the Pacific with fewer victims to the Middle East and Americas. Trends South Asian nations have detected a stable number of victims of trafficking since 2017. But there were some moderate declines identified by the report. In 2020, 5,523 individuals were contacted by law enforcement authorities in South Asian countries about investigations of trafficking. In the same year, at least 3,787 people were prosecuted for trafficking in persons, and only 167 were convicted. (*Dawn, January 28<sup>th</sup>, 2023 Page 5*)

*Food, fuel and cost crises to hit world hard in 2023: report* [\[Back\]](#)  
The World Economic Forum (WEF), a 52-year-old international non-governmental and lobbying organisation based in Geneva, has forecast that food, fuel, and cost crises are exacerbating societal vulnerabilities as declining investments in human development are eroding future resilience. The WEF predicted in the 18th Edition of its Global Risks Report 2023 that the cost of living will dominate global risks in the next two years, while climate action failure will continue to haunt the planet's residents for the next decade. High and unaffordable costs of living have been ranked as the most severe global risk over the next two years, peaking in the short term.

The risk categories considered in this report are economic, environmental, geopolitical, societal and technological. According to this document, the top risks for 2023 with the greatest potential impact on a global scale include an energy supply crisis, a cost-of-living crisis, rising inflation, a food supply crisis and cyber-attacks on critical infrastructure. Similarly, weaponisation of economic policy, weakening of human rights, a debt crisis, and failure of non-food supply chains are other major areas of concern for humanity this year, according to the World Economic Forum. Following are some more projections from this report: As one economic era ends, the next will bring more risks of stagnation, divergence, and distress. The recent uptick in military expenditure and proliferation of new technologies among a wider range of actors could drive a global arms race in emerging technologies.

The report notes: “Nature loss and climate change are intrinsically interlinked—a failure in one sphere will cascade into the other. Without significant policy change or investment, the interplay between climate change impacts, biodiversity loss, food security, and natural resource consumption will accelerate ecosystem collapse, threaten food supplies and livelihoods in climate-vulnerable economies, amplify the impacts of natural disasters, and limit further progress on climate mitigation.”

The World Economic Forum Global Risks Report 2023 has a further forecast: “Economic pressures will also erode gains made by middle-income households, spurring discontent, political polarisation, and calls for enhanced social protections in countries across the world. (*The News, January 29, 2023 Page 12*)

*Sri Lanka economy could shrink by -3.5pc to -4pc in 2023*

[Back]

Sri Lanka's economy could contract by -3.5 or -4.0 percent in 2023 after shrinking -11 percent last year, President Ranil Wickremesinghe said. "From 2024, we will take this economy to positive growth. We are creating a strong country that does not bow down to anyone and is debt-free," he said.

The island nation of 22 million people has struggled with challenges during the past year ranging from a shortage of foreign currency to runaway inflation and a steep recession - the worst such crisis since independence from Britain in 1948. The government signed a preliminary agreement with the International Monetary Fund (IMF) in September for a \$2.9 billion program but has to put its debt on a sustainable path before disbursements can begin.

Sri Lanka expects to get China's backing for its debt restructuring plan within days to help unlock a \$2.9 billion loan from the International Monetary Fund, a government official said, as India pledged further support to its crisis-stricken southern neighbour. Sri Lanka owes about \$1 billion to India that will come under the purview of the debt restructuring deal. New Delhi has provided the island nation another \$4 billion in rapid

assistance since early last year. Sri Lanka owed Chinese lenders \$7.4 billion, or nearly a fifth of its public external debt, by the end of last year, calculations by the China Africa Research Initiative show. (*The News, January 29, 2023 Page 17*)

## 11.1 # Inflation

### *World food prices hit record high in 2022*

[Back]

A surge in the cost of most food commodities last year, as the disruption caused by Russia's invasion of Ukraine raised concerns of shortages, sent the UN food agency's average price index to the highest level on record. The Food and Agriculture Organization's (FAO) food price index, which tracks international prices of the most globally traded food commodities, averaged 143.7 points in 2022, up 14.3% from 2021, and the highest since records started in 1990, the agency said. The index had already gained 28% in 2021 from the previous year as the world economy recovered from the impact of the pandemic. Food prices surged after Russia's invasion of Ukraine in February last year on fears of disruptions to Black Sea trade. They have pared some of their gains since, in part because of a UN-backed grain export channel from Ukraine and the prospect of improved supplies in producing countries.

The decline in the index in December was driven by a drop in the international price of vegetable oils, together with some declines in cereal and meat prices, but mitigated by slight increases in those of sugar and dairy, the FAO said. Still over the whole of 2022, four of the FAO's five food sub-indexes - cereals, meat, dairy and vegetable oils - had reached record highs, while the fifth one, sugar, was at a 10-year high. The FAO Cereal Price Index index rose 17.9% in 2022 due to factors including significant market disruptions, higher energy and input costs, adverse weather and continued strong global food demand, the FAO said. (*Business Recorder, January 7<sup>th</sup>, 2023 Page 1*)

### *Food inflation highest in South Asia after Sri Lanka: WB*

[Back]

The consumer price inflation for food items in Pakistan was 35.5 per cent in December on year-on-year basis – the highest in South Asia after Sri Lanka with 64.4 per cent, says the World Bank. The Bank in its latest, "Food Security Update", stated that the high incidence of climatological shocks, depletion of foreign currency reserves, and depreciation of local currencies keep food inflation high and make healthy food less affordable in South Asia. The report noted that in December 2022, year-on-year consumer price inflation for food prices was 7.9 per cent in Bangladesh, 7.4 per cent in Nepal, 35.5 per cent in Pakistan, and 64.4 per cent in Sri Lanka. Last summer, floods caused by higher-than-normal monsoon rains in some parts of South Asia, and less-than-normal rainfall in other parts widely disrupted food production. In Pakistan, floods killed more than 11 million heads of livestock and destroyed more than 9.4 million acres of cropland between June and August 2022 in the most food-insecure provinces of Balochistan and Sindh. According to the WFP, 6 million people (30 per cent of the

population analyzed) experienced acute food insecurity (IPC Phase 3+), and this was projected to increase to 8.5 million between September and December 2022. In Afghanistan, lack of access to basic services and food insecurity are resulting in increased cross-border population movements. The situation requires continued focus on preparedness and response activities in neighbouring countries, especially Iran and Pakistan, it added. (*Business Recorder, January 19<sup>th</sup>, 2023 Page 1*)

## 11.2 # Unemployment

*World's highest unemployment ails Arab region*

[Back]

The Arab region registered the world's highest unemployment rate in 2022, about 12 per cent, says a UN survey released this weekend. The Survey of Economic and Social Developments in the Arab Region, however, projects post-Covid-19 economic recovery efforts to prompt a very slight decrease next year to 11.7pc. Following an estimated 5.2pc growth in 2022, the Arab region is expected to grow by 4.5pc in 2023 and 3.4pc in 2024. This outlook, however, faces many risks and uncertainties, including fears of a new Covid-19 wave, a protracted war in Ukraine and expanding sanctions on the Russian Federation. Other risk factors include an economic collapse in some Arab countries suffering from dire socio-economic conditions, and persistence of conflict and political instability. The survey warns that poverty levels in the Arab world are expected to rise over the next two years, reaching 36pc of the population in 2024. The UN Economic and Social Commission for Western Asia (ESCWA), which conducted the survey, notes that poverty measured against national lines also surged, affecting 130 million people in Arab countries. (*Dawn, January 1<sup>st</sup>, 2023 Page 11*)

*Amazon CEO says job cuts to exceed 18,000 roles*

[Back]

AMAZON.com Inc's layoffs will now increase to more than 18,000 roles as part of a workforce reduction it previously disclosed, Chief Executive Andy Jassy said. The layoff decisions, which Amazon will communicate starting Jan. 18, will largely impact the company's e-commerce and human resources organizations, he said. The cuts amount to 6% of Amazon's roughly 300,000-person corporate workforce and represent a swift turn for a retailer that recently doubled its base pay ceiling to compete more aggressively for talent. The company began letting staff go in November from its devices division, with a source telling Reuters at the time it was targeting around 10,000 cuts. Salesforce Inc said Wednesday it planned to eliminate about 10% of staff, which numbered nearly 8,000 as of Oct. 31. Its layoffs now surpass the 11,000 cuts announced last year by Facebook parent Meta Platforms Inc. Jassy's note followed a report in the Wall Street Journal that the reduction would be more than 17,000 jobs. He said Amazon chose to disclose the news before informing affected staff because of a leak. (*Dawn, January 6<sup>th</sup>, 2023 Page 10*)



### *Microsoft to lay off 10,000 employees*

[Back]

Microsoft Corp said it would cut 10,000 jobs by the end of the third quarter of Fiscal 2023, the latest sign that layoffs were accelerating in the US technology sector as companies brace for an economic downturn. The layoffs and costs related to hardware-portfolio and other changes will result in a charge of \$1.2 billion in the second quarter of fiscal 2023, representing a negative impact of 12 cents on per share profit, Microsoft said. Microsoft said in July last year that a small number of roles had been eliminated, while news site Axios in October reported that the company had laid off almost 1,000 employees across several divisions. (*Dawn, January 19<sup>th</sup>, 2023 Page 10*)

### *Google to lay off 12,000 workers*

[Back]

Google's parent Alphabet Inc has decided to cut about 12,000 jobs, or six per cent of its workforce, the company said on Friday, as the technology sector reels from layoffs and companies stake their futures on artificial intelligence (AI). Alphabet's shares were up nearly four per cent in morning trade. The cuts come at a delicate moment for the tech giant, which has long been the leader in key areas of AI research. (*Dawn, January 21<sup>st</sup>, 2023 Page 10*)

### *Banks prepare for deepest job cuts since the financial crisis*

[Back]

Banks are gearing up for the biggest round of job cuts since the global financial crisis, as executives come under pressure to slash costs following a collapse in investment banking revenues. The lay-offs — which are expected to be in the tens of thousands across the sector — reverse the mass hirings banks made over the past few years and the reluctance to fire staff during the Covid-19 pandemic. “The job cuts that are coming are going to be super brutal,” said Lee Thacker, owner of financial services headhunting firm Silvermine Partners. “It’s a reset because they over-hired over the past two to three years.” Banks including Credit Suisse, Goldman Sachs, Morgan Stanley and Bank of New York Mellon have begun to cut more than 15,000 jobs in recent months, and industry watchers expect others to follow suit, emboldened by the headline-grabbing plans already announced.

Morgan Stanley laid off 1,800 staff in December, just over 2 per cent of its workforce. Despite having a strong wealth management business, the lender's investment bank suffered along with its fierce rival Goldman Sachs from a near halving of M&A revenues last year. Bank of New York Mellon, the world's biggest custody bank, plans to cut just under 3 per cent of its workforce — around 1,500 staff — in the first half of the year.

By far the biggest cuts announced so far are by Credit Suisse, which is in the middle of a radical strategic revamp aimed at solidifying the scandal-plagued Swiss bank. Last October, the bank said it would be cleaving 9,000 roles from its 52,000 workforce over the next three weeks. While 2,700 of the cuts were planned last year, the bank has



already begun redundancy consultations over 10 per cent of investment banking roles in Europe, the Financial Times reported last week. The size of the restructuring at Credit Suisse is greater than the bank went through during the financial crisis, when it was forced to lay off more than 7,000 staff in 2008 but avoided a state bailout.

Meanwhile, the collapse of Lehman Brothers and Bear Stearns led to tens of thousands of bankers out of work. In total, more than 150,000 bankers lost their jobs during the financial crisis. And just like 15 years ago, the prospect of quickly finding re-employment for those now out of work is bleak, according to recruiters. (*The News, January 22, 2023 Page 17*)

*IBM cuts 3,900 jobs, misses annual cash target*

[Back]

IBM Corp announced 3,900 layoffs as part of some asset divestments and missed its annual cash target, dampening cheer around beating revenue expectations in the fourth quarter. Chief Financial Officer James Kavanaugh told Reuters that the company was still “committed to hiring for client-facing research and development”. The layoffs - related to the spinoff of its Kyndryl business and a part of AI unit Watson Health - will cause a \$300 million charge in the January-March period, IBM said. Shares of the company fell 2% in extended trading, erasing earlier gains on the largely upbeat results. Analysts said news of the job cuts and free cash flow miss was behind the drop. “It seems as if the market is disappointed by the size of its announced job cuts, which only amounted to 1.5% of its workforce,” said Jesse Cohen, senior analyst at Investing.com. (*Business Recorder, January 27, 2023 page 12*)

## 12 # NATURAL DISASTERS

*Asia-Pacific is world's most disaster-prone region, says UN*

[Back]

The year 2022 was yet another reminder that Asia Pacific is the world's most disaster prone region, and the floods were the deadliest, accounting for 74.4 per cent of disaster events in the region and 88.4 per cent of total deaths globally, a United Nations report said. The United Nations Economic and Social Commission for Asia and the Pacific (UN-ESCAP) says the year 2022 also witnessed cascading disasters where a chain of hazard events took place followed by the initial and residual impacts. Pakistan witnessed melting glaciers from the record spring heat and this combined with an unprecedented monsoon rain resulted in a historic flooding that devastated a large part of the country.

The report, `2022: A year when disasters compounded and cascaded` went on to say that `it was a unique example of cascading disasters where a heat wave triggered the melting of glaciers and the event converged with a large scale monsoon resulting in drawn out flooding and attendant water-borne diseases`. Further, Pakistan faced a

cascading crisis in the wake of rising food and fuel prices and significant economic challenges persisting from even prior to the recent floods, the report says. The UN-ESCAP says the major disasters of 2022 fell across the development spectrum, from floods in Afghanistan, Australia, Bangladesh, India, Pakistan and Thailand, drought in China, Kiribati and Tuvalu, typhoons Megi and Nalgae in the Philippines, heatwaves in India, Japan and Pakistan to earthquakes in Afghanistan, Fiji and Indonesia.

The tropical Pacific has been in a La Nina State throughout the year and the period from August to October 2022 marked the first `triple-dip` La Niña event of the 21st century. This, coupled with a warmer planet, created a series of extreme weather events world-wide. The 2022 Pakistan flood which affected 33m people and caused 1,739 deaths was a notable example. In 2022, India and Pakistan recorded their warmest ever March and April. The pre-monsoon period in South Asia is usually marked with excessively high temperatures, especially in May, but scientists believe that the early heat waves were a consequence of persisting north-south low-pressure patterns which formed over India during winter when La Niña phenomenon occurs in the equatorial Pacific Ocean.

Driven by the hazard characteristics and the underlying diverse socioeconomic vulnerabilities and exposure, the major disasters in 2022 were complex with compounding and cascading impacts. For example, the 2022 earthquakes in Afghanistan and Indonesia were mild with 5.9 and 5.6 magnitudes, but the impacts of both were relatively severe. The fundamental reason was the critical vulnerability of community at risk and direct exposure of economic and social assets near the epicentres of the earthquakes. (*Dawn, January 5<sup>th</sup>, 2023 Page 5*)

### **12.1 # Mudslide**

*600 houses develop cracks after shifting soil*

[Back]

Indian authorities have moved nearly 200 people from their homes in the Himalayan town of Joshimath after hundreds of buildings in the area popular with pilgrims and tourists developed cracks due to shifting soil. For years, experts have warned that large-scale construction work, including hydro power projects, in and around Joshimath could lead to land subsidence the sinking or settling of the ground surface. In recent weeks, cracks have been reported in more than 600 houses in Joshimath. The evacuation process is under way and a team of scientists from different institutes have been trying to know the cause and how to contain the situation. A flash flood in February 2021 in Chamoli district killed over 200 people and swept away two hydroelectric projects, alarming some scientists studying climate change and how it is affecting the world's highest mountains. (*Dawn, January 8<sup>th</sup>, 2023 Page 11*)

*Harry and Meghan`s US town evacuated over mudslide fears*

[Back]

The star-studded California town that is home to Britain`s Prince Harry and wife Meghan Markle was ordered evacuated, with firefighters warning mudslides could engulf luxury homes. Emergency authorities in the town 90 minutes from Los Angeles said anyone in the area should get out. `LEAVE NOW! This is a rapidly evolving situation. Please pay close attention to emergency alerts,` a fire department website said. (*Dawn, January 11<sup>th</sup>, 2023 page 10*)

## 12.2 # Tornado

*Eight killed after tornadoes rip through US southeast*

[Back]

Rescue teams were searching for missing people in central Alabama after thunderstorms and tornadoes claimed eight lives, damaged dozens of homes and knocked down trees. Seven of the eight deaths were from the south-eastern US state`s Autauga county. Buster Barber, the county`s coroner, said the number of casualties would rise. The tornado caused widespread damage, ripping off rooftops and hurling other debris. According to the US weather service, five tornadoes touched down in the central Alabama region. Alabama governor Kay Ivey declared a state of emergency for six counties hit hard by the storm. (*Dawn, January 14<sup>th</sup>, 2023 Page 10*)

## 12.3 # Earth Quake

*Magnitude 5.8 earthquake hits Afghanistan*

[Back]

Parts of the country (Pakistan) were jolted by earthquake of 5.8 magnitude. No loss of life or property was reported. The epicentre of the earthquake was Afghanistan`s Hindu Kush region. It shook not only parts of Pakistan but its neighbouring countries India and Afghanistan as well. (*Business Recorder, January 6, 2023 Page 12*)

*Earthquake injures over 70 in Iran*

[Back]

Over 70 people were injured when a 5.8 magnitude earthquake jolted north-western Iran near the border with Turkiye. The quake struck near the city of Khoy, in West Azerbaijan province, at a shallow depth of 10 kilometres, the US Geological Survey (USGS) said. The seismological centre of Tehran University said the earthquake was of 5.4 magnitude and 12 kilometres deep. At least `70 people were injured` trying to escape to safety and more than 300 houses in 15 villages were damaged, state television said, citing officials from the area. Iran`s deadliest recorded quake was a 7.4-magnitude tremor in 1990 that killed 40,000 people in the country`s north, injured 300,000 and left half a million homeless. (*Dawn, January 19<sup>th</sup>, 2023 Page 10*)

*Three dead, over 800 injured as quake hits northwestern Iran*

[Back]

Earthquakes hit parts of Pakistan and neighbouring Iran and Afghanistan, claiming at least three lives and leaving hundreds injured all casualties reported from Iran`s West Azerbaijan province. Earlier, a 5.9-magnitude quake jolted northwestern Iran, killing at

least three people and injuring more than 800 in the region near the border with Turkiye. The shallow quake hit the Iranian city of Khoy with a population of around 200,000, in West Azerbaijan province, said the Seismological Center of the University of Tehran. This incident has left 816 injured and three dead.

On January 18, a previous, 5.8-magnitude quake near Khoy left hundreds injured. In February 2020, a 5.7-magnitude earthquake struck the western Turkey village of Habash-e Olya and killed at least nine people. In 2003, a 6.6-magnitude quake in southeastern Iran levelled the ancient mud-brick city of Bam and killed at least 31,000 people. In November 2017, a 7.3-magnitude quake in Iran`s western province of Kermanshah killed around 620 people. (*Dawn, January 30<sup>th</sup>, 2023 Page 12*)

## 12.4 # Flood

*Floods `devastating` parts of Western Australia: PM* [Back]

Record breaking floods have had a `devastating impact` on isolated towns in the Australian outback, the country`s prime minister said. While the worst of the rain has eased, some towns could be cut off for the next few days. According to authorities, the Kimberley region covers a tract of land three times larger than the United Kingdom but has a population of less than 40,000. Australia has been repeatedly lashed by heavy rain in the past two years, driven by back-to-back La Nina climate cycles. Flash floods swept through parts of eastern Australia in November last year, tearing entire homes from their foundations in some country towns. Tens of thousands of Sydney residents were ordered to evacuate in July when floods swamped the coastal city`s fringe. And an east coast flooding disaster in March caused by storms in Queensland and New South Wales claimed more than 20 lives. Australian researchers have repeatedly warned that climate change is amplifying the risk of natural disasters. (*Dawn, January 8<sup>th</sup>, 2023 Page 10*)

*`Once in a century flood cuts off communities in Australia* [Back]

Military helicopters airlifted hundreds of people from communities cut off by `once in a century` floods in Australia`s northwest, noting water covered some places `as far as the eye could see. People in the Kimberley are experiencing a one-in-100-year flood event, the worst flooding Western Australia has had in its history. In some parts, flood waters stretched for 50 kilometres with inundation `as far as the eye can see`.

The emergency comes after frequent flooding in Australia`s east over the last two years due to a multi-year La Nina weather event. Some eastern regions have endured four major flood crises since last year caused by the La Nina system, which is typically associated with increased rainfall. The town of Fitzroy Crossing, a community of around 1,300 people, has been among the worst hit, with supplies having to be airlifted in due to flooded roads. Across the Kimberley, where around 50pc of residents are Aboriginal, 233 people had so far been evacuated due to flooding, authorities said.

The Fitzroy River hit 15.81 metres (52 feet) at Fitzroy Crossing, breaking its 2002 record of 13.95 metres. State emergency authorities have warned residents in other small communities of rising water in the region, which includes the resort town of Broome, about 1,240 miles (2,000 km) north of Perth. Australian Defence Force (ADF) aircraft were being used to assist flood-hit communities, and Chinook helicopters were en-route to help relocate residents. Five ADF helicopters will start operations in the Kimberley. (*Dawn, January 9<sup>th</sup>, 2023 Page 10*)

*'Disastrous' flood warning in California as another storm hits* [Back]  
Disastrous flooding could hit parts of California, forecasters warned, as the eighth storm in succession barreled in over land already too waterlogged to soak up any more rain. The most populous US state has been pummeled by near-record downpours over a very wet three weeks, which have already caused flooding, landslides and widespread power outages. At least 19 people are known to have died as communities struggle to cope with the constant deluge. Another system moved in, with forecasters warning the Monterey Peninsula could be cut off and the whole city of Salinas. All roads near the Salinas River will be flooded, 90,000 acres or more of agricultural land in the Salinas Valley will have disastrous flooding. (*The News, January 15<sup>th</sup>, 2023 Page 10*)

## **12.5 # Cold Snap**

*Cold snap claims 70 lives in Afghanistan* [Back]  
At least 70 people have died in a wave of freezing temperatures sweeping Afghanistan, as extreme weather compounds a humanitarian crisis in the poverty-stricken nation. Since January 10, the mercury has plunged in Kabul and several other provinces, with the central region of Ghor recording the lowest reading of -33C (-27F). In the countryside, homeless families were seen warding off the cold by huddling around campfires, whilst in the snowy capital domestic coal heaters were fired up by the more fortunate. The ministry of disaster management said 70 people and 70,000 cattle a vital commodity in poorer sectors of Afghan society died over the past eight days. Several central and northern provinces saw roads blocked by heavy snowfall.

This is the second winter since US-led forces withdrew and the Taliban swept into Kabul to replace the Washington-backed regime. Since then, aid has dramatically declined and key national assets have been frozen by the US, leading to one of the worst humanitarian crises in the world. More than half of the country's 38 million people are facing hunger this winter, and nearly four million children are suffering from malnutrition, according to aid agencies. Last month, many NGOs still working in Afghanistan suspended their operations in protest over a Taliban government order banning women from working with humanitarian groups, except in the health sector. (*Dawn, January 19<sup>th</sup>, 2023 Page 12*)



### *Death toll in Afghanistan cold snap rises to 166*

[Back]

At least 166 people have died in a wave of bitterly cold weather sweeping Afghanistan. Aid agencies had warned before the cold snap that more than half of Afghanistan's 38 million people were facing hunger, while nearly four million children were suffering from malnutrition. The deaths were caused by floods, fires and leaks from gas heaters that Afghan families use to heat their homes. Some 100 homes were destroyed or damaged and nearly 80,000 livestock, a vital commodity for Afghanistan's poor, also died in the cold. (*The News, January 29, 2023 Page 12*)

## **12.6 # Rainfall**

### *Three dead, one missing after record rain in New Zealand*

[Back]

Record levels of torrential rain in Auckland left three dead with a fourth person missing in New Zealand, after flooding devastated the country's largest city. (*The News, January 29, 2023 Page 10*)

### *Storm-hit California declares emergency*

[Back]

Excessive rain, heavy snow and landslides are expected to wallop California through a series of winter storms rip across the western US coast. The incoming system is set to deliver yet more rain to already saturated California, where is warning of coastal flash flooding and mudslides in wildfire-scarred terrain. (*Dawn, January 5<sup>th</sup>, 2023 Page 11*)

### *Storm leaves over 330,000 without power in California*

[Back]

Torrential downpours and damaging winds left hundreds of thousands of homes and businesses without power in California. More than 330,000 homes and businesses were reported to be still without power in California. At least six people have died in the severe weather since New Year's weekend. (*Dawn, January 9<sup>th</sup>, 2023 Page 11*)





## 13 # RESISTANCE

### *Several killed in Somaliland protests against govt*

[Back]

Several people have been killed and others injured in anti-government protests in the southeast of the breakaway region of Somaliland. Protests have been held in the town of Las Anod, about 500-km east of the Somaliland capital Hargeisa, following the killing of a politician by gunmen. Saleban Ali Kore, communications minister of Somaliland, the self-proclaimed Horn of Africa republic, offered “condolence” to victims’ families. More than 10 people were killed and about 50 others were wounded. More than 30 people have been admitted to the Las Anod hospital, including women and children, all of them with gunshot wounds. (*The News, January 1<sup>st</sup>, 2023 Page 10*)

### *Extinction Rebellion to halt disruptive protests*

[Back]

The British arm of the Extinction Rebellion environmental group said it would take a break from acts of public disruption in order to bring more people on board its campaign for urgent action to counter climate change. The grassroots group’s protests have previously included closing key roads and bridges in central London, blockading oil refineries, smashing windows at Barclays bank headquarters and spraying fake blood over the finance ministry building. (*Dawn, January 2<sup>nd</sup>, 2023 Page 10*)

### *At least 20 people killed in clashes in Somaliland*

[Back]

At least 20 people have been killed in Somalia’s breakaway region of Somaliland in clashes between anti-government protesters and security forces over several days. For more than a week police and the military have been battling the protesters in a town in Somaliland’s east which is disputed between Somaliland and neighbouring Puntland, one of Somalia’s semi-autonomous regions. Somaliland broke away from Somalia in 1991 but has not gained widespread international recognition for its independence. The region has been mostly peaceful while Somalia has grappled with three decades of civil war. (*Business Recorder, January 2<sup>nd</sup>, 2023 Page 10*)

### *Strike-hit UK faces rail stoppage of 2023*

[Back]

UK rail staff disrupted the New Year return to work in the latest strike action by workers in a range of sectors over the worst cost-of-living crisis in a generation. Workers across the economy are at loggerheads with the government as they demand big pay rises to cope with decades-high inflation, currently running at nearly 11 percent. Five days of strike action beginning were to include two 48-hour strikes by around 40,000 members of the RMT union. (*Business Recorder, January 4<sup>th</sup>, 2023 Page 11*)

### *Climate activists spray-paint entrance to French PM’s office*

[Back]

Two climate activists spray painted the front entrance of the French prime minister’s office in protest at what campaign group Dernière Renovation (Last Renovation) called ‘climate crimes’ committed by the state. France’s highest administrative court last year

ordered the state to pay two 10 million euro (\$10.6 million) fines for failing to improve air quality in major cities. The penalties came on top of another 10 million euro fine for the same reason in 2021. In 2017 the same court ordered the government to cut levels of nitrogen dioxide and fine particles in more than a dozen zones to comply with European standards. (*Dawn, January 5<sup>th</sup>, 2023 Page 10*)

### *Hundreds of Tunisians rally against economic crisis*

[Back]

Hundreds of Tunisians marched after opponents of President Kais Saied called for protests over a worsening economic crisis. “The people want what you don’t want. Down with Saied,” chanted the activists, including supporters of the Islamist-inspired Ennahdha party. Ennahdha had dominated parliament until Saied launched a dramatic power grab on July 25, 2021, sacking the government and freezing parliament before appointing a new cabinet and ruling by decree. “The coup has brought us famine and poverty,” a woman at one protest. (*Business Recorder, January 15<sup>th</sup>, 2023 Page 8*)

### *Indonesian workers protest against president’s decree*

[Back]

Thousands of workers held rallies in Indonesia’s capital Jakarta, urging parliament to reject a presidential decree that critics say would erode employees’ rights and environmental protections. President Joko Widodo issued the emergency decree last month, replacing a controversial jobs law in Southeast Asia’s largest economy, a move some legal experts say violated a court ruling. The Constitutional Court had ruled the 2020 Jobs Creation Law was flawed, saying there had been insufficient public consultation before the law was passed. It ordered lawmakers to complete a renewed process by November. (*The News, January 15<sup>th</sup>, 2023 Page 11*)

### *Thousands of Israelis rally against new Netanyahu government*

[Back]

At least 20,000 people protested in central Tel Aviv against Prime Minister Benjamin Netanyahu’s new hard-right government, which critics say threatens Israeli democracy. Other rallies were held outside the prime minister’s residence in Jerusalem and in the northern city of Haifa. Protesters called for Netanyahu, who is fighting corruption charges in court, to resign. The new government has also announced intentions to pursue a policy of settlement expansion in the occupied West Bank and carry out social reforms that have worried members and supporters of the LGBTQ community. The rally included messages against the Israeli occupation of the Palestinian territories and calls to protect the rights of the LGBTQ community. “There’s no democracy with the occupation,” read one sign. (*The News, January 15<sup>th</sup>, 2023 Page 11*)

### *Greta Thunberg joins anti-coal activists to save German village*

[Back]

Climate activist Greta Thunberg and thousands of demonstrators marched in a large-scale protest in Germany against the demolition of a village to make way for an open-cast coal mine extension. Crowds of activists marched on the hamlet of Luetzerath in

western Germany, waving banners, chanting and accompanied by a band, but there were also some violent clashes with police. (*The News, January 15<sup>th</sup>, 2023 Page 11*)

### *70 cops injured in German coal mine protests*

[Back]

Around 70 police officers were injured in environmental protests on at a German village being razed to make way for a coal mine expansion. In an operation that hundreds of police have been removing activists from the doomed hamlet of Luetzerath, in western Germany. The site, which has become a symbol of resistance to fossil fuels, attracted thousands of protesters, including Swedish climate activist Greta Thunberg. Some of the protesters clashed with police. The organisers reported that dozens had been injured. Criminal proceedings have been launched in around 150 cases, police said, including for resistance against police officers, damage to property and breach of peace. Activists accused the police of using `massive batons, pepper spray... water cannons, dogs and horses`. Organisers said that 35,000 protesters demonstrated. Police put the figure at 15,000. (*Dawn, January 16<sup>th</sup>, 2023 Page 11*)

### *German coal pit expansion rolls on after crackdown against activists*

[Back]

The last two climate activists occupying a western German village to stop it making way for a coal mine extension left their underground hideout, marking the end of the police operation to evict them. Already abandoned by its original residents, Luetzerath has become a symbol for resistance against fossil fuels. Around 300 activists occupied the village, staking out emptied building and building positions in the trees, to try to prevent the expansion of the adjacent Garzweiler open-cast coal mine. Police launched an operation to clear the protest camp, making quicker progress than expected. The end of the operation came despite a huge demonstration held, attended by Swedish climate activist Greta Thunberg. Police estimated that 15,000 people participated in the rally, but organisers put the turn out closer to 35,000. Protest planners accused authorities of `violence` after clashes between police and participants, which resulted in injuries on both sides. Energy giant RWE has permission for the expansion of the mine under a compromise agreement signed with the government, led by Social Democrat Chancellor Olaf Scholz. Under the deal agreed in October, Luetzerath will be demolished, while five neighbouring villages are spared. At the same time, RWE also agreed to stop producing electricity with coal in western Germany by 2030 eight years earlier than previously planned. (*Dawn, January 17<sup>th</sup>, 2023 Page 10*)

### *Climate activists target big oil firms in Davos protests*

[Back]

Big oil firms came under pressure at the start of the World Economic Forum (WEF) from activists who accused them of hijacking the climate debate, while a Greta Thunberg sponsored `cease and desist` campaign gained support on social media. Major energy firms including BP, Chevron and Saudi Aramco are among the 1,500 business leaders gathering for the annual meeting in the Swiss resort of Davos, where global threats, including climate change, are on the agenda. The oil and gas industry has said

that it needs to be part of the energy transition as fossil fuels will continue to play a major role in the world's energy mix as countries shift to low carbon economies. A social media campaign added to the pressure on oil and gas companies, by promoting a 'cease and desist' notice sponsored by climate activists Thunberg, Vanessa Nakate and Luisa Neubauer, through the non-profit website Avaaz. It demands energy company CEOs 'immediately stop opening any new oil, gas, or coal extraction sites, and stop blocking the clean energy transition we all so urgently need', and threatens legal action and more protests if they fail to comply. The campaign, which had been signed by more than 660,000 people, had almost 200,000 shares. (*Dawn, January 17<sup>th</sup>, 2023 Page 12*)

### *Nurses in England take to streets again over pay*

[Back]

Nurses across England began two days of strikes over pay, threatening fresh disruption for patients in the creaking state-run health service, as new figures showed inflation still surging. The walkout comes after nurses held their union's first stoppage in more than a century last month, joining a wave of industrial action by UK public sector workers hit by a cost-of-living crisis driven by spiraling prices. The latest annual inflation statistics showed they remained close to record highs, with rates easing slightly in December to 10.5 per cent, compared with 10.7pc the previous month. The main nursing union accuses the government of failing to negotiate seriously on improving their pay deal for the current year, which they say is crucial given the economic situation. 'Unaffordable' Further strikes are planned for February 6 and 7 by the Royal College of Nursing (RCN) union, which has said they will 'be at the highest intensity' in its history. (*Dawn, January 19<sup>th</sup>, 2023 Page 12*)

### *France gripped by strikes over Macron's pension reform plan*

[Back]

Strikes crippled much of France's public transport as protesters came out in force against a deeply unpopular pensions overhaul, with schools and media also heavily affected. Presented by President Emmanuel Macron's government last week, it would raise the retirement age for most from 62 among the lowest in the EU to 64. It would also increase the years of contributions required for a full pension. France's trade unions called for a mass mobilisation, the first time they have united since 12 years ago, when the retirement age was hiked from 60 to 62. The unions are hoping for over a million demonstrators in more than 200 cities across France. But French media have reported that police had prepared for 550,000 to 750,000 protesters, including 50,000 to 80,000 in the capital. Macron was not in France. Many parents were looking after their children as some 40 per cent of primary school teachers and more than 30 percent in the secondary system walked out, according to official estimates. Unions put strike participation much higher, at 70 and 65pc respectively. Strikers at state-owned energy provider EDF said they had lowered electricity output by 7,000 megawatts, while grid operator RTE put the figure at 5,000 MW enough to power two cities the size of Paris. (*Dawn, January 20<sup>th</sup>, 2023 Page 10*)

*Thunberg accuses Davos elite of `fueling planet`s destruction`*

[Back]

Swedish climate activist Greta Thunberg slammed business and political leaders attending the World Economic Forum in Davos, saying it was `absurd` to listen to them while they fueled `the destruction of the planet`. Two days after police briefly detained her at a protest against a coal mine in Germany, Thunberg and other young campaigners took part in a debate on the sidelines of the summit of global investors, CEOs and political leaders in the Swiss Alps. More than 900,000 people had signed the petition. (*Dawn, January 20<sup>th</sup>, 2023 Page 10*)

*Right leads mass protest against Spanish govt in Madrid*

[Back]

Thousands of people protested in Madrid against Prime Minister Pedro Sanchez`s leftist government in a rally held in a key election year in Spain that was backed by far-right party Vox. Participants waved red and yellow Spanish flags and called on Sanchez to resign. Some held up signs with a photo of the Socialist premier calling him a `traitor`. Around 30,000 people gathered in Madrid`s Cibeles Square for the rally, according to the central government`s delegation in the Spanish capital. Organisers said some 700,000 people had taken part. (*Dawn, January 22, 2023 Page 10*)

*Anti-monarchists plan protests at coronation of King Charles*

[Back]

British antimonarchists said that they planned to protest during the coronation of King Charles in May, saying the ceremony was `a slap in the face` for most people struggling with high inflation. Campaign group Republic said it had been in contact with London`s police force about its plans to hold a peaceful demonstration in Parliament Square, which is overlooked by Westminster Abbey where British monarchs are crowned. (*Dawn, January 23<sup>rd</sup>, 2023 Page 10*)

*UK ambulance workers on strike again as unions call for talks*

[Back]

Thousands of ambulance workers held another strike across England and Wales in escalating industrial action as unions called the government to hold talks on improving pay and conditions. Ambulance workers began strike action on December 21 last year and further dates are planned for February. Nurses have also launched unprecedented strike action, reflecting widespread discontent in the state-funded National Health Service whose staff are struggling with soaring living costs. Monday`s industrial action comes ahead of mass simultaneous strikes planned for February 6 by unions representing both nurses and ambulance staff. Strike involves members of three unions Unison, Unite and GMB in England and Wales. Unison said up to 15,000 ambulance staff in England would be striking along with 5,000 members at hospitals in Liverpool in northwest England. Unite said more than 2,600 of its ambulance worker members were striking in England and Wales. (*Dawn, January 24<sup>th</sup>, 2023 Page 10*)



*Saudi given death sentence over NEOM protest 'was tortured'*

[Back]

Shadli Al Howeiti was force-fed in prison after a hunger strike, months before he was handed the death penalty for resisting his tribe's displacement to make way for Neom megaproject, a futuristic city being developed near Jeddah as part of Crown Prince Mohammed Bin Salman's plans to modernise Saudi Arabia. Algst, a UK-based rights group, has reported that Shadli was tortured in prison. Shadli was arrested in 2020 for opposing the forcible eviction of the Howeirat tribe. This May, according to Algst, he went on hunger strike to protest his ill-treatment in prison, including being placed in solitary confinement. After two weeks, authorities at the Dhahban prison in Jeddah the same facility where women's rights activists say they were sexually harassed and tortured in 2018 inserted a tube into his stomach to force-feed him, a form of torture, Algst said. Saudi Arabia's specialized criminal court handed death sentences on October to Sahadli al Howeiti and two of his relatives, Ibrahim al Howeiti and Ataulah al Howeiti who were also arrested in 2020 over their resistance to eviction. (*Dawn, January 26, 2023 Page 11*)

*Amazon faces first strike by UK workers*

[Back]

Online retail giant Amazon was facing its first strike by UK workers, who are protesting over a pay rise 'deemed unacceptable in a cost of living crisis. A few hundred workers at a warehouse in Coventry, central England, have walked out over a pay increase worth five percent, less than half the current UK inflation rate. It 'comes as tens of thousands of UK workers, including 'nurses, teachers and railway staff, are striking to try and secure pay increases that keep pace with sky-high inflation. (*Business Recorder, January 26, 2023 Page 22*)

*Thousands take part in Australia's 'invasion day' protests*

[Back]

Thousands of Australians marked the country's national day celebrations with rallies in support of Indigenous people, many of whom describe the anniversary of the day a British fleet sailed into Sydney Harbour as 'Invasion Day'. In Sydney, social media showed a large crowd gathered at an 'Invasion Day' rally in the central business district, where some people carried Aboriginal flags and an Indigenous smoking ceremony took place. Similar protests took place in other Australian state capitals, including in Adelaide where around 2,000 people attended, according to the Australian Broadcasting Corporation. Speaking at a flag-raising and citizenship ceremony in Australia's capital, Prime Minister Anthony Albanese honoured the nation's Indigenous people, who have occupied the land for at least 65,000 years. (*Dawn, January 27<sup>th</sup>, 2023 Page 10*)

*News Makers: A worker throws a tyre on tyres set on fire*

[Back]

A worker throws a tyre on tyres set on fire as striking French energy workers gather with Dockers to protest the government's pension reform plan. The banner reads "64 years old: No!" (*Dawn, January 27<sup>th</sup>, 2023 Page 10*)



*News Makers: Employees of the Central Bank of Sri Lanka*

[Back]

Employees of the Central Bank of Sri Lanka, take part in an anti-government demonstration to propose tax reforms against country's economic crisis. (*Dawn, January 27<sup>th</sup>, 2023 Page 10*)

*Climate activists block main road into The Hague*

[Back]

Hundreds of climate activists blocked one of the main roads into The Hague defying attempts to prevent their protest that have sparked concerns about restrictions on the right to demonstrate in the Netherlands. The protesters, many waving colored flags with the symbol of environmental group Extinction Rebellion and one holding a sign saying, in Dutch, "This is a dead end road," gathered near the temporary home of the Dutch parliament. Police and hundreds more demonstrators looked on. Protesters who ignored police orders to leave the road were picked up and carried away one by one to waiting buses and driven away. (*The News, January 29, 2023 Page 11*)

*Environmentalists protest airport project near Albanian bird sanctuary*

[Back]

Environmentalists protested at the building site of a new airport in Albania's south meant to boost tourism but which they say will endanger sanctuaries for some 200 bird species including flamingos and pelicans. (*Dawn, January 30<sup>th</sup>, 2023 Page 10*)

## About Us

Roots for Equity was formed in 1997 and formally registered in 2000. The organization works with the most vulnerable, marginalized communities that include small and landless farmers, women and religious minorities in the rural and urban sector. The inequities in society are a result of the oppression and exploitative forces of feudalism, imperialist corporate hegemony often termed as globalization, and patriarchy.

We believe that a democratic base is essential for the social and economic development of the country. This is not possible without mobilization of communities themselves; no doubt only socially conscious and politically active communities can demand and achieve social justice. Roots remains committed to being an active part of communities' struggle to achieve political, social, environmental and economic justice.

## Our Mission

Our mission is to strengthen communities and movements for attaining political, economic, social and environmental justice.

## Our Vision

Our vision is a genuinely democratic society with its people free from inequities, marginalization and exploitation.

## Our Objectives

- (i) Organizing and mobilizing grass root communities and movements for attaining basic rights;
- (ii) Action research in collaboration with impacted vulnerable communities on issues and impacts of globalization, patriarchy, and feudalism;
- (iii) Capacity building of grass root leaders and creating a grass roots knowledge base for attaining social justice;
- (iv) Engaging with people's organizations and movements to amplify the voices of the most marginalized sectors of our society, locally, nationally and internationally.

## Roots for Equity

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